



**Semi-Annual Report
of the Asseco South Eastern Europe Group
for the period of 6 months ended
30 June 2010**

Rzeszów, 25 August 2010



**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
OF THE ASSECO SOUTH EASTERN EUROPE GROUP
FOR THE PERIOD OF 6 MONTHS ENDED
30 JUNE 2010
INCLUDING THE REPORT OF
INDEPENDENT CERTIFIED AUDITORS**

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FOR THE PERIOD OF 6 MONTHS ENDED 30 JUNE 2010**

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**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
OF THE ASSECO SOUTH EASTERN EUROPE GROUP
INCLUDING THE REPORT OF INDEPENDENT CERTIFIED AUDITORS
FOR THE PERIOD OF 6 MONTHS ENDED 30 JUNE 2010**

These interim condensed consolidated financial statements were authorized for publication by the Management Board of Asseco South Eastern Europe SA on 25 August 2010.

Management Board of Asseco South Eastern Europe SA:

Piotr Jeleński	President of the Management Board
Rafał Kozłowski	Vice President of the Management Board
Calin Barseti	Member of the Management Board
Miljan Mališ	Member of the Management Board
Miodrag Mirčetić	Member of the Management Board
Dražen Pehar	Member of the Management Board

Person responsible for maintaining the accounting books:

Lucyna Pieniążek

**FINANCIAL HIGHLIGHTS
OF THE ASSECO SOUTH EASTERN EUROPE GROUP**

	6 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2009 (unaudited)
	PLN'000	PLN'000	EUR'000	EUR'000
I. Sales revenues	192,627	224,661	48,106	49,721
II. Operating profit	21,489	31,586	5,367	6,991
III. Pre-tax profit	21,042	31,960	5,255	7,073
IV. Net profit for the period reported	17,847	27,865	4,457	6,167
V. Net profit attributable to Shareholders of the Parent Company	17,984	20,187	4,491	4,468
VI. Net cash provided by (used in) operating activities	14,776	14,272	3,690	3,159
VII. Net cash provided by (used in) investing activities	(1,697)	(8,163)	(424)	(1,807)
VIII. Net cash provided by (used in) financing activities	(5,845)	(9,702)	(1,460)	(2,147)
IX. Cash and cash equivalents at the end of period	110,848	39,258	26,737	8,783
X. Basic earnings per ordinary share attributable to Shareholders of the Parent Company	0.36	0.69	0.09	0.15
XI. Diluted earnings per ordinary share attributable to Shareholders of the Parent Company	0.36	0.69	0.09	0.15

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 2010 to 30 June 2010: EUR 1 = PLN 4.0042
 - for the period from 1 January 2009 to 30 June 2009: EUR 1 = PLN 4.5184
- 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 June 2010: EUR 1 = PLN 4.1458
 - exchange rate effective on 30 June 2009: EUR 1 = PLN 4.4696

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

	Note	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)	3 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2009 (unaudited)
Sales revenues	<u>1</u>	100,329	192,627	110,032	224,661
Cost of sales (-)	<u>2</u>	(76,198)	(146,954)	(83,581)	(170,473)
Gross profit on sales		24,131	45,673	26,451	54,188
Selling expenses (-)	<u>2</u>	(4,659)	(9,624)	(4,706)	(9,115)
General administrative expenses (-)	<u>2</u>	(8,127)	(15,200)	(7,111)	(13,931)
Net profit on sales		11,345	20,849	14,634	31,142
Other operating income	<u>3</u>	679	979	665	900
Other operating expenses (-)	<u>3</u>	(151)	(339)	(289)	(456)
Operating profit		11,873	21,489	15,010	31,586
Financial income	<u>4</u>	829	1,647	1,804	2,074
Financial expenses (-)	<u>4</u>	(1,028)	(2,094)	(701)	(1,700)
Pre-tax profit		11,674	21,042	16,113	31,960
Corporate income tax (current and deferred portions)	<u>5</u>	(1,939)	(3,195)	(1,936)	(4,095)
Net profit for the period reported		9,735	17,847	14,177	27,865
Attributable to:					
Shareholders of the Parent Company		9,811	17,984	11,743	20,187
Non-controlling interests		(76)	(137)	2,434	7,678

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>6</u>	0.20	0.36	0.36	0.69
Diluted consolidated earnings per share from continuing operations for the period reported	<u>6</u>	0.20	0.36	0.36	0.69

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

	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)	3 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2009 (unaudited)
Net profit for the period reported	9,735	17,847	14,177	27,865
Other comprehensive income:				
Hedges of cash flows	2,206	301	-	-
Foreign currency translation differences on subsidiary companies	18,309	(15,240)	(6,503)	13,428
Financial assets available for sale	-	-	(87)	(87)
Other	(117)	(117)	159	159
Total other comprehensive income	30,133	2,791	7,746	41,365
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD				
Attributable to:				
<i>Shareholders of the Parent Company</i>	30,235	2,954	5,367	33,589
<i>Non-controlling interests</i>	(102)	(163)	2,379	7,776

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

ASSETS	Note	30 June 2010	31 Dec. 2009
		(unaudited)	(audited)
Fixed assets		452,265	467,213
Property, plant and equipment	<u>8</u>	10,737	11,392
Investment property		872	889
Intangible assets	<u>8</u>	7,748	8,699
Goodwill arising from consolidation	<u>9</u>	429,953	443,867
Investments in associated undertakings valued under the equity method		-	33
Financial assets available for sale		45	48
Long-term loans		31	33
Deferred income tax assets		2,524	2,233
Long-term deferred expenses		355	19
Current assets		221,063	213,205
Inventories		13,908	25,197
Deferred expenses	<u>10</u>	3,883	4,018
Trade accounts receivable	<u>11</u>	60,673	53,101
Corporate income tax recoverable	<u>11</u>	900	1,459
Receivables from the State budget	<u>11</u>	6,682	5,358
Receivables relating to valuation of IT contracts		16,453	9,650
Other receivables	<u>11</u>	7,149	8,853
Financial assets available for sale		30	31
Financial assets held to maturity		251	575
Short-term loans		114	228
Restricted cash	<u>12</u>	172	184
Cash and short-term deposits	<u>12</u>	110,848	104,551
Fixed assets classified as held for sale	<u>18</u>	2,473	2,695
TOTAL ASSETS		675,801	683,113

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

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	30 June 2010	31 Dec. 2009
		(unaudited)	(audited)
Shareholders' equity (attributable to Shareholders of the Parent Company)		575,975	578,509
Share capital	<u>13</u>	495,617	480,375
Share premium		37,409	26,790
Subscribed unregistered share capital		-	25,897
Other reserve capitals		(93)	24
Revaluation capital		(768)	(1,069)
Foreign currency translation differences on subsidiary companies		(22,461)	(7,247)
Prior years' retained earnings (deficit) and current net profit		66,271	53,739
Non-controlling interests		41	102
Total shareholders' equity		576,016	578,611
Long-term liabilities		12,327	10,791
Deferred income tax provisions		1,450	33
Long-term provisions	<u>17</u>	90	192
Long-term financial liabilities	<u>14</u>	10,320	10,317
Long-term deferred income		56	24
Other long-term liabilities		411	225
Current liabilities		85,565	91,731
Interest-bearing bank credits, loans and debt securities	<u>15</u>	2,454	3,379
Trade accounts payable	<u>16</u>	31,720	33,666
Corporate income tax payable	<u>16</u>	697	2,205
Liabilities to the State budget	<u>16</u>	6,840	7,125
Financial liabilities	<u>14</u>	7,838	9,209
Liabilities relating to valuation of IT contracts		420	985
Other liabilities	<u>16</u>	13,549	10,936
Short-term provisions	<u>17</u>	5,459	1,892
Deferred income	<u>17</u>	7,824	12,711
Accrued expenses	<u>17</u>	8,764	9,623
Liabilities directly related to fixed assets classified as held for sale	<u>18</u>	1,893	1,980
TOTAL LIABILITIES		99,785	104,502
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		675,801	683,113

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

for 6 months ended 30 June 2010, for 6 months ended 30 June 2009, and for 12 months ended 31 December 2009

	Note	Share capital	Share premium	Subscribed unregistered share capital	Other reserve capitals	Revaluati on 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 shareholder s' equity
As at 1 January 2010		480,375	26,790	25,897	24	(1,069)	(7,247)	53,739	578,509	102	578,611
Total comprehensive income for the period reported		-	-	-	(117)	301	(15,214)	17,984	2,954	(163)	2,791
Recognition of profit attributable to non-controlling interests		-	-	-	-	-	-	-	-	102	102
Issuance of series P shares		15,242	10,655	(25,897)	-	-	-	-	-	-	-
Dividend		-	-	-	-	-	-	(5,452)	(5,452)	-	(5,452)
Other		-	(36)	-	-	-	-	-	(36)	-	(36)
As at 30 June 2010 (unaudited)	13	495,617	37,409	-	(93)	(768)	(22,461)	66,271	575,975	41	576,016

	Share capital	Share premium	Subscribed unregistered share capital	Other reserve capitals	Revaluati on 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 shareholder s' equity
As at 1 January 2009	257,700	-	-	-	7	23,684	15,462	296,853	1,651	298,504
Total comprehensive income for the period reported	-	-	-	-	72	13,330	20,187	33,589	7,776	41,365
Recognition of contingent liabilities to non-controlling interests	-	-	-	-	-	-	-	-	(7,436)	(7,436)
Issuance of series E shares	9,565	-	-	-	-	-	-	9,565	-	9,565
Issuance of series F shares	14,755	-	-	-	-	-	-	14,755	-	14,755
Issuance of series G shares	27,084	-	-	-	-	-	-	27,084	-	27,084
Issuance of series H shares	10,620	-	-	-	-	-	-	10,620	-	10,620
Issuance of series I shares	17,706	-	-	-	-	-	-	17,706	-	17,706
Issuance of series J shares	17,142	-	-	-	-	-	-	17,142	-	17,142
Issuance of series K shares	45,905	-	-	-	-	-	-	45,905	-	45,905
Issuance of series L shares	21,000	8,400	(29,400)	-	-	-	-	-	-	-
As at 30 June 2009 (unaudited)	421,477	8,400	(29,400)	-	79	37,014	35,649	473,219	1,991	475,210

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

for 6 months ended 30 June 2010, for 6 months ended 30 June 2009, and for 12 months ended 31 December 2009

	Note	Share capital	Share premium	Subscribed unregistered share capital	Other reserve capitals	Revaluati on 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 shareholder s' equity
As at 1 January 2009		257,700	-	-	-	7	23,684	15,462	296,853	1,651	298,504
Total comprehensive income for the period reported		-	-	-	-	(1,076)	(30,931)	38,277	6,270	9,295	15,565
Settlement of swap transactions		-	-	-	-	-	-	-	-	(9,000)	(9,000)
Changes in the Group structure		-	-	-	24	-	-	-	24	(1,844)	(1,820)
Issuance of series E shares		9,565	-	-	-	-	-	-	9,565	-	9,565
Issuance of series F shares		14,755	-	-	-	-	-	-	14,755	-	14,755
Issuance of series G shares		27,084	-	-	-	-	-	-	27,084	-	27,084
Issuance of series H shares		10,620	-	-	-	-	-	-	10,620	-	10,620
Issuance of series I shares		17,706	-	-	-	-	-	-	17,706	-	17,706
Issuance of series J shares		17,142	-	-	-	-	-	-	17,142	-	17,142
Issuance of series K shares		45,905	-	-	-	-	-	-	45,905	-	45,905
Issuance of series L shares		21,000	8,400	-	-	-	-	-	29,400	-	29,400
Issuance of series M shares		48,109	11,766	-	-	-	-	-	59,875	-	59,875
Issuance of series N shares		10,789	6,624	-	-	-	-	-	17,413	-	17,413
Issuance of series P shares		-	-	25,897	-	-	-	-	25,897	-	25,897
As at 31 December 2009 (audited)	13	480,375	26,790	25,897	24	(1,069)	(7,247)	53,739	578,509	102	578,611

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

	Note	6 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2009 (unaudited)
Cash flows - operating activities			
Pre-tax profit from continuing operations		21,042	31,960
Total adjustments:		(3,360)	(15,490)
Depreciation and amortization		3,073	2,238
Change in inventories		10,653	17,939
Change in receivables		(21,587)	(21,163)
Change in liabilities		5,893	(6,962)
Change in deferred and accrued expenses		(4,249)	(6,865)
Change in provisions		2,725	(539)
Interest income and expense		(786)	(552)
Gain on foreign exchange differences		908	524
Gain (loss) on investing activities		15	(206)
Other		(5)	96
Net cash generated from operating activities		17,682	16,470
Corporate income tax paid		(2,906)	(2,198)
Net cash provided by (used in) operating activities		14,776	14,272
Cash flows - investing activities			
Disposal of tangible fixed assets and intangible assets		375	140
Acquisition of tangible fixed assets and intangible assets		(2,985)	(4,689)
Acquisition of subsidiary and associated companies		(2,458)	(3,475)
Cash and cash equivalents of acquired subsidiary companies		252	407
Disposal of shares in subsidiary and associated companies		1,551	-
Disposal of financial assets held to maturity		560	1,163
Acquisition of financial assets held to maturity		(245)	(2,212)
Loans granted		(14)	(254)
Loans collected		134	-
Interest received		1,133	757
Net cash provided by (used in) investing activities		(1,697)	(8,163)

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

	Note	6 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2009 (unaudited)
Cash flows - financing activities			
Proceeds from bank credits and loans		-	3,276
Repayment of bank credits and loans		(908)	(217)
Finance lease commitments paid		(212)	(313)
Dividends paid out to non-controlling shareholders		(4,106)	(12,231)
Interest paid		(363)	(217)
Other		(256)	-
Net cash provided by (used in) financing activities		(5,845)	(9,702)
Net increase (decrease) in cash and cash equivalents		7,234	(3,593)
Net foreign exchange differences		(937)	1,736
Cash and cash equivalents as at 1 January		104,551	41,115
Cash and cash equivalents as at 30 June	<u>12</u>	110,848	39,258

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 registered in XII Commercial Department of the National Court Register at the District Court in Rzeszów, under the number 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 June 2010, Asseco Poland SA held a 53.46% stake in the share capital of Asseco South Eastern Europe SA.

These interim condensed consolidated financial statements cover the period of 6 months ended 30 June 2010 and contain comparative data for the period of 6 months ended 30 June 2009 in case of the statement of comprehensive income, statement of changes in equity and statement of cash flows; and comparative data as at 31 December 2009 in case of the balance sheet. The profit and loss account as well as notes to the profit and loss

account cover the period of 3 months ended 30 June 2010 and contain comparative data for the period of 3 months ended 30 June 2009; these data were not subject to a review by certified auditors.

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 ASSECO SOUTH EASTERN EUROPE GROUP

	Country of registration	Voting interest		Equity interest	
		30 June 2010	31 Dec. 2009	30 June 2010	31 Dec. 2009
Asseco South Eastern Europe SA	Poland				
Asseco SEE s.r.l., (Bucharest) 1)	Romania	100%	100%	100%	100%
Asseco SEE d.o.o., Beograd 2)	Serbia	100%	100%	100%	100%
Asseco SEE DOOEL, Skopje 3)	Macedonia	100%	100%	100%	100%
Pexim Solutions o.o.d., Sofia	Bulgaria	51%	51%	51%	51%
Pexim Solutions d.o.o., Banja Luka	Bosnia & Herzegovina	100%	100%	100%	100%
E-Mon d.o.o., Podgorica	Montenegro	50%	50%	50%	50%
eMS d.o.o., Beograd	Serbia	100%	100%	100%	100%
Cardinfo Montenegro d.o.o., Podgorica	Montenegro	100%	100%	100%	100%
SIMT Cardinfo d.o.o. (Ljubljana)	Slovenia	50%	50%	50%	50%
Cardinfo BDS d.o.o. (Sarajevo)	Bosnia & Herzegovina	50%	50%	50%	50%
Multicard d.o.o., Beograd	Serbia	45%	45%	45%	45%
Ibis a.d., Banja Luka	Bosnia & Herzegovina	100%	100%	100%	100%
Enovčanik a.d., Beograd	Serbia	n/a	28%	n/a	28%
Asseco SEE d.o.o. (Zagreb) 4)	Croatia	100%	100%	100%	100%
Asseco SEE Sh.p.k. (Pristina) 5)	Kosovo	100%	100%	100%	100%
Asseco SEE Sh.p.k., Tirana 6)	Albania	100%	100%	100%	100%
Pexim-Tirane Sh.p.k.	Albania	100%	100%	100%	100%
X-Card Sh.p.k. (Pristina)	Kosovo	100%	n/a	100%	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 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).
- 5) On 25 January 2010, the subsidiary Pronet Sh.p.k. was renamed as Asseco SEE Sh.p.k. (Pristina).
- 6) On 8 January 2010, Pronet Albania Sh.p.k. was renamed as Asseco SEE Sh.p.k., Tirana.

Within the Group's organizational structure the following companies are treated as co-subsidiaries: E-Mon d.o.o., Podgorica, SIMT Cardinfo d.o.o. (Ljubljana), and Cardinfo BDS d.o.o. (Sarajevo) and consolidated with proportional method. Whereas, Enovčanik a.d., Beograd used to be an associated company. The remaining companies incorporated within the Group are treated as subsidiaries to which full method of consolidation is applied.

As at 30 June 2010, Asseco Poland SA held 1 (one) share in Asseco SEE s.r.l. (Bucharest).

Both as at 30 June 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.

With regard to the call options embedded in the agreement for acquisition of Multicard d.o.o., Beograd 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., Beograd is treated as a subsidiary and is subject to full consolidation.

CHANGES IN THE GROUP STRUCTURE

During the period of 6 months ended 30 June 2010, the following changes in the Group composition were observed:

▣ Mergers of subsidiary companies under the integration of the Group's organizational structure:

Under the strategy for integration of the organizational structure of the Asseco South Eastern Europe Group, we have completed business combination processes in individual countries where the Group runs its operations.

As at the time of amalgamation, the parent Asseco South Eastern Europe SA was either the sole or majority shareholder in all the merged companies. Due to the nature of the transaction of business combinations under common control, the mergers were accounted for by acquirers as a uniting of interests. In the uniting-of-interests method, the individual items of respective assets, equity and liabilities as well as revenues and expenses of the combined companies are aggregated, using the balances as at the merger date which have been previously adjusted to consistent valuation approach and after elimination of any mutual transactions. All the merger transactions involved the acquisition of assets, rights and obligations of the acquired company by the taking-over company that was each time accompanied by an increase of the share capital of the taking-over company.

Merger of companies in Romania

On 28 September 2009, the Plan of Merger between the companies of Asseco SEE s.r.l. (Bucharest) (the taking-over company, former Net Consulting s.r.l.) and Fiba Software s.r.l. (the acquired company) was approved. According to the Merger Plan, the merger was executed by transferring all the assets, rights and obligations of Fiba Software s.r.l. to Asseco SEE s.r.l. (Bucharest) in exchange for an increase of the share capital of Asseco SEE s.r.l. (Bucharest). In connection with the merger Asseco SEE s.r.l. (Bucharest) issued 308 merger shares with a par value of RON 1,500 each, thereby increasing its share capital by RON 462 thousand, from RON 1,500 thousand to RON 1,962 thousand. Additionally, a share premium of RON 3,776 thousand was recognized. The share exchange ratio was determined taking into account the book value of shares of each company, which was measured on the basis of net assets value. Following the merger, the acquired company of Fiba Software s.r.l. was dissolved without liquidation.

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 of subsidiaries, namely Asseco SEE s.r.l. (Bucharest) and Fiba Software s.r.l., was recognized as at 31 December 2009. The merger was officially registered on 5 January 2010.

As at the merger date of those companies, Asseco South Eastern Europe SA was the sole shareholder in Fiba Software s.r.l. and the majority shareholder in Asseco SEE s.r.l. (Bucharest). At that time, one share in Asseco SEE s.r.l. (Bucharest) was still held by Asseco Poland SA. On 17 February 2010, Asseco South Eastern Europe SA signed an agreement with Asseco Poland SA for acquisition of the above-mentioned one share. The transaction price equalled RON 1,500 and it corresponded to the par value on share.

On 25 February 2010, the General Meeting of Shareholders of Probass S.A. consented to the merger of that company (the acquired company) with Asseco SEE s.r.l. (Bucharest) (the taking-over company). The Plan of Merger between those companies was signed on 18 March 2010. The merger was registered on 1 June 2010. The acquired company of Probass S.A. was dissolved without liquidation. As at the merger date, Asseco South Eastern Europe SA was the sole shareholder in Asseco SEE s.r.l. (Bucharest) and the majority shareholder in Probass S.A. At that time, one share in Probass S.A. was still held by Asseco Poland SA. An agreement for acquisition of the above-mentioned one share was signed on 29 June 2010 and it became effective after the balance sheet date. This transaction has been described in Note 27 to the condensed consolidated financial statements.

Merger of companies in Serbia

On 25 December 2009, shareholders of Asseco SEE d.o.o., Beograd (the taking-over company) passed a resolution on the merger with Pexim Cardinfo d.o.o. (the acquired company) and Antegra d.o.o. (the acquired company). Subsequently, on 28 December 2009, the Management Boards of the three above-mentioned companies signed the Merger Agreement under which Asseco SEE d.o.o., Beograd took over all the assets, rights and obligations of the acquired companies.

On 23 November 2009, the subsidiary Pexim d.o.o. was renamed as Asseco SEE d.o.o. Beograd. The merger of Asseco SEE d.o.o. Beograd with Pexim Cardinfo d.o.o. and Antegra d.o.o. was registered on 4 January 2010.

Merger of companies in Croatia

On 30 November 2009, Asseco SEE d.o.o. (Zagreb) (former Logos d.o.o.) signed a Merger Agreement with Arbor Informatika d.o.o. Under this agreement Arbor Informatika d.o.o. (the acquired company) made a commitment to transfer all of its assets, rights and obligations to Asseco SEE d.o.o. (Zagreb) (the taking-over company). The provisions of the agreement took effect on 1 January 2010. Following the merger, the acquired company was dissolved without liquidation. The merger of Asseco SEE d.o.o. (Zagreb) with Arbor Informatika d.o.o. was registered by the Registry Court in Zagreb on 4 January 2010 and therefore the following resolutions of the General Meeting of Shareholders became effective:

- The share capital of Asseco SEE d.o.o. (Zagreb) was increased by HRK 400 thousand (equivalent of the amount of share capital of the company Arbor Informatika d.o.o. before the merger) up to the total amount of HRK 2,446 thousand;
- The compositions of the Management Board and Supervisory Board of Asseco SEE d.o.o. (Zagreb) were changed.
- The corporate name of Logos d.o.o. was changed to Asseco SEE d.o.o. (Zagreb).

□ Sale of shares in Pexim Tirane Sh.p.k., a subsidiary of Asseco SEE DOOEL, Skopje

On 28 December 2009, the companies of Asseco SEE DOOEL, Skopje (former Pexim DOOEL, Skopje) and Asseco SEE Sh.p.k., Tirana (former Pronet Albania Sh.p.k., a subsidiary of Asseco SEE Sh.p.k. (Pristina)) signed an agreement for sale of shares in Pexim Tirane Sh.p.k. According to the agreement, ownership of those shares was transferred to the buyer on 1 January 2010.

□ Liquidation of the associated Enovčanik a.d., Beograd

During the 6 months ended 30 June 2010, an associated company of Asseco SEE d.o.o., Beograd, namely Enovčanik a.d. seated in Belgrade was liquidated. This company used to be engaged in development of databases.

□ Acquisition of X-Card Sh.p.k. (Pristina) by Asseco SEE Sh.p.k. seated in Pristina, Kosovo

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 acquired company is engaged in the provision of call-center services, sale and maintenance of ATMs and POS terminals. At present the companies of X-Card Sh.p.k. (Pristina) and Asseco SEE Sk.p.k. (Pristina) undergo a merger process.

III. 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 Company and the Group companies' ability to continue as going concerns in the period of at least 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 are coherent with those applied for preparation of the annual 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.

- *IFRS 2 Share-based Payment: Group Cash-settled Share-based Payment Transactions* – effective as of 1 January 2010. The amendment clarifies the way of accounting for group cash-settled share-based payment transactions. It supersedes the interpretations IFRIC 8 and IFRIC 11. Adoption of this amendment affected neither the Group's financial position nor its financial performance.
- *IFRS 3 Business Combinations* (revised) and *IAS 27 Consolidated and Separate Financial Statements* (amended) – effective as of 1 July 2009. The revised IFRS 3 introduces a number of significant changes in the recognition of business combinations conducted after its effective date. These changes relate to the measurement of non-controlling interests, recognition of costs directly attributable to an acquisition, initial recognition and subsequent measurement of contingent consideration, and accounting for multi-stage combinations. Such changes will affect the value of recognized goodwill, financial results reported for the period when an acquisition is made as well as financial results reported for future periods.

The amended IAS 27 requires all changes in the ownership interest in a subsidiary (that do not result in a loss of control) to be accounted for as transactions with owners. As a consequence such transactions will not give rise to any goodwill nor will they result in the recognition of any profit or loss. In addition, the Standard modifies the way of allocation of losses incurred by subsidiary entities, and determines the accounting treatment required for loss of control over a subsidiary. Amendments to IFRS 3 and IAS 27 will affect the future acquisitions or losses of control over subsidiary entities as well as transactions conducted with non-controlling shareholders. The required changes have been introduced to our accounting policy prospectively. So far these changes had no significant impact on the Group's financial position or its financial results. In our case such changes applied primarily to the goodwill arising from put options, and to the allocation of losses to non-controlling interests.

- *IAS 39 Financial Instruments: Recognition and Measurement: Eligible Hedged Items* – effective as of 1 July 2009. The amendments address the designation of a one-sided risk in a hedged item, as well as identifying inflation as a hedged risk or portion in particular situations. Adoption of this amendment affected neither the Group's financial position nor its financial performance.
- *Interpretation IFRIC 17 Distributions of Non-cash Assets to Owners* – effective as of 1 July 2009. The Interpretation provides guidance on the accounting treatment of transactions whereby assets other than cash are distributed as reserves or dividends to shareholders. This interpretation did not affect the Group's financial position nor its financial results.
- *Improvements to IFRS 2008* – in May 2008 the International Accounting Standards Board (IASB) issued the first set of improvements to its published standards. The amendments adopted by the Group as of 1 January 2010 include:
 - *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.* This amendment clarifies that if a subsidiary entity is qualified as held for sale all of its assets and liabilities should be classified as held for sale, even if after the sale transaction the parent entity retains a non-controlling interest in the subsidiary. The amendment shall be applied prospectively and it has no impact on the Group's financial position nor on its financial results.
- *Improvements to IFRS 2009* – in April 2009 IASB issued the second collection of amendments to its published standards basically in order to eliminate any wording inconsistencies and uncertainties. Individual standards are subject to various transitional provisions. Adoption of the above-mentioned amendments resulted in changing the Group's accounting principles (policy); however, it had no impact on the Group's financial position and its financial performance.

- IFRS 8 *Operating Segments*. The amendment clarifies that an entity is required to disclose the segment assets and liabilities only if a measure of such assets and liabilities is regularly reported to the chief operating decision maker. As the Company's chief operating decision maker does review the assets and liabilities by segments, the Group continues to disclose such required information in Section IV of these condensed consolidated financial statements.
- IAS 36 *Impairment of Assets*. The amendment clarifies that the largest permitted unit to which goodwill (arising from business combination) should be allocated for the purposes of impairment testing is an operating segment as defined by IFRS 8, before the aggregation of segments for reporting purposes. This amendment did not influence the Group's financial statements as the subject to our annual impairment testing are segments before aggregation.
- IAS 39 *Financial Instruments: Recognition and Measurement*. The amendment clarifies that a loan prepayment option should be considered closely related to the host debt contract, if its exercise price reimburses the lender for an amount up to the approximate present value of lost interest for the remaining term of the host contract. Amendments to IAS 39 had no impact on the Group's accounting principles (policy), financial position or its financial results.

Amendments to the below mentioned standards did not affect the accounting principles (policy), financial position or financial performance of the Group:

- IFRS 2 *Share-based Payment*
- IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*
- IAS 1 *Presentation of Financial Statements*
- IAS 7 *Statement of Cash Flows*
- IAS 17 *Leases*
- IAS 38 *Intangible Assets*
- IFRIC 9 *Reassessment of Embedded Derivatives*
- IFRIC 16 *Hedges of a Net Investment in a Foreign Operation*

The Group did not decide on early adoption of any other standard, interpretation or amendment which has been published but has not yet become effective.

3. Estimates

In the period of 6 months ended 30 June 2010, no substantial changes were introduced to the way of making estimates.

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 June 2010, receivables from the valuation of IT contracts amounted to PLN 16,453 thousand, while liabilities due to such valuation equalled PLN 420 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 June 2010, goodwill arising from acquisition of subsidiary companies amounted to PLN 429,953 thousand as compared with PLN 443,867 thousand reported as at 31 December 2009.

As at 30 June 2010, the Company revised 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 half 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 June 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 June 2010 as well as 31 December 2009, the Group recognized liabilities by virtue of future payments to non-controlling 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 June 2010, such liabilities equalled PLN 9,255 thousand, while as at 31 December 2009 they were PLN 9,658 thousand.

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

In the period of 6 months ended 30 June 2010, the Group recognized deferred income tax assets (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 2,524 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.

IV. 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 Software,
- b) Mobile & Authentication Solutions,
- c) Card Business,
- d) Systems Integration.

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

Banking Software

The Banking Software segment deals with integrated banking systems, and primarily core banking systems. The Asseco South Eastern Europe Group offers core banking systems operating either on the Oracle platform (ASEBA Banking Intranet and ASEBA INTBANK) or on the Microsoft platform (ASEBA Pub2000). Furthermore, the Group is engaged in the development of a new core banking system called Experience. In the period reported, we completed a pilot implementation of the system for one client and signed implementation agreements with the next two clients.

Additionally, the integrated systems include solutions dedicated for specific distribution channels, such as e-banking, as well as local systems for management of payments, reporting, Business Intelligence tools offering risk management functionality, scoring and rating systems, regulatory compliance systems, etc.

Mobile & Authentication Solutions

The Mobile & Authentication Solutions segment deals with systems enabling the secure authentication of bank clients and IT system users. 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 the 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. Furthermore, we offer the ASEBA JIMBA mobile banking system and a variety of e-commerce solutions.

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 deals with the integration of third-party software and elements of infrastructure as well as with the sale of hardware.

Geographical breakdown of sales

During the first 6 months of 2010, the Group generated 32% of its sales revenues in Romania, 31% in Serbia, 16% in Macedonia, 8% in Kosovo, and 7% in Croatia. The above shares in total sales were determined taking into account the countries where particular revenue generating companies are seated.

For 6 months ended 30 June 2010 and as at 30 June 2010 (unaudited)	Banking Software	Mobile & Authentication Solutions	Card Business	Systems Integration	Unallocated	Eliminations	Total
Sales revenues:	45,419	10,743	25,511	115,534	1,065	(5,645)	192,627
Sales to external customers	43,690	10,194	24,970	113,773	-	-	192,627
Inter/intra segment sales	1,729	549	541	1,761	1,065	(5,645)	-
Gross profit (loss) on sales	16,372	3,069	7,836	17,510	886	-	45,673
Selling expenses	(2,042)	(530)	(1,068)	(5,984)	-	-	(9,624)
General administrative expenses	(5,624)	(1,261)	(2,000)	(4,430)	(1,885)	-	(15,200)
Net profit (loss) on sales	8,706	1,278	4,768	7,096	(999)	-	20,849
Segment assets, of which:	193,160	50,165	81,225	214,694	228	136,329	675,801
<i>goodwill from consolidation</i>	158,201	44,565	69,581	157,606	-	-	429,953
<i>property, plant and equipment</i>	3,331	563	2,890	3,725	228	-	10,737
<i>intangible assets</i>	6,796	15	724	213	-	-	7,748
<i>trade accounts receivable</i>	11,071	3,783	4,553	41,266	-	-	60,673
receivables relating to valuation of IT contracts	13,429	938	14	2,072	-	-	16,453
Inventories	332	301	3,463	9,812	-	-	13,908
Other	-	-	-	-	-	136,329	136,329
Segment expenditures for tangible and intangible assets	(834)	(55)	(932)	(641)	(231)	-	(2,693)

Assets that are not allocated to any operating segment as at 30 June 2010 include the following items: cash (PLN 110,848 thousand), receivables from the State budget (PLN 7,582 thousand) and other receivables (PLN 7,149 thousand), deferred income tax assets (PLN 2,524 thousand), and other assets (PLN 8,226 thousand). Segment expenses and income do not include the management services provided by the Parent Company to its subsidiaries (which are subsequently eliminated in the consolidation process) nor any of the other operating expenses and income, financial expenses and income, or income taxes.

For 6 months ended 30 June 2009 and as at 30 June 2009 (unaudited)	Banking Software	Mobile & Authentication Solutions	Card Business	Systems Integration	Unallocated	Eliminations	Total
Sales revenues:	39,835	15,496	29,686	140,419	-	(775)	224,661
Sales to external customers	39,143	15,496	29,636	140,386	-	-	224,661
Inter/intra segment sales	692	-	50	33	-	(775)	-
Gross profit (loss) on sales	17,840	5,854	9,120	21,374	-	-	54,188
Selling expenses	(1,648)	(409)	(1,134)	(5,924)	-	-	(9,115)
General administrative expenses	(5,737)	(1,630)	(1,857)	(4,019)	(688)	-	(13,931)
Net profit (loss) on sales	10,455	3,815	6,129	11,431	(688)	-	31,142
Segment assets, of which:	144,615	55,641	86,117	208,989	62,100	-	557,462
<i>goodwill from consolidation</i>	110,322	47,770	72,709	146,001	-	-	376,802
<i>property, plant and equipment</i>	6,863	832	1,873	3,808	-	-	13,376
<i>intangible assets</i>	3,980	2	1,018	3,457	-	-	8,457
<i>trade accounts receivable</i>	7,043	5,998	4,607	46,177	-	-	63,825
<i>receivables relating to valuation of IT contracts</i>	16,060	838	-	-	-	-	16,898
<i>Inventories</i>	347	201	5,910	9,546	-	-	16,004
<i>Other</i>	-	-	-	-	62,100	-	62,100
Segment expenditures for tangible and intangible assets	(1,891)	(102)	(582)	(1,918)	-	-	(4,493)

Assets that are not allocated to any operating segment as at 30 June 2009 include the following items: cash (PLN 39,257 thousand), receivables from the State budget (PLN 6,939 thousand) and other receivables (PLN 4,409 thousand), deferred income tax assets (PLN 3,260 thousand), and other assets (PLN 8,235 thousand). Segment expenses and income do not include any of the other operating expenses and income, financial expenses and income, or income taxes.

In the first half of 2010, our key revenue driver was the Banking Software segment which generated PLN 45,419 thousand of sales, 14% more than in the corresponding period last year. In the first half of 2010, Banking Software accounted for 24% of total sales and it was up 6 percentage points from the level of 18% observed in the first half of 2009.

In the first half of 2010, the Card Business segment generated revenues of PLN 25,511 thousand and they declined 14% from PLN 29,686 thousand reported a year ago. The share of this segment in total sales remained unchanged at 13%.

In the period of 6 months ended 30 June 2010, the Systems Integration segment achieved sales of PLN 115,534 thousand, falling short 18% of the last year's level of PLN 140,419 thousand.

Whereas, sales revenues achieved by the segment of implementations and services within Mobile & Authentication Solutions amounted to PLN 10,743 thousand and they were 31% weaker than in the corresponding period of 2009 (PLN 15,496 thousand).

As at 31 December 2009 (audited)	Banking Software	Mobile & Authentication Solutions	Card Business	Systems Integration	Unallocated	Eliminations	Total
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
Segment expenditures for tangible and intangible assets	(3,923)	(265)	(1,739)	(3,893)	-	-	(9,820)

Assets that are not allocated to any operating segment as at 31 December 2009 include the following items: cash (PLN 104,551 thousand), receivables from the State budget (PLN 6,817 thousand) and other receivables (PLN 8,853 thousand), deferred income tax assets (PLN 2,233 thousand), and other assets (PLN 8,753 thousand).

V. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Breakdown of sales revenues

Sales revenues by type of business	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)	3 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2009 (unaudited)
Proprietary software and services	32,872	63,232	28,961	60,541
Third-party software and services	25,214	48,012	32,720	54,642
Computer hardware and infrastructure	35,152	68,345	40,681	93,513
Outsourcing	6,782	12,729	7,520	14,744
Other sales	309	309	150	1,221
100,329	192,627	110,032	224,661	

In the first half of 2010, sales revenues of the Asseco South Eastern Europe Group amounted to PLN 192,627 thousand and they decreased by 14% when compared with those achieved in the corresponding period last year (PLN 224,661 thousand). Weaker sales are a consequence of unfavourable economic situation in the South Eastern European markets observed in the wake of the European crisis.

Another factor with a decreasing effect on our sales was the observed appreciation of Polish zloty both in relation to euro and currencies of the South Eastern European countries. While in the first half of 2009, the average EUR/PLN exchange rate equalled 4.52, in the corresponding period of this year it dropped substantially to the level of 4.00. If our sales revenues were presented in euro, the decline between the first 6 months of 2010 and 2009 would equal just 3%.

Sales revenues by sectors	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)	3 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2009 (unaudited)
Banking and finance	58,347	109,585	67,494	139,490
Enterprises	34,576	67,075	20,167	51,532
Public institutions	7,406	15,967	22,371	33,639
	100,329	192,627	110,032	224,661

In the first half-year 2010, the Group generated 57% of its sales revenues from the sector of banking and finance. As compared with the corresponding period of 2009, the sector's share in total sales decreased by 5 percentage points as the value of sales dropped 21% (to PLN 109,585 thousand down from PLN 139,490 thousand posted for 6 months ended 30 June 2009). The key revenue drivers in the banking and finance sector were our contracts executed for Raiffeisen Banka a.d. - Belgrade, Privredna Banka a.d., Beograd, Banca Comerciala INTESA SANPAOLO Romania S.A., Banca Comerciala EXIMBANK - Gruppo Veneto Banca S.A., and SoGe Ohridska Banka.

On the other hand, in the first half of 2010 the Group managed to improve its sales to the enterprises sector. Sales revenues from this sector reached PLN 67,075 thousand or 35% of our total turnover; whereas, in the corresponding period of 2009 sales to enterprises amounted to PLN 51,532 thousand and represented 23% of the total turnover. In the enterprises sector the highest revenues were achieved from our contracts with Makedonski Telekom A.D. Skopje, Fujitsu Technology Solutions GmbH Munchen Suc. Romania, and Hewlett-Packard Europe Finance Ltd. Romania.

In the first half of 2010, the Group's sales to public institutions were PLN 15,967 thousand and they declined by 53% as compared with PLN 33,639 thousand generated in the first half-year 2009. Concurrently, the share of this sector in total sales decreased to 8% from the level of 15% observed in the first half of 2009.

2. Breakdown of operating costs

	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)	3 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2009 (unaudited)
Materials and energy used (-)	(908)	(1,697)	(563)	(1,432)
Third-party work (-)	(10,038)	(17,151)	(8,166)	(15,633)
Salaries (-)	(19,100)	(38,605)	(17,461)	(35,350)
Employee benefits (-)	(3,686)	(6,958)	(3,296)	(6,004)
Depreciation and amortization (-)	(1,573)	(3,073)	(1,125)	(2,238)
Taxes and charges (-)	(189)	(362)	(119)	(233)
Business trips (-)	(697)	(2,043)	(880)	(1,937)
Other (-)	(1,136)	(3,611)	32	(305)
	(37,327)	(73,500)	(31,578)	(63,132)
Cost of sales:	(76,198)	(146,954)	(83,581)	(170,473)
<i>production cost (-)</i>	(24,541)	(48,676)	(19,761)	(40,086)
<i>cost of merchandise, materials and third-party work sold (COGS) (-)</i>	(51,657)	(98,278)	(63,820)	(130,387)
Selling expenses (-)	(4,659)	(9,624)	(4,706)	(9,115)
General administrative expenses (-)	(8,127)	(15,200)	(7,111)	(13,931)

3. Other operating income and expenses

Other operating income	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)	3 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2009 (unaudited)
Gain on disposal of tangible fixed assets	648	648	-	84
Reversal of other provisions	-	-	-	78
Compensations received	31	74	225	239
Other	-	257	440	499
	679	979	665	900

Other operating expenses	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)	3 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2009 (unaudited)
Loss on disposal of tangible fixed assets (-)	(2)	(29)	(13)	(5)
Liquidation costs of tangible fixed assets, intangible assets, and inventories (-)	-	(58)	-	-
Charitable contributions for unrelated companies (-)	(54)	(110)	(20)	(49)
Costs of post-accident repairs (-)	(58)	(99)	-	-
Other (-)	(37)	(43)	(256)	(402)
	(151)	(339)	(289)	(456)

4. Financial income and expenses

Financial income	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)	3 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2009 (unaudited)
Interest income on loans granted, debt securities and bank deposits	773	1,145	335	746
Other interest income	6	44	15	38
Gain on foreign exchange differences	14	387	1,288	852
Discounting of settlements	26	61	166	164
Other financial income	10	10	-	274
	829	1,647	1,804	2,074

Financial expenses	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)	3 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2009 (unaudited)
Interest expense on bank credits, loans and debt securities (-)	(10)	(86)	(53)	(105)
Other interest expenses (-)	(30)	(36)	(7)	(7)
Bank fees and commissions	(79)	(79)	(42)	(42)
Loss on foreign exchange differences (-)	(883)	(1,822)	-	(1,126)
Interest expenses on financial leasing (-)	(21)	(39)	(30)	(73)
Loss on disposal of investments in subsidiary companies (-)	-	(27)	-	-
Other financial expenses (-)	(5)	(5)	(569)	(347)
	(1,028)	(2,094)	(701)	(1,700)

5. Corporate income tax

The main charges on the pre-tax profit due to corporate income tax (current and deferred portions):

	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)	3 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2009 (unaudited)
Current portion of corporate income tax and prior years adjustments	(1,357)	(2,399)	(2,058)	(4,217)
Deferred portion of corporate income tax related to occurrence or reversal of temporary differences	(582)	(796)	122	122
	(582)	(796)	(9)	(9)
Income tax expense as disclosed in the profit and loss account, of which:	(1,939)	(3,195)	(1,936)	(4,095)
<i>Corporate income tax attributable to continuing operations</i>	(1,939)	(3,195)	(1,936)	(4,095)

Regulations applicable to the value added tax, corporate income tax, personal income tax or social security contributions are subject to frequent amendments, thereby often depriving the taxpayers of a possibility to refer to well established regulations or legal precedents. The current regulations in force include ambiguities which may give rise to different opinions and legal interpretations on the taxation regulations either between companies and public administration, or between the public administration bodies themselves. Taxation and other settlements (for instance customs duty or currency payments) may be controlled by administration bodies that are entitled to impose considerable fines, and the amounts of so determined liabilities must be paid with high interest. In effect the amounts disclosed in the financial statements may be later changed, after the taxes payable are finally determined by the taxation authorities.

6. Earnings per share

	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)	3 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2009 (unaudited)
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	0.20	0.36	0.36	0.69
Diluted consolidated earnings per share from continuing operations for the period reported	0.20	0.36	0.36	0.69

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 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)	3 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2009 (unaudited)
Consolidated net profit for the period reported attributable to Shareholders of Asseco South Eastern Europe SA	9,811	17,984	11,743	20,187
Average weighted number of ordinary shares outstanding, used for calculation of basic earnings per share	49,561,719	49,561,719	33,067,476	29,418,742
Dilution factors	-	-	-	-
Adjusted average weighted number of ordinary shares, used for calculation of diluted earnings per share	49,561,719	49,561,719	33,067,476	29,418,742

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.

7. 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.

The dividend was paid out after the balance sheet date.

8. Property, plant and equipment, and intangible assets

Property, plant and equipment

In the period of 6 months ended 30 June 2010 the Group purchased tangible fixed assets for PLN 2,048 thousand (vs. PLN 2,049 thousand spent during the first 6 months of 2009).

Furthermore, in the period of 6 months ended 30 June 2010 the Group sold tangible fixed assets with the net value of PLN 184 thousand (vs. PLN 102 thousand during 6 months ended 30 June 2009).

During the 6-month periods ended both 30 June 2010 and 30 June 2009 the Group did not recognize any impairment write-downs on its property, plant and equipment.

Intangible assets

In the period of 6 months ended 30 June 2010 the Group purchased intangible assets for PLN 645 thousand (vs. PLN 2,444 thousand spent during the first 6 months of 2009).

Furthermore, in the period of 6 months ended 30 June 2010 the Group sold intangible assets with the net value of PLN 10 thousand; whereas, no intangible assets were sold during the first 6 months of 2009.

During the 6-month periods ended both 30 June 2010 and 30 June 2009 the Group did not recognize any impairment write-downs on its intangible assets.

Both as at 30 June 2010 and 31 December 2009, property, plant and equipment and intangible assets did not serve as security for any bank credits and loans taken out.

9. Goodwill arising from consolidation

	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
Banking Software	158,201	164,934
Mobile & Authentication Solutions	44,565	43,674
Card Business	69,581	75,075
Systems Integration	157,606	160,184
	429,953	443,867

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

	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
Consolidation goodwill at the beginning of the period	443,867	463,105
Banking Software	164,934	140,523
Mobile & Authentication Solutions	43,674	58,418
Card Business	75,075	98,537
Systems Integration	160,184	165,627
Change in consolidation goodwill due to acquisition of shares (+/-)	419	6,514
Banking Software	-	33,707
Mobile & Authentication Solutions	-	(13,426)
Card Business	419	(17,585)
Systems Integration	-	3,818
Foreign currency differences on translation of goodwill arising from foreign subsidiaries (+/-)	(14,333)	(25,752)
Banking Software	(6,733)	(9,296)
Mobile & Authentication Solutions	891	(1,318)
Card Business	(5,913)	(5,877)
Systems Integration	(2,578)	(9,261)
Total book value at the end of period	429,953	443,867

Acquisition of 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 acquired company is engaged in the provision of call-center services, sale and maintenance of ATMs and POS terminals. At present the companies of X-Card Sh.p.k. (Pristina) and Asseco SEE Sk.p.k. (Pristina) undergo a merger process.

Book value as at the acquisition date	
Fixed assets	7
Other fixed assets	7
Current assets	106
Receivables	16
Cash and short-term deposits	90
TOTAL ASSETS	113
Shareholders' equity	38
Liabilities and provisions	75
Liabilities	75
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	113
Net assets value	38
Percentage of net assets acquired	100%
Value of net assets acquired	38
Purchase price	457
Goodwill as at the acquisition date	419

10. Deferred expenses

Short-term	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
Maintenance services	2,688	2,637
Prepaid insurance	166	135
Prepaid subscriptions	19	222
Prepaid rents	14	20
Prepaid consulting services	388	78
Expenses related to issuance of shares, company acquisitions and non-cash contributions	-	42
Other	620	884
Revaluation charges on deferred expenses	(12)	-
	3,883	4,018

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

11. Short-term receivables

Short-term receivables

Trade accounts receivable	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
Trade accounts receivable, of which:	63,589	55,841
Receivables from related companies	-	-
Receivables from other companies	63,589	55,841
Revaluation write-down on doubtful accounts receivable (-)	(2,916)	(2,740)
	60,673	53,101

Trade accounts receivable are not interest-bearing.

The Group has a relevant policy based on selling its products to reliable clients only. Owing to that, in the management's opinion, the credited sales risk would not exceed the level covered by allowances for doubtful accounts.

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.

Receivables on taxes, import tariffs, social security and other regulatory payments	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
Value added tax	6,515	5,059
Corporate income tax (CIT)	900	1,459
Other	167	299
	7,582	6,817

Receivables on value added tax, as presented in these consolidated financial statements as at 30 June 2010 and 31 December 2009, refer to the right of Asseco South Eastern Europe SA to apply for reimbursement of such amounts to its bank account. On 12 August 2010, the Parent Company received binding tax interpretations regarding its right to deduct the amount VAT paid on the IPO-related costs.

Other receivables	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
Receivables from non-invoiced deliveries	3,900	5,504
Advance payments to other suppliers	1,910	1,080
Receivables from employees	5	-
Other receivables	1,334	2,269
	7,149	8,853

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.

12. Cash and cash equivalents, restricted cash

	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
Cash at bank and in hand	31,447	83,775
Short-term deposits	79,324	20,759
Cash equivalents	23	17
Cash being transferred	54	-
	110,848	104,551
Restricted cash	172	184

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) neither at 30 June 2010 nor at 31 December 2009.

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

13. Share capital

Share capital			30 June 2010 (unaudited)		31 Dec. 2009 (audited)	
Shares	Series	Par value per share	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
Ordinary registered shares	B*	0.1	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
Ordinary registered shares	D	10	25,770,009	257,700	25,770,009	257,700
Ordinary registered shares	E	10	956,447	9,565	956,447	9,565
Ordinary registered shares	F	10	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
Ordinary registered shares	H	10	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
Ordinary registered shares	J	10	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
Ordinary registered shares	L	10	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
Ordinary registered shares	N	10	1,078,909	10,789	1,078,909	10,789
Ordinary registered shares	P	10	1,524,269	15,242	-	-
			49,561,719	495,617	48,037,450	480,375

* Following a reverse stock split of series D shares

In the period reported 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".

14. Long-term and current financial liabilities

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

As at 30 June 2010, the Asseco South Eastern Europe Group recognized a 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).

Additionally, both as at 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 has been restated in Polish zlotys at the exchange rates published by the National Bank of Poland on 30 June 2010 and 31 December 2009, and it amounted to PLN 9,255 thousand and PLN 9,658 thousand, respectively.

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

Short-term	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
Liability due to dividend payment	7,210	5,920
Finance lease commitments	454	528
Liabilities due to acquisition of shares	174	2,761
	7,838	9,209

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 Pronet IT Konsalting Inxhiniering Telekomunikime Sh.p.k seated in Pristina, Kosovo. Liability due to dividend payment comprised dividends payable to the former minority shareholders of subsidiary companies as well as dividends payable shareholders of Asseco South Eastern Europe SA which were actually paid after the balance sheet date.

15. Interest-bearing bank credits and debt securities issued

Short-term credits	Name of entity	Maximum debt in PLN thousands as at		Effective interest rate %	Currency	Date of maturity	Utilization as at	
		30 June 2010	31 Dec. 2009				30 June 2010 (unaudited)	31 Dec. 2009 (audited)
		Current account credit	NLB Tutunska Banka AD Skopje				67	67
Current account credit	NLB Tutunska Banka AD Skopje	13	13	15%	MKD	-	-	1
Current account credit	Nova Ljubljanska Banka	1,658	1,643	10.8%	EUR	2010-11-23	-	-
Current account credit	Alpha Bank Unirii Branch	8,285	8,201	3M LIBOR +margin 3M BUBOR +margin	multi- currency	2011-04-15	-	-
		10,023	9,924				20	17

Other short-term credits	Name of entity	Maximum debt in PLN thousands as at		Effective interest rate %	Currency	Date of maturity	Utilization as at	
		30 June 2010	31 Dec. 2009				30 June 2010 (unaudited)	31 Dec. 2009 (audited)
		Operating credit facility	Komercijalna Banka A.D.				n/a	105
Loan	Minority shareholders	3,788	4,104	0	RSD	2010-09-30	2,325	3,136
Loan	Minority shareholders	25	37	7%	BGN	2010-10-13	25	37
Loan	Minority shareholders	37	37	7%	BGN	2010-10-12	37	37
Loan	Minority shareholders	47	47	7%	BGN	2010-10-14	47	47
		3,897	4,330				2,434	3,362

Long-term credits	Name of entity	Maximum debt in PLN thousands as at		Effective interest rate %	Currency	Date of maturity	Utilization as at	
		30 June 2010	31 Dec. 2009				30 June 2010 (unaudited)	31 Dec. 2009 (audited)
		Investment credit	EBRD				29,021	28,757
		29,021	28,757				-	-

As at 30 June 2010, total liabilities of the Asseco South Eastern Europe Group under all the credits taken out and debt securities issued aggregated at PLN 4,347 thousand, of which PLN 1,893 thousand were directly 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 debt totalled PLN 5,359 thousand, of which PLN 1,980 thousand were related to assets classified as held for sale.

As at 30 June 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 42,941 thousand (inclusive of the EBRD financing after making a pledge on shares in subsidiaries), as compared with PLN 43,011 available as at the end of 2009.

As at the end of the period reported, the Group has drawn PLN 20 thousand from the current account credit facilities vs. PLN 17 thousand utilized as at the end of the prior year.

The Group's liabilities under other credits and loans amounted to PLN 2,434 thousand as at 30 June 2010 and to PLN 3,362 thousand as at 31 December 2009.

Both as at 30 June 2010 and 31 December 2009, tangible fixed assets and intangible assets did not serve as security for any bank credits contracted by the Group.

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 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.

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.

16. Short-term trade accounts payable and other liabilities

Short-term trade accounts payable	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
To related companies	51	965
To other companies	31,669	32,701
	31,720	33,666

Trade accounts payable are not interest-bearing.

Liabilities on taxes, import tariffs, social security and other regulatory payments	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
Value added tax	5,412	5,809
Corporate income tax (CIT)	697	2,205
Personal income tax (PIT)	431	422
Social Insurance Institution (ZUS)	873	790
Other	124	104
	7,537	9,330

The amount resulting from the difference between VAT payable and VAT recoverable is paid to competent tax authorities on a monthly basis.

Other current liabilities	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
Liabilities to employees relating to salaries and wages	2,394	738
Liabilities due to non-invoiced deliveries	479	2,813
Trade prepayments received	10,359	6,887
Other liabilities	317	498
	13,549	10,936

17. Accrued expenses, unearned revenues, and provisions

Provisions	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
Long-term	90	192
Short-term	5,459	1,892
	5,549	2,084

As at 30 June 2010, total provisions amounted to PLN 5,549 thousand, while as at 31 December 2009 they were PLN 2,084 thousand. Provisions as at 30 June 2010 increased from the level reported as at 31 December 2009 basically as a result of establishing the provisions for potential contractual penalties and warranty repairs in connection with the contract executed in Macedonia, in favour of Makedonski Telecom A.D.

Short-term accrued expenses	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
Provision for unutilized holiday leaves	298	72
Provision for the employee bonuses	6,265	5,605
Provision for non-invoiced costs	1,887	3,238
Provision for the audit of financial statements	314	708
	8,764	9,623

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.

Short-term deferred income	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
Maintenance services	6,450	5,822
Prepayments received	750	5,743
Other	624	1,146
	7,824	12,711

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

18. Assets classified for sale

Assets	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
Property, plant and equipment	2,473	2,695
	2,473	2,695

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

Under the acquisition 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., with the book value of PLN 2,473 thousand as at the balance sheet date,
2. the investment credit granted for purchase of the above-mentioned property, with the value of PLN 1,893 thousand as at the balance sheet date.

Furthermore, the agreement provides the shareholders of Antegra d.o.o. with a right to receive additional compensation.

As there is a third party interested in purchasing the above-mentioned property, the transaction to sell the building is now underway. Until the balance sheet date, the building disposal transaction has not yet been finalized.

19. Transactions with related parties

As at 30 June 2010, the balance of outstanding liabilities under transactions conducted with Asseco Poland SA was PLN 51 thousand; whereas, as at 31 December 2009 such outstanding liabilities amounted to PLN 965 thousand.

Both as at 30 June 2010 and 31 December 2009, there were no outstanding receivables under transactions conducted with Asseco Poland SA.

In the period of 6 months ended 30 June 2010, net value of transactions conducted with Asseco Poland SA totalled PLN 141 thousand; whereas, in the corresponding period of 2009 the net value of such transactions amounted to PLN 79 thousand.

According to information available to the Parent Company, as at 30 June 2010 the balance of outstanding liabilities under transactions conducted with entities related through the Key Management Personnel (Management Boards and Supervisory Boards of the Group companies) or with the Key Management Personnel themselves amounted to PLN 2,918 thousand.

Whereas, as at 31 December 2009 the balance of outstanding liabilities under transactions conducted with entities related through the Key Management Personnel (management boards and supervisory boards of the Group companies) or with the Key Management Personnel themselves amounted to PLN 144 thousand.

According to information available to Asseco South Eastern Europe SA, as at 30 June 2010 there were no outstanding receivables from transactions conducted with entities related through the Key Management Personnel (Management Boards and Supervisory Boards of the Group companies) or with the Key Management Personnel.

According to information available to Asseco South Eastern Europe SA, as at 31 December 2009 there were no outstanding receivables from transactions conducted with entities related through the Key Management Personnel (Management Boards and Supervisory Boards of the Group companies) or with the Key Management Personnel.

In the period of 6 months ended 30 June 2010, according to information available to Asseco South Eastern Europe SA, the net value of transactions conducted with entities related through the Key Management Personnel or with the Key Management Personnel amounted to PLN 3,833 thousand.

Whereas, in the period of 6 months ended 30 June 2009, according to information available to Asseco South Eastern Europe SA, the net value of transactions conducted with entities related through the Key Management Personnel or with the Key Management Personnel amounted to PLN 3,170 thousand.

All the above-mentioned transactions were carried out on an arm's length basis.

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 June 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 2,325 thousand, which equalled PLN 3,136 thousand as at 31 December 2009. 100% of shares in Liatris d.o.o. were 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.

20. Off-balance-sheet liabilities concerning related companies

During the 6 months ended 30 June 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.

21. 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 June 2010, the related contingent liabilities equalled PLN 13,236 thousand, while as at 31 December 2009 they amounted to PLN 15,002 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 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 March 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).

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

	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
Liabilities under lease of space		
In the period up to 1 year	8,041	9,531
In the period from 1 to 5 years	26,493	26,399
	34,534	35,930
Liabilities under operating lease of property, plant and equipment		
In the period up to 1 year	230	236
In the period from 1 to 5 years	247	582
	477	818

22. Employment

Average Group workforce in the reporting period	6 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2009 (unaudited)
Management Board of the Parent Company*	6	3
Management Boards of the Group companies	20	25
Production departments	556	464
Maintenance departments	184	189
Sales departments	81	65
Administration departments	148	113
Other employees	21	24
	1,016	883

The Group workforce as at	30 June 2010 (unaudited)	31 Dec. 2009 (audited)
Management Board of the Parent Company*	6	6
Management Boards of the Group companies	18	22
Production departments	573	538
Maintenance departments	173	191
Sales departments	86	76
Administration departments	151	142
Other employees	17	25
	1,024	1,000

* 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 assignment of the Supervisory Board; whereas, in the period reported ended 30 June 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.

Numbers of employees in the Group companies as at	30 June 2010 (unaudited)	31 Dec. 2009 (audited)
Asseco South Eastern Europe SA	9	2
Asseco SEE s.r.l., (Bucharest) ¹⁾	181	188
Asseco SEE d.o.o., Beograd ²⁾	656	642
Asseco SEE d.o.o. (Zagreb) ³⁾	81	82
Asseco SEE Sh.p.k. (Pristina) ⁴⁾	97	86
	1,024	1,000

- 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 June 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 June 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 June 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).

23. Equity management

The main objective of the Group's equity management is to maintain favourable credit rating and safe level of equity ratios that would support the Group's operating activities and increase the value for our shareholders.

The Group manages its equity structure which is altered in response to changing economic conditions. In order to maintain or adjust its equity structure, the Group may change its dividend payment policy, return some capital to its shareholders or issue new shares. In the period of 6 months ended 30 June 2010 as well as in the year ended 31 December 2009, the Group did not introduce any changes to its objectives, principles and processes adopted in this area.

24. Hedges of cash flows

The Asseco South Eastern Europe Group applies hedge accounting of future cash flows so that the financial statements fully reflected the economic content of the Group's business activities as well as its acquisitions policy. The Company's Management Board decided to hedge the future payments for shares acquired in companies against changes of the Euro exchange rate. Foreign currency dividend cash flows expected in the future as well as cash at bank accounts denominated in EUR have been designated as the hedging instruments.

In the period of 6 months ended 30 June 2010, the Group recognized PLN 301 thousand in its revaluation capital. In the period reported there occurred no events that might decrease the probability of making the hedged future payments. The table below presents information on the applied hedging instruments along with their fair values and maturities of the related payments.

In the corresponding period of 6 months ended 30 June 2009, the Group did not apply hedge accounting.

Hedged item	Hedged risk	Hedging instrument	Fair value of hedging instrument	Maturity of cash flows
Cash flows	Foreign currency	Cash	33,812	2010-2014

25. Objectives and principles of financial risk management

The Asseco South Eastern Europe Group is exposed to a number of risks arising either from the macroeconomic situation of the countries where the Group companies operate as well as from microeconomic situation in individual companies. The main external factors that may have an adverse impact on the Group's financial performance are: (i) fluctuations in foreign currency exchange rates versus the Polish zloty, and (ii) changes in official interest rates. The financial results are also indirectly affected by the pace of GDP growth, value of public orders for IT solutions, level of capital expenditures made by enterprises, and the inflation rate. Whereas, the internal factors with potential negative bearing on the Group's performance are: (i) risk related to the increasing cost of work, (ii) risk arising from underestimation of the project costs when entering into contracts, and (iii) risk of concluding a contract with a dishonest customer.

Foreign currency exposure risk

The currency used for presentation of the Group's financial results is Polish zloty (PLN); whereas, the functional currencies of foreign subsidiaries of the Group are currencies of the countries where these entities are legally registered in. Consequently, the assets and financial results of such subsidiaries need to be converted to Polish zlotys and their values presented in the Group financial statements may change as they remain under the influence of foreign currency exchange rates.

Interest rate risk

Changes in the market interest rates may have a negative influence on the financial results of the Group. The Group's exposure to the above-mentioned risk may result in changes of the amounts of interest charged to the Group companies on third-party borrowings which are based on variable interest rates.

Identification: The interest rate risk arises and is recognized by individual companies of the Group at the time of concluding a transaction or financial instrument based on a variable interest rate. All such agreements are subject to analysis by the appropriate departments within the Group companies, hence the knowledge of that issue is complete and acquired directly.

Measurement: The Group companies measure their exposure to the interest rate risk by preparing statements of the total amounts resulting from all the financial instruments based on a variable interest rate. Additionally, the Group companies maintain records of debt planned to be incurred during the next 12 months, and in case of long-term instruments – for the period of their maturity.

Objective: The purpose of reducing such risk is to minimize expenses arising from the concluded financial instruments based on a variable interest rate.

Measures: In order to reduce their interest rate risk, the Group companies may: (i) try to avoid taking out credit facilities based on a variable interest rate or, if not possible, (ii) conclude forward interest rate hedging agreements.

Matching: The Group gathers and analyzes the current market information concerning present exposure to the interest rate risk. At present the Group companies do not apply any interest rate hedges as their third-party borrowings are short term.

Credit risk

The Group concludes transactions only with well-known companies with a good credit rating. All customers applying for deferred payments are subject to the procedures of preliminary verification of their creditworthiness. Furthermore, current monitoring of receivables makes it possible to eliminate the risk of uncollectible receivables almost entirely.

In relation to other financial assets, such as cash and cash equivalents, financial assets available for sale and some financial derivatives, the Group's credit risk results from the contracting party inability to settle their payments, whereas the maximum exposure to such risk is limited to the book value of such financial instruments.

There is no particular concentration of credit risk in any segment of the Group's operations.

Financial liquidity risk

The Group monitors the risk of funds shortage using the tool for periodic planning of liquidity. This solution takes into account the maturity deadlines of investments and financial assets (e.g. accounts receivable, other financial assets) as well as the anticipated cash flows from operating activities.

The Group's objective is to maintain a balance between continuity and flexibility of financing by using various sources of funds.

The tables below reveal the Group's trade accounts payable as at 30 June 2010 and 31 December 2009, by the maturity period based on the contractual undiscounted payments.

Aging structure of trade accounts payable	30 June 2010 (unaudited)		31 Dec. 2009 (audited)	
	amount	Structure	amount	structure
Liabilities due already	6,387	19.9%	6,118	18.0%
Liabilities falling due within 3 months	19,351	60.2%	27,150	80.1%
Liabilities falling due within 3 to 12 months	5,975	18.6%	398	1.2%
Liabilities falling due after 1 year	418	1.3%	225	0.7%
	32,131	100.0%	33,891	100.0%

The tables below present the aging structure of other financial liabilities as at 30 June 2010 and 31 December 2009.

As at 30 June 2010 (unaudited)	Liabilities falling due within 3 months	Liabilities falling due within 3 to 12 months	Liabilities falling due within 1 to 5 years	Liabilities falling due after 5 years	Total
Loans	2,325	109	-	-	2,434
Finance lease commitments	140	372	661	-	1,173
	2,465	481	661	-	3,607

As at 31 December 2009 (audited)	Liabilities falling due within 3 months	Liabilities falling due within 3 to 12 months	Liabilities falling due within 1 to 5 years	Liabilities falling due after 5 years	Total
Loans	28	3,229	-	-	3,257
Finance lease commitments	227	361	708	-	1,296
	255	3,590	708	-	4,553

Effects of reducing the foreign currency risk

The analysis of sensitivity of trade accounts payable and receivable and of cash at foreign currency bank accounts to fluctuations in the exchange rates of USD against the functional currencies of the Group companies indicates a potential gain of PLN 752 thousand in case the dollar depreciates 10% versus such functional currencies. Because trade liabilities of these companies exceed the total of their trade receivables and cash, a weaker dollar would bring favourable effects as they would pay their suppliers at a lower exchange rate. However, if the euro depreciates 10% versus the functional currencies of the Group companies, the Group will potentially lose PLN 219 thousand. Hence, the cumulative effect of a weaker dollar and euro against the functional currencies of the Group companies would increase the Group's financial results by PLN 533 thousand. In contrast, a simultaneous appreciation of the dollar and euro versus our functional currencies will deteriorate the Group's financial results by PLN 533 thousand. Management Board of the Parent Company decide to apply hedge accounting in relation to future capital transactions. Therefore, any capital raised from investors as well as dividend proceeds shall be converted to euro immediately. Cash and cash deposits denominated in euro are used as hedging instruments.

Trade accounts receivable and payable, and foreign currency bank accounts as at 30 June 2010 (unaudited)	Amount exposed to risk	Impact on financial results of the Group	
		(10%)	10%
EUR:			
Trade accounts receivable	8,000	(334)	334
Trade accounts payable	12,412	1,006	(1,006)
Foreign currency bank accounts	45,705	(891)	891
Balance	66,117	(219)	219
USD:			
Trade accounts receivable	1,032	(103)	103
Trade accounts payable	10,146	1,015	(1,015)
Foreign currency bank accounts	1,602	(160)	160
Balance	12,780	752	(752)

Trade accounts receivable and payable, and foreign currency bank accounts as at 31 December 2009 (unaudited)	Amount exposed to risk	Impact on financial results of the Group	
		(10%)	10%
EUR:			
Trade accounts receivable	9,191	(618)	618
Trade accounts payable	4,974	497	(497)
Foreign currency bank accounts	55,779	(973)	973
Balance	69,944	(1,094)	1,094
USD:			
Trade accounts receivable	122	(1)	1
Trade accounts payable	7,058	706	(706)
Foreign currency bank accounts	807	(8)	8
Balance	7,987	697	(697)

Effects of reducing the interest rate risk

The risk involved in changes of interest rates does not significantly affect the financial results achieved by the Group.

Methods adopted for conducting the sensitivity analysis

The analysis of sensitivity to fluctuations in foreign exchange rates, with potential impact on our financial results, was conducted using the percentage deviations of +/-10% by which the reference exchange rates, effective as at the balance sheet date, were increased or decreased. The sensitivity of interest rate exposure was analyzed using the percentage deviations of +/- 15%.

Fair value

The book values of financial assets and liabilities held by the Group both as at 30 June 2010 and 31 December 2009 did not significantly differ from their fair values.

26. Capital expenditures

In the period of 6 months ended 30 June 2010, the Group incurred capital expenditures of PLN 5,143 thousand, of which PLN 2,693 thousand were spent for non-financial fixed assets.

Whereas, in the corresponding period of 2009, the Group incurred capital expenditures of PLN 5,355 thousand, of which PLN 4,493 thousand were spent for non-financial fixed assets.

27. Significant events after the balance sheet date

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 all the acquired companies amounted to PLN 6,218 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. ITD employs 68 persons. In 2009 ITD generated sales revenues of EUR 7.9 million and a net profit of EUR 0.7 million (calculated at the average exchange rates during 2009).

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. This issuance has not yet been registered by a court until the date of publication of these interim condensed consolidated financial statements.

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.

In the period from 30 June 2010 till the date of approval of these interim condensed consolidated financial statements, this is until 25 August 2010, there did not occur any other 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.

28. Significant events related to prior years

Until the date of preparing these interim condensed consolidated financial statements for the period of 6 months ended 30 June 2010, this is until 25 August 2010, there occurred no significant events related to prior years, which have not but should have been included in the accounting books.

**INTERIM CONDENSED FINANCIAL STATEMENTS
ASSECO SOUTH EASTERN EUROPE SA
FOR THE PERIOD OF 6 MONTHS ENDED
30 JUNE 2010
INCLUDING THE REPORT OF
INDEPENDENT CERTIFIED AUDITORS**

Rzeszów, 25 August 2010

INTERIM CONDENSED FINANCIAL STATEMENTS
ASSECO SOUTH EASTERN EUROPE SA
INCLUDING THE REPORT OF INDEPENDENT CERTIFIED AUDITORS
FOR THE PERIOD OF 6 MONTHS ENDED 30 JUNE 2010

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INTERIM CONDENSED FINANCIAL STATEMENTS
ASSECO SOUTH EASTERN EUROPE SA
INCLUDING THE REPORT OF INDEPENDENT CERTIFIED AUDITORS
FOR THE PERIOD OF 6 MONTHS ENDED 30 JUNE 2010

These interim condensed financial statements were authorized for publication by the Management Board of Asseco South Eastern Europe SA on 25 August 2010.

Management Board of Asseco South Eastern Europe SA:

Piotr Jeleński	President of the Management Board
Rafał Kozłowski	Vice President of the Management Board
Calin Barseti	Member of the Management Board
Miljan Mališ	Member of the Management Board
Miodrag Mirčetić	Member of the Management Board
Dražen Pehar	Member of the Management Board

Person responsible for maintaining the accounting books:

Lucyna Pieniążek

FINANCIAL HIGHLIGHTS OF ASSECO SOUTH EASTERN EUROPE SA

	6 months ended 30 June 2010	6 months ended 30 June 2009	6 months ended 30 June 2010	6 months ended 30 June 2009
	PLN'000	PLN'000	EUR'000	EUR'000
I. Operating revenues	7,440	20,177	1,858	4,466
II. Operating profit	5,725	19,490	1,430	4,313
III. Pre-tax profit	5,964	19,849	1,489	4,393
IV. Net profit for the period reported	5,984	20,168	1,494	4,464
V. Net cash provided by (used in) operating activities	(3,039)	(895)	(759)	(198)
VI. Net cash provided by (used in) investing activities	(21)	16	(5)	4
VII. Net cash provided by (used in) financing activities	(410)	-	(102)	-
VIII. Cash and cash equivalents at the end of period	43,775	2,124	10,559	475
IX. Basic earnings per ordinary share for the period reported	0.12	0.69	0.03	0.15
X. Diluted earnings per ordinary share for the period reported	0.12	0.69	0.03	0.15

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 2010 to 30 June 2010: EUR 1 = PLN 4.0042
 - for the period from 1 January 2009 to 30 June 2009: EUR 1 = PLN 4.5184
- 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 June 2010: EUR 1 = PLN 4.1458
 - exchange rate effective on 30 June 2009: EUR 1 = PLN 4.4696

INTERIM CONDENSED PROFIT AND LOSS ACCOUNT
ASSECO SOUTH EASTERN EUROPE SA

	Note	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)	3 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2009 (unaudited)
Dividend income	<u>1</u>	6,375	6,375	20,177	20,177
Revenues from sale of services	<u>2</u>	1,065	1,065	-	-
Cost of sales (-)	<u>3</u>	(1,065)	(1,065)	-	-
Gross profit on sales		6,375	6,375	20,177	20,177
General administrative expenses (-)	<u>3</u>	(111)	(820)	(646)	(688)
Net profit on sales		6,264	5,555	19,531	19,489
Other operating income	<u>4</u>	51	1,010	-	1
Other operating expenses (-)	<u>4</u>	(57)	(840)	-	-
Operating profit		6,258	5,725	19,531	19,490
Financial income	<u>5</u>	324	270	670	359
Financial expenses (-)	<u>5</u>	(20)	(31)	-	-
Pre-tax profit		6,562	5,964	20,201	19,849
Corporate income tax (current and deferred portions)	<u>6</u>	(2)	20	318	319
Net profit for the period reported		6,560	5,984	20,519	20,168
Earnings per share (in PLN)					
on continuing operations for the period reported - basic		0.13	0.12	0.62	0.69
on continuing operations for the period reported - diluted		0.13	0.12	0.62	0.69

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
ASSECO SOUTH EASTERN EUROPE SA

	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)	3 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2009 (unaudited)
Net profit for the period reported	6,560	5,984	20,519	20,168
Other comprehensive income:				
Hedges of cash flows	2,206	301	159	159
Total other comprehensive income	8,766	6,285	20,678	20,327
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	8,766	6,285	20,678	20,327

INTERIM CONDENSED BALANCE SHEET
ASSECO SOUTH EASTERN EUROPE SA

ASSETS	Note	30 June 2010	31 Dec. 2009
		(unaudited)	(audited)
Fixed assets		490,797	490,601
Property, plant and equipment		228	-
Investments in subsidiary companies	<u>8</u>	489,893	490,281
Deferred income tax assets		321	301
Long-term deferred expenses	<u>15</u>	355	19
Current assets		56,868	55,267
Inventories		-	700
Deferred expenses	<u>15</u>	509	489
Trade accounts receivable	<u>9</u>	1,066	1,125
Receivables from the State budget	<u>9</u>	5,027	4,611
Other receivables	<u>9</u>	6,491	328
Cash and short-term deposits	<u>10</u>	43,775	48,014
TOTAL ASSETS		547,665	545,868

INTERIM CONDENSED BALANCE SHEET
ASSECO SOUTH EASTERN EUROPE SA

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	30 June 2010	31 Dec. 2009
		(unaudited)	(audited)
Shareholders' equity			
Share capital	<u>11</u>	495,617	480,375
Share premium		37,409	26,790
Subscribed unregistered share capital		-	25,897
Revaluation capital		(768)	(1,069)
Retained earnings (deficit)		1,429	(9,728)
Current net profit		5,984	16,609
Total shareholders' equity		539,671	538,874
Long-term liabilities			
Long-term deferred income		56	24
Current liabilities		7,938	6,970
Trade accounts payable	<u>13</u>	340	1,968
Liabilities to the State budget		116	21
Financial liabilities	<u>13</u>	5,452	2,761
Other liabilities		2	-
Provisions	<u>14</u>	1,228	1,177
Deferred income	<u>15</u>	131	238
Accrued expenses	<u>15</u>	669	805
TOTAL LIABILITIES		7,994	6,994
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		547,665	545,868

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

for 6 months ended 30 June 2010, for 6 months ended 30 June 2009, and for 12 months ended 31 December 2009

	Share capital	Share premium	Subscribed unregistered share capital	Revaluation capital	Prior years' retained earnings (deficit) and current net profit	Total shareholders' equity
As at 1 January 2010	480,375	26,790	25,897	(1,069)	6,881	538,874
Total comprehensive income for the period reported	-	-	-	301	5,984	6,285
Issuance of series P shares	15,242	10,655	(25,897)	-	-	-
Dividends	-	-	-	-	(5,452)	(5,452)
Other	-	(36)	-	-	-	(36)
As at 30 June 2010 (unaudited)	495,617	37,409	-	(768)	7,413	539,671
As at 1 January 2009	257,700	-	-	-	(9,728)	247,972
Total comprehensive income for the period reported	-	-	-	(1,069)	16,609	15,540
Issuance of series E shares	9,565	-	-	-	-	9,565
Issuance of series F shares	14,755	-	-	-	-	14,755
Issuance of series G shares	27,084	-	-	-	-	27,084
Issuance of series H shares	10,620	-	-	-	-	10,620
Issuance of series I shares	17,706	-	-	-	-	17,706
Issuance of series J shares	17,142	-	-	-	-	17,142
Issuance of series K shares	45,905	-	-	-	-	45,905
Issuance of series L shares	21,000	8,400	-	-	-	29,400
Issuance of series M shares	48,109	11,766	-	-	-	59,875
Issuance of series N shares	10,789	6,624	-	-	-	17,413
Issuance of series P shares	-	-	25,897	-	-	25,897
As at 31 December 2009 (audited)	480,375	26,790	25,897	(1,069)	6,881	538,874

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

for 6 months ended 30 June 2010, for 6 months ended 30 June 2009, and for 12 months ended 31 December 2009

	Share capital	Share premium	Subscribed unregistered share capital	Revaluatio n capital	Prior years' retained earnings (deficit) and current net profit	Total shareholders' equity
As at 1 January 2009	257,700	-	-	-	(9,728)	247,972
Total comprehensive income for the period reported	-	-	-	159	20,168	20,327
Issuance of shares	163,777	8,400	(29,400)	-	-	142,777
As at 30 June 2009 (unaudited)	421,477	8,400	(29,400)	159	10,440	411,076

INTERIM CONDENSED STATEMENT OF CASH FLOWS
ASSECO SOUTH EASTERN EUROPE SA

	Note	6 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2009 (unaudited)
Cash flows - operating activities			
Pre-tax profit		5,964	19,849
Total adjustments:		(9,003)	(20,744)
Depreciation and amortization		3	-
Change in inventories		700	-
Change in receivables		(6,859)	198
Change in liabilities		(1,234)	(989)
Change in deferred and accrued expenses		(567)	(477)
Change in provisions		51	-
Interest income and expense		(56)	(20,193)
Gain (loss) on foreign exchange differences		1,097	(200)
Dividends received		312	4,142
Acquisition of subsidiary companies		(2,450)	(3,384)
Other		-	159
Net cash generated from operating activities		(3,039)	(895)
Corporate income tax paid		-	-
Net cash provided by (used in) operating activities		(3,039)	(895)
Cash flows - investing activities			
Acquisition of tangible fixed assets		(231)	-
Interest received		210	16
Net cash provided by (used in) investing activities		(21)	16
Cash flows - financing activities			
Interest paid		(154)	-
Expenses related to obtaining a bank credit		(256)	-
Net cash provided by (used in) financing activities		(410)	-
Net change in cash and cash equivalents		(3,470)	(879)
Effect of foreign exchange differences on cash and cash equivalents		(769)	112
Cash and cash equivalents as at 1 January	<u>10</u>	48,014	2,891
Cash and cash equivalents as at 30 June	<u>10</u>	43,775	2,124

SUPPLEMENTARY INFORMATION AND EXPLANATIONS

I. GENERAL INFORMATION

Asseco South Eastern Europe SA ("Company", "Issuer", "entity") 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 registered in XII Commercial Department of the National Court Register at the District Court in Rzeszów, under the number 0000284571. The Company has been assigned the statistical number REGON 180248803. On 11 February 2008, the 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.

The period of the Company's operations is indefinite.

According to the Articles of Association, the 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.

The 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 June 2010, Asseco Poland SA held a 53.46% stake in the share capital of Asseco South Eastern Europe SA.

These interim condensed financial statements cover the period of 6 months ended 30 June 2010 and contain comparative data for the period of 6 months ended 30 June 2009 in case of the statement of comprehensive income, statement of changes in equity and statement of cash flows; and comparative data as at 31 December 2009 in case of the balance sheet. The profit and loss account as well as notes to the profit and loss account covering the period of 3 months ended 30 June 2010 and containing comparative data for the period of 3 months ended 30 June 2009 – were not subject to a review by certified auditors.

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.

These interim condensed financial statements for the period of 6 months ended 30 June 2010 were authorized for publication by the Management Board on 25 August 2010.

The Company also prepared the interim condensed consolidated financial statements for the period of 6 months ended 30 June 2010 which were authorized for issue by the Management Board on 25 August 2010.

II. ACCOUNTING PRINCIPLES APPLIED WHEN PREPARING THE FINANCIAL STATEMENTS

1. Basis for preparation of interim condensed financial statements

These interim condensed 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 ("EU"). As at the date of approving publication of these financial statements, given the ongoing process of implementing the IFRS standards in the EU as well as the Company's operations, in the scope of accounting principles applied by the Company there is no difference between the IFRS that came into force and the IFRS endorsed by the European Union.

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

These interim condensed 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 financial statements is zloty (PLN), and all figures are presented in thousands of zlotys (PLN '000), unless stated otherwise.

These interim condensed financial statements were prepared on the going-concern basis, assuming the Company will continue its business activities in the foreseeable future.

Till the date of approving these financial statements, there were observed no indications of a threat to the Company's ability to continue as a going concern in the period of at least 12 months following the balance sheet date (30 June 2010).

2. Major accounting principles

The major accounting principles adopted by Asseco South Eastern Europe SA have been described in the 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 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 Company's financial statements for the year ended 31 December 2009.

The accounting principles (policy) adopted for drawing up this report are coherent with those applied for preparation of the annual 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.

- IFRS 2 *Share-based Payment: Group Cash-settled Share-based Payment Transactions* – effective as of 1 January 2010. The amendment clarifies the way of accounting for group cash-settled share-based payment transactions. It supersedes the interpretations IFRIC 8 and IFRIC 11. Adoption of this amendment affected neither the Company's financial position nor its financial performance.
- IFRS 3 *Business Combinations* (revised) and IAS 27 *Consolidated and Separate Financial Statements* (amended) – effective as of 1 July 2009. The revised IFRS 3 introduces a number of significant changes in the recognition of business combinations conducted after its effective date. These changes relate to the measurement of non-controlling interests, recognition of costs directly attributable to an acquisition, initial recognition and subsequent measurement of contingent consideration, and accounting for multi-stage combinations. Such changes will affect the value of recognized

goodwill, financial results reported for the period when an acquisition is made as well as financial results reported for future periods.

The amended IAS 27 requires all changes in the ownership interest in a subsidiary (that do not result in a loss of control) to be accounted for as transactions with owners. As a consequence such transactions will not give rise to any goodwill nor will they result in the recognition of any profit or loss. In addition, the Standard modifies the way of allocation of losses incurred by subsidiary entities, and determines the accounting treatment required for loss of control over a subsidiary. Amendments to IFRS 3 and IAS 27 will affect the future acquisitions or losses of control over subsidiary entities as well as transactions conducted with non-controlling shareholders.

The required changes have been introduced to our accounting policy prospectively and so far they had no significant impact on the Company's financial position or its financial results.

- IAS 39 *Financial Instruments: Recognition and Measurement: Eligible Hedged Items* – effective as of 1 July 2009. The amendments address the designation of a one-sided risk in a hedged item, as well as identifying inflation as a hedged risk or portion in particular situations. Adoption of this amendment affected neither the Company's financial position nor its financial performance.
- Interpretation IFRIC 17 *Distributions of Non-cash Assets to Owners* – effective as of 1 July 2009. The Interpretation provides guidance on the accounting treatment of transactions whereby assets other than cash are distributed as reserves or dividends to shareholders. This interpretation did not affect the Company's financial position nor its financial results.
- *Improvements to IFRS 2008* – in May 2008 the International Accounting Standards Board (IASB) issued the first set of improvements to its published standards. The amendments adopted by the Company as of 1 January 2010 include:
 - IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. This amendment clarifies that if a subsidiary entity is qualified as held for sale all of its assets and liabilities should be classified as held for sale, even if after the sale transaction the parent entity retains a non-controlling interest in the subsidiary. The amendment shall be applied prospectively and it has no impact on the Company's financial position nor on its financial results.
- *Improvements to IFRS 2009* – in April 2009 IASB issued the second collection of amendments to its published standards basically in order to eliminate any wording inconsistencies and uncertainties. Individual standards are subject to various transitional provisions. Adoption of the following amendments resulted in changing the Company's accounting principles (policy); however, it had no impact on the Company's financial position and its financial performance.
 - IFRS 8 *Operating Segments*. The amendment clarifies that an entity is required to disclose the segment assets and liabilities only if a measure of such assets and liabilities is regularly reported to the chief operating decision maker. The Company is engaged mainly in holding operations, hence we have not identified any separate reportable operating segments.
 - IAS 36 *Impairment of Assets*. The amendment clarifies that the largest permitted unit to which goodwill (arising from business combination) should be allocated for the purposes of impairment testing is an operating segment as defined by IFRS 8, before the aggregation of segments for reporting purposes. This amendment did not influence the Company's financial statements.

- *IAS 39 Financial Instruments: Recognition and Measurement.* The amendment clarifies that a loan prepayment option should be considered closely related to the host debt contract, if its exercise price reimburses the lender for an amount up to the approximate present value of lost interest for the remaining term of the host contract. Amendments to IAS 39 had no impact on the Company's accounting principles (policy), financial position or its financial results.

Amendments to the below mentioned standards did not affect the accounting principles (policy), financial position or financial performance of the Company:

- *IFRS 2 Share-based Payment*
- *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations*
- *IAS 1 Presentation of Financial Statements*
- *IAS 7 Statement of Cash Flows*
- *IAS 17 Leases*
- *IAS 38 Intangible Assets*
- *IFRIC 9 Reassessment of Embedded Derivatives*
- *IFRIC 16 Hedges of a Net Investment in a Foreign Operation*

The Company did not decide on early adoption of any other standard, interpretation or amendment which has been published but has not yet become effective.

3. Estimates

In the period of 6 months ended 30 June 2010, no substantial changes were introduced to the way of making estimates.

4. Professional judgement

Preparing 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 Company's management best knowledge about 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 Company's future results.

Deferred income tax assets

The Company recognizes deferred income tax assets presuming that the future taxable income will enable utilization of those deferred tax assets. Deterioration in taxable income achieved in the future might cause the above assumption to become unjustified.

Impairment of financial assets

At each balance sheet date, the Company determines if there are any objective indications of impairment of a financial asset or group of financial assets.

5. Seasonal nature of business

The Company' business activities are not seasonal in nature and therefore the presented financial performance is not subject to substantial fluctuations during a year.

III. INFORMATION ON OPERATING SEGMENTS

The Company is engaged mainly in holding operations, hence we have not identified any separate reportable operating segments.

IV. NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

1. Dividend income

	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)	3 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2009 (unaudited)
Dividends received from related companies	6,375	6,375	20,177	20,177
	6,375	6,375	20,177	20,177

2. Revenues from sale of services

	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)	3 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2009 (unaudited)
Revenues from sale of services	1,065	1,065	-	-
	1,065	1,065	-	-

From the financial year 2010, Asseco South Eastern Europe SA begins to invoice the consulting services it provides to subsidiary companies of the Asseco South Eastern Europe Group. Bearing in mind the holding nature of the Company's business, revenues from sale of such services are presented under main operating activities.

3. Breakdown of operating costs

	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)	3 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2009 (unaudited)
Materials and energy used (-)	(39)	(43)	-	-
Third-party work (-)	(339)	(397)	(589)	(593)
Salaries (-)	(594)	(1,076)	(10)	(21)
Employee benefits (-)	(35)	(96)	(2)	(4)
Depreciation and amortization (-)	(3)	(3)	-	-
Taxes and charges (-)	(48)	(92)	(3)	(4)
Business trips (-)	(92)	(136)	(39)	(60)
Other (-)	(26)	(42)	(3)	(6)
	(1,176)	(1,885)	(646)	(688)
Cost of sales (-)	(1,065)	(1,065)	-	-
General administrative expenses (-)	(111)	(820)	(646)	(688)

4. Other operating income and expenses

Other operating income	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)	3 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2009 (unaudited)
Revenues from sale of third-party software and services	51	1,010	-	-
Other	-	-	-	1
	51	1,010	-	1

In the financial year 2009, Asseco South Eastern Europe SA signed with Bank Pekao SA an agreement for supply of tokens including graphical customization, maintenance and guarantee services. The first delivery was made in 2009; whereas, the second stage of the agreement was scheduled for the 1st quarter of 2010.

Other operating expenses	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)	3 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2009 (unaudited)
Cost of purchase of third-party software and work (-)	(52)	(784)	-	-
Deferred income tax provision related to the IPO costs (-)	-	(51)	-	-
Other (-)	(5)	(5)	-	-
	(57)	(840)	-	-

5. Financial income and expenses

Financial income	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)	3 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2009 (unaudited)
Bank interest income	151	238	4	17
Gain on foreign exchange differences	173	32	651	342
Other financial income	-	-	15	-
	324	270	670	359

Financial expenses	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)	3 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2009 (unaudited)
Interest paid on bank credits (-)	(20)	(31)	-	-
	(20)	(31)	-	-

6. Corporate income tax

The main charges on the pre-tax profit due to corporate income tax (current and deferred portions):

	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)	3 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2009 (unaudited)
Current portion of corporate income tax and prior years adjustments	-	-	-	-
Deferred portion of corporate income tax related to occurrence or reversal of temporary differences	(2)	20	318	319
	(2)	20	318	319
Income tax expense as disclosed in the profit and loss account	(2)	20	318	319

Regulations applicable to the value added tax, corporate income tax, personal income tax or social security contributions are subject to frequent amendments, thereby often depriving the taxpayers of a possibility to refer to well established regulations or legal precedents. The current regulations in force include ambiguities which may give rise to different opinions and legal interpretations on the taxation regulations either between companies and public administration, or between the public administration bodies themselves. Taxation and other settlements (for instance customs duty or currency payments) may be controlled by administration bodies that are entitled to impose considerable fines, and the amounts of so determined liabilities must be paid with high interest. In effect the amounts disclosed in the financial statements may be later changed, after the taxes payable are finally determined by the taxation authorities.

7. 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:

- d) PLN 1,430 thousand was allocated to reserve capital pursuant to art. 396 §1 of the PCCC;
- e) PLN 9,727 thousand was appropriated to cover the Company's losses for the years 2007 and 2008;

PLN 5,452 thousand was distributed among the Company's shareholders as a dividend of PLN 0.11 per share.

The dividend was paid out after the balance sheet date.

8. Investments in subsidiary companies

	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
Asseco SEE s.r.l., (Bucharest) ¹⁾	147,417	147,417
Asseco SEE d.o.o., Beograd ²⁾	204,677	204,677
ASSECO SEE d.o.o. (Zagreb) ³⁾	93,438	93,438
Asseco SEE Sh.p.k. (Pristina) ⁴⁾	44,361	44,749
	489,893	490,281

- 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. (Bucharest) (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. (Bucharest) (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 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. (Zagreb) (the taking-over company) with Arbor Informatika d.o.o. (the acquired company).
- 4) On 25 January 2010, the subsidiary Pronet Sh.p.k. was renamed as Asseco SEE Sh.p.k. (Pristina).

The change in the value of investment in Asseco SEE Sh.p.k. (Pristina) resulted from the final settlement of the company acquisition transaction that was made in 2010. Pursuant to the acquisition agreement that was signed during 2009, a part of the purchase price paid for Asseco SEE Sh.p.k. (Pristina) (the second instalment) was treated together with the company's results for the whole year 2009. At the time of accounting for the transaction, Asseco South Eastern Europe SA recognized the maximum amount of the second instalment in the value of investment and accordingly the related liability. The transaction was finally settled taking into account the audited consolidated financial statements of Asseco SEE Sh.p.k. (Pristina) for 2009 and, as a result of such settlement, the value of investment was reduced by PLN 388 thousand.

9. Trade accounts receivable and other receivables

	30 June 2010	31 Dec. 2009
Trade accounts receivable	(unaudited)	(audited)
Trade accounts receivable, of which:	1,066	1,125
Receivables from related companies, of which:	1,066	-
<i>from associated companies</i>	-	-
Receivables from other companies	-	1,125
	1,066	1,125

Trade accounts receivable are not interest-bearing.

As at 30 June 2010, no category of receivables served as security for any bank credits and loans.

Both as at 30 June 2010 and 31 December 2009, there were no outstanding receivables under transactions conducted with Asseco Poland SA.

The amount of receivables from related companies, as presented herein, corresponds to consulting services sold to subsidiaries of the Asseco South Eastern Europe Group.

Receivables on taxes, import tariffs, social security and other regulatory payments	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
Value added tax	5,027	4,611
	5,027	4,611

Receivables on value added tax, presented in these financial statements as at 30 June 2010 and 31 December 2009, refer to the Company's right to apply for reimbursement of such amounts to its bank account. On 12 August 2010, the Company received binding tax interpretations regarding its right to deduct the amount VAT paid on the IPO-related costs.

Other receivables	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
Receivables from dividends	6,490	328
Other receivables	353	352
Revaluation write-down on doubtful accounts receivable (-)	(352)	(352)
	6,491	328

10. Cash and cash equivalents, restricted cash

For the purpose of preparing the interim condensed statement of cash flows, cash and cash equivalents comprise the following items:

	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
Cash at bank and in hand	306	48,014
Short-term deposits	43,469	-
	43,775	48,014

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 Company 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) neither at 30 June 2010 nor at 31 December 2009.

11. Share capital

Share capital Shares	Series	Par value per share	30 June 2010 (unaudited)		31 Dec. 2009 (audited)	
			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
Ordinary registered shares	B*	0.1	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
Ordinary registered shares	D	10	25,770,009	257,700	25,770,009	257,700
Ordinary registered shares	E	10	956,447	9,565	956,447	9,565
Ordinary registered shares	F	10	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
Ordinary registered shares	H	10	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
Ordinary registered shares	J	10	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
Ordinary registered shares	L	10	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
Ordinary registered shares	N	10	1,078,909	10,789	1,078,909	10,789
Ordinary registered shares	P	10	1,524,269	15,242		
			49,561,719	495,617	48,037,450	480,375

* Following a reverse stock split of series D shares

In the period of 6 months ended 30 June 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".

12. Interest-bearing bank credits and debt securities issued

As at 30 June 2010 and 31 December 2009, the Company had no liabilities by virtue of interest-bearing bank credits and issuance of debt securities.

On 30 December 2009, Asseco South Eastern Europe SA signed with the European Bank for Reconstruction and Development an agreement for an investment credit in the maximum amount of EUR 7 million. The credit interest rate equals 3M EURIBOR + margin. The repayment deadline specified in the agreement is 31 January 2016. As at 30 June 2010 and 31 December 2009, the Company had no liabilities under this credit.

13. Trade accounts payable and financial liabilities

Short-term trade accounts payable	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
Accounts payable to related companies, of which:	51	1,894
<i>to associated companies</i>	-	-
To other companies	289	74
	340	1,968

Trade accounts payable are not interest-bearing.

As at 30 June 2010, the balance of outstanding liabilities under transactions conducted with Asseco Poland SA was PLN 51 thousand; whereas, as at 31 December 2009 such outstanding liabilities amounted to PLN 965 thousand. In the period of 6 months ended 30 June 2010, net value of transactions conducted with Asseco Poland SA totalled PLN 141 thousand; whereas, in the corresponding period of 2009 the net value of such transactions amounted to PLN 79 thousand.

Financial liabilities	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
Dividends payable	5,452	-
Liabilities due to acquisition of shares in subsidiaries	-	2,761
	5,452	2,761

The Company's liability by virtue of dividends payable to shareholders for 2009 in the amount of PLN 5,452 thousand was settled on 16 July 2010.

Payments for shares in Pronet Sh.p.k. (Pristina) disclosed as at 31 December 2009 in the amount of PLN 2,761 thousand was settled by the Company on 13 April 2010.

14. Provisions

As at 30 June 2010, the Company recognized a provision in the amount of PLN 1,228 thousand for contingent income tax liabilities which resulted from ambiguity in the applicable taxation regulations.

As at 31 December 2009, this provision amounted to PLN 1,177 thousand.

15. Deferred and accrued expenses and unearned revenues

Deferred expenses by virtue of:	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
Prepaid insurance	4	-
Expenditures for company acquisitions	42	42
Payments for support and maintenance of software for Pekao SA	170	254
VAT recoverable in 2010	-	212
Prepaid interest and commissions on bank credits	133	-
Interest recognized on bank deposits and loans	28	-
Expenses related to taking out a bank credit	247	-
Stock exchange fees	40	-
Costs of IT audits	200	-
	864	508
- short-term	509	489
- long-term	355	19

Accrued expenses by virtue of:	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
Provision for the audit of financial statements	108	130
Provision for expected IPO costs	405	675
Provision for salaries and wages	147	-
Other provisions	9	-
	669	805
- short-term	669	805
- long-term	-	-

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

Deferred income by virtue of:	30 June 2010	31 Dec. 2009
	(unaudited)	(audited)
Payments for support and maintenance of software for Pekao SA	187	262
	187	262
- short-term	131	238
- long-term	56	24

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

16. Contingent liabilities

Both as at 30 June 2010 and 31 December 2009, the Company had no contingent liabilities.

17. Equity management

The main objective of the Company's equity management is to maintain favourable credit rating and safe level of equity ratios that would support the Company's operating activities and increase the value for our shareholders.

The Company manages its equity structure which is altered in response to changing economic conditions. In order to maintain or adjust its equity structure, the Company may change its dividend payment policy, return some capital to its shareholders or issue new shares. In the period of 6 months ended 30 June 2010 as well as in the year ended 31 December 2009, the Group did not introduce any changes to its objectives, principles and processes adopted in this area.

18. Hedges of cash flows

Asseco South Eastern Europe SA applies hedge accounting of future cash flows so that the financial statements fully reflected the economic content of its business activities as well as the Group's acquisitions policy. The Company's Management Board decided to hedge the future payments for shares acquired in companies against changes of the Euro exchange rate. Foreign currency dividend cash flows expected in the future as well as cash at bank accounts denominated in EUR have been designated as hedging instruments.

In the period of 6 months ended 30 June 2010, the Company recognized PLN 301 thousand in its revaluation capital. In the period reported there occurred no events that might decrease the probability of making the hedged future payments.

The table below presents information on the applied hedging instruments along with their fair values and maturities of the related payments.

Hedged item	Hedged risk	Hedging instrument	Fair value of hedging instrument	Maturity of cash flows
Cash flows	Foreign currency	Cash	33,812	2010-2014

19. Transactions with related companies

Until the date of approval of these interim condensed 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.

20. Objectives and principles of financial risk management

Asseco South Eastern Europe SA is exposed to a number of risks arising either from the macroeconomic situation of the countries where the Company holds its investments as well as from the microeconomic situation in individual companies. The main external factors that may have an adverse impact on the Company's financial performance are: (i) fluctuations in foreign currency exchange rates versus the Polish zloty, and (ii) changes in official interest rates. The financial results are also indirectly affected by the pace of GDP growth, value of public orders for IT solutions, level of capital expenditures made by enterprises, and the inflation rate.

Foreign currency exposure risk

The currency used for presentation of the Company's results is Polish zloty (PLN). Because our subsidiaries conduct business operations in countries with the functional currencies other than our presentation currency, the Company is exposed to changes in such foreign currency exchange rates both with respect to the dividends received from our subsidiaries, and the planned acquisitions. The Company implemented hedge accounting of future cash flows in order to reduce the impact of changes in foreign currency exchange rates on our financial results.

Interest rate risk

Changes in the market interest rates may have a negative influence on the Company's financial results. The Company's exposure to the above-mentioned risk may result in changes of the amounts of interest charged on third-party borrowings which are based on variable interest rates. However, as at 30 June 2010 the Company was not exposed to any interest rate risk.

Identification: The interest rate risk arises and is recognized by the Company at the time of concluding a transaction or financial instrument based on a variable interest rate. All such agreements are subject to analysis by the Company's responsible personnel, hence the knowledge of that issue is complete and acquired directly.

Measurement: The Company measures its exposure to the interest rate risk by preparing statements of the total amounts resulting from all the financial instruments based on a variable interest rate. Additionally, the Company maintains records of debt planned to be incurred during the next 12 months, and in case of long-term instruments – for the period of their maturity.

Objective: The purpose of reducing such risk is to minimize expenses arising from the concluded financial instruments based on a variable interest rate.

Measures: In order to reduce its interest rate risk, the Company may: (i) try to avoid taking out credit facilities based on a variable interest rate or, if not possible, (ii) hedge the interest rate level by concluding forward contracts.

Matching: The Company gathers and analyzes the current market information concerning its present exposure to the interest rate risk. At present the Company does not apply any interest rate hedges.

Credit risk

The Company concludes transactions only with reputable companies which have good credit ratings. All customers applying for deferred payments are subject to the procedures of preliminary verification of their creditworthiness. Furthermore, current monitoring of receivables makes it possible to eliminate the risk of uncollectible receivables almost entirely.

In relation to other financial assets, such as cash and cash equivalents, the Company's credit risk results from the contracting party inability to settle their payments, whereas the maximum exposure to such risk is limited to the book value of such financial instruments.

There is no particular concentration of credit risk in any segment of the Company's operations.

Financial liquidity risk

The Company monitors the risk of funds shortage using the tool for periodic planning of liquidity. This solution takes into account the maturity deadlines of investments and financial assets (e.g. accounts receivable) as well as the anticipated cash flows from operating activities.

The Company's objective is to maintain a balance between continuity and flexibility of financing by using various sources of funds.

The tables below reveal the Company's trade accounts payable as at 30 June 2010 and 31 December 2009, by the maturity period based on the contractual undiscounted payments.

Aging structure of trade accounts payable	30 June 2010 (unaudited)		31 Dec. 2009 (audited)	
	amount	structure	amount	structure
Liabilities due already	4	1%	-	-
Liabilities falling due within 3 months	336	99%	1,968	100%
TOTAL	340	100%	1968	100%

Fair value

The book values of financial assets and liabilities held by the Company both as at 30 June 2010 and 31 December 2009 did not significantly differ from their fair values.

21. Significant events after the balance sheet date

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 all the acquired companies amounted to PLN 6,218 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. ITD employs 68 persons. In 2009 ITD generated sales revenues of EUR 7.9 million and a net profit of EUR 0.7 million (calculated at the average exchange rates during 2009).

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. This issuance has not yet been registered by a court until the date of publication of these interim condensed financial statements.

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.

In the period from 30 June 2010 till the date of approval of these interim condensed financial statements, this is until 25 August 2010, there did not occur any other significant events, the disclosure of which might significantly affect the assessment of human resources, assets, and financial position of Asseco South Eastern Europe SA.

22. Significant events related to prior years

Until the date of preparing these interim condensed financial statements for the period of 6 months ended 30 June 2010, this is until 25 August 2010, there occurred no significant events related to prior years, which have not but should have been included in the accounting books.