



**REPORT OF THE ASSECO SOUTH EASTERN EUROPE GROUP
FOR THE 1ST QUARTER OF 2011**

Rzeszów, 11 May 2011



**FINANCIAL HIGHLIGHTS
OF THE ASSECO SOUTH EASTERN EUROPE GROUP
FOR THE 1ST QUARTER OF 2011**

FINANCIAL HIGHLIGHTS OF THE ASSECO SOUTH EASTERN EUROPE GROUP

		3 months ended 31 March 2011 (unaudited)	3 months ended 31 March 2010 (unaudited)	3 months ended 31 March 2011 (unaudited)	3 months ended 31 March 2010 (unaudited)
		PLN '000	PLN '000	EUR '000	EUR '000
I.	Sales revenues	97,976	92,298	24,653	23,267
II.	Operating profit	11,119	9,616	2,798	2,424
III.	Pre-tax profit	13,394	9,368	3,370	2,362
IV.	Net profit for the period reported	12,077	8,112	3,039	2,045
V.	Net profit attributable to Shareholders of the Parent Company	12,115	8,173	3,048	2,060
VI.	Net cash provided by (used in) operating activities	4,207	636	1,059	160
VII.	Net cash provided by (used in) investing activities	(8,085)	(828)	(2,034)	(209)
VIII.	Net cash provided by (used in) financing activities	(842)	(2,051)	(212)	(517)
IX.	Cash and cash equivalents at the end of period	97,680	99,901	24,348	25,866
X.	Net profit for the period reported Basic earnings per ordinary share attributable to Shareholders of the Parent Company (in PLN/EUR)	0.24	0.16	0.06	0.04
XI.	Diluted earnings per ordinary share attributable to Shareholders of the Parent Company (in PLN/EUR)	0.24	0.16	0.06	0.04

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 2011 to 31 March 2011: EUR 1 = PLN 3.9742
 - for the period from 1 January 2010 to 31 March 2010: EUR 1 = PLN 3.9669
- 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 31 March 2011: EUR 1 = PLN 4.0119
 - exchange rate effective on 31 March 2010: EUR 1 = PLN 3.8622



GENERAL INFORMATION
THE ASSECO SOUTH EASTERN EUROPE GROUP

**REPORT OF THE ASSECO SOUTH EASTERN EUROPE GROUP
FOR THE 1ST QUARTER OF 2011**

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I. GENERAL INFORMATION

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

The parent Asseco South Eastern Europe S.A. seated at 14 Olchowa St., Rzeszów, Poland, was established on 10 April 2007 as a joint stock company called Asseco Adria S.A. On 11 July 2007, the Company was entered in the register of entrepreneurs maintained by the District Court in Rzeszów, XII Commercial Department of the National Court Register, under the number 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 S.A. to Asseco South Eastern Europe S.A. 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 S.A. 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. The scope of the Asseco South Eastern Europe Group's core business broken down by relevant segments is described in Section II of these interim condensed consolidated financial statements.

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

The parent of Asseco South Eastern Europe S.A. is Asseco Poland S.A. (the higher-level parent company). As at 31 March 2011, Asseco Poland S.A. held a 51.96% stake in the share capital of Asseco South Eastern Europe S.A.

These interim condensed consolidated financial statements cover the interim period ended 31 March 2011 and contain comparative data for the interim period ended 31 March 2010 in case of the statement of comprehensive income, statement of changes in equity and statement of cash flows; and comparative data as at 31 March 2010 and 31 December 2010 in case of the balance sheet.

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

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

As at 31 March 2011 as well as on the date of publication of this report, i.e. on 11 May 2011, the Company's Management Board and Supervisory Board were composed of the following persons:

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

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

III. MAJOR SHAREHOLDERS

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

To the best knowledge of the Management Board of Asseco South Eastern Europe S.A., as at 31 March 2011 as well as at the date of publication of this report, i.e. on 11 May 2011, the Shareholders who either directly or through their subsidiaries held at least 5% of the total number of votes at the General Meeting of Shareholders were as follows:

Name of shareholder	Number of shares held and votes at GMS	Equity interest and voting interest at GMS
Asseco Poland S.A.	26,494,676	51.96%
EBRD	4,810,880	9.43%
Liatris d.o.o.	3,838,683	7.53%
Other shareholders	15,847,893	31.08%
	50,992,132	100.00%

As at 31 March 2011 and on the date of publication of these financial statements, the share capital of Asseco South Eastern Europe S.A. amounted to PLN 509,921,320 and it was divided into 50,992,132 ordinary shares with a par value of PLN 10.00 each, which entitled to 50,992,132 votes at the Company's General Meeting of Shareholders.

On 18 March 2011, the Management Board of Asseco South Eastern Europe S.A. passed a resolution on increasing the Company's share capital by the amount of PLN 9,021 thousand through the issuance of 902,119 shares of series T, in order to partially repay the liability for shares acquired in EST A.S. (Istanbul) in 2010. Until the date of publication of this report, i.e. till 11 May 2011, the Parent Company has not yet received any court decision on registration of the issuance of series T shares.

To the best knowledge of the Company's Management Board, after registration of the issuance of series T shares, the Shareholders who will either directly or through their subsidiaries hold at least 5% of the total number of votes at the General Meeting of Shareholders will be as follows:

Name of shareholder	Number of shares held and votes at GMS	Equity interest and voting interest at GMS
Asseco Poland S.A.	26,494,676	51.06%
EBRD	4,810,880	9.27%
Liatris d.o.o.	3,838,683	7.40%
Other shareholders	16,750,012	32.27%
	51,894,251	100.00%

Subsequently to registration of the issuance of series T shares, the share capital of Asseco South Eastern Europe S.A. will amount to PLN 518,942,510 and it will be divided into 51,894,251 ordinary shares with a par value of PLN 10.00 each, which will entitle to 51,894,251 votes at the Company's General Meeting of Shareholders.

To the best knowledge of the Management Board of Asseco South Eastern Europe S.A., in the period of 3 months ended 31 March 2011 the Company's shareholders structure remained unchanged.

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

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

Supervisory Board Members	Number of shares held as at			
	11 May 2011	31 March 2011	16 March 2011	31 Dec. 2010
Adam Góral ¹⁾	-	-	-	-
Jacek Duch	-	-	-	-
Andrzej Mauberg	-	-	-	-
Mihail Petreski ²⁾	-	-	-	-
Przemysław Sęczkowski	-	-	-	2,500
Gabriela Żukowicz	150	150	150	150

Management Board Members	Number of shares held as at			
	11 May 2011	31 March 2011	16 March 2011	31 Dec. 2010
Piotr Jeleński	550	550	550	550
Rafał Kozłowski	150	150	150	150
Hatice Ayas	21,364	21,364	21,364	21,364
Calin Barseti	-	-	-	-
Miljan Mališ ³⁾	-	-	-	-
Miodrag Mirčetić ⁴⁾	-	-	-	-
Dražen Pehar	949,900	949,900	949,900	949,900

¹⁾ Adam Góral, Member of the Supervisory Board of Asseco South Eastern Europe S.A., a shareholder in Asseco Poland S.A. which in turn is a shareholder in Asseco South Eastern Europe S.A.; as at 31 March 2011 Asseco Poland S.A. held 26,494,676 shares in Asseco South Eastern Europe S.A.

²⁾ Mihail Petreski, Member of the Supervisory Board of Asseco South Eastern Europe S.A., a shareholder in the company Liatris d o.o. which in turn is a shareholder in Asseco South Eastern Europe S.A.; as at 31 March 2011 Liatris d o.o. held 3,838,683 shares in Asseco South Eastern Europe S.A.

³⁾ Miljan Mališ, Member of the Management Board of Asseco South Eastern Europe S.A., a shareholder in the company of Mini Invest d o.o. which in turn is a shareholder in Asseco South Eastern Europe S.A.; as at 31 March 2011 Mini Invest d o.o. held 835,597 shares in Asseco South Eastern Europe S.A.

⁴⁾ Miodrag Mirčetić, Member of the Management Board of Asseco South Eastern Europe S.A., a shareholder in the company I4-INVENTION d.o.o. which in turn is a shareholder in Asseco South Eastern Europe S.A.; as at 31 March 2011 I4-INVENTION d.o.o. held 1,776,971 shares in Asseco South Eastern Europe S.A.

V. ORGANIZATIONAL STRUCTURE OF THE ASSECO SOUTH EASTERN EUROPE GROUP

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

The table below presents the Asseco South Eastern Europe Group structure along with equity interests and voting interests at the general meetings of shareholders/partners as at 31 March 2011.

	Country of registration	Voting interest		Equity interest	
		31 March 2011	31 Dec. 2010	31 March 2011	31 Dec. 2010
Asseco South Eastern Europe S.A.	Poland				
Asseco SEE s.r.l., (Bucharest)	Romania	100.00%	100.00%	100.00%	100.00%
Asseco s.r.l. MOLDOVA	Moldova	100.00%	100.00%	100.00%	100.00%
Asseco SEE d.o.o., Beograd	Serbia	100.00%	100.00%	100.00%	100.00%
E-Mon d.o.o., Podgorica	Montenegro	50.00%	50.00%	50.00%	50.00%
eMS d.o.o., Beograd	Serbia	100.00%	100.00%	100.00%	100.00%
Asseco SEE d.o.o., Podgorica	Montenegro	100.00%	100.00%	100.00%	100.00%
SIMT Cardinfo d.o.o. (Grosuplje)	Slovenia	50.00%	50.00%	50.00%	50.00%
Multicard d o.o., Beograd	Serbia	45.00%	45.00%	45.00%	45.00%
Asseco SEE d.o.o. (Zagreb) ¹⁾	Croatia	100.00%	100.00%	100.00%	100.00%
BDS-Platus d.o.o.	Croatia	100.00%	100.00%	100.00%	100.00%
Asseco SEE Sh.p.k. (Pristina)	Kosovo	100.00%	100.00%	100.00%	100.00%
Asseco SEE Sh.p.k., Tirana	Albania	100.00%	100.00%	100.00%	100.00%
Asseco SEE d o.o. (Sarajevo) ²⁾	Bosnia & Herzegovina	50.00%	50.00%	50.00%	50.00%
EST Elektronik Sanal Ticaret ve Bilisim Hizmetleri A.Ş. (Istanbul)	Turkey	76.90%	100.00%	76.90%	100.00%
ITD İletişim Teknoloji Danışmanlık Ticaret A.Ş. (Istanbul)	Turkey	99.99%	99.66%	99.99%	99.66%
SC I.T.D Romania s.r.l.	Romania	95.38%	95.38%	95.38%	95.38%
EST Elektronik Sanal Ticaret ve Bilisim Hizmetleri A.Ş. (Istanbul)	Turkey	23.10%	n/a	23.10%	n/a
Asseco SEE o.o.d. , Sofia	Bulgaria	49.00%	49.00%	49.00%	49.00%
ITD Polska Sp. z o.o. (Warsaw)	Poland	100.00%	100.00%	100.00%	100.00%
IPSA BHM INVESTMENTS d.o.o., Beograd	Serbia	100.00%	100.00%	100.00%	100.00%
Asseco SEE DOOEL, Skopje	Macedonia	100.00%	100.00%	100.00%	100.00%
Asseco SEE o.o.d. , Sofia	Bulgaria	51.00%	51.00%	51.00%	51.00%
Asseco SEE d o.o. (Sarajevo) ²⁾	Bosnia & Herzegovina	50.00%	50.00%	50.00%	50.00%
Ibis a.d. Banja Luka	Bosnia & Herzegovina	100.00%	100.00%	100.00%	100.00%
Pexim Solutions d.o.o., Banja Luka	Bosnia & Herzegovina	100.00%	100.00%	100.00%	100.00%

1) On 3 January 2011, there was registered a merger of Asseco SEE d.o.o. (Zagreb) (the taking-over company) with Biro Data Servis d.o.o. (the acquired company);

2) On 15 April 2011, the company of Cardinfo BDS d.o.o. (Sarajevo) was renamed as Asseco SEE d.o.o. (Sarajevo);

The parent of Asseco South Eastern Europe S.A. is Asseco Poland S.A. (the higher-level parent company). As at 31 March 2011, Asseco Poland S.A. held a 51.96% stake in the share capital of Asseco South Eastern Europe S.A.

Within the Group's organizational structure the companies of E-Mon d.o.o. (Podgorica) and SIMT Cardinfo d.o.o. (Grosuplje) are treated as co-subsiaries and therefore are consolidated under the proportionate method. The remaining companies incorporated within the Group are treated as subsidiaries and are subject to full consolidation.

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

As at 31 March 2011 as well as at 31 December 2010, voting interests the Group was entitled to exercise in its subsidiary companies were proportional to the Group's equity holdings in those undertakings.

VI. EFFECTS OF CHANGES IN THE ORGANIZATIONAL STRUCTURE

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

During the period of 3 months ended 31 March 2011 the following changes in the Group composition were observed:

□ Merger of Asseco SEE d.o.o. (Zagreb) with Biro Data Servis d.o.o. (Zagreb)

In accordance with the merger agreement signed on 1 December 2010, the process of merger of two companies being under common control of Asseco South Eastern Europe S.A., namely Asseco SEE d.o.o. (Zagreb) (the taking-over company) and Biro Data Servis d.o.o. (Zagreb) (the acquired company) was finalized on 1 January 2011. The merger was registered by the District Court in Zagreb on 3 January 2011.

As a result of the court registration, the following resolutions passed by the General Meeting of Shareholders on 1 December 2010 became effective:

- The share capital of Asseco SEE d.o.o. (Zagreb) was increased by the amount of HRK 2,054 thousand up to the total of HRK 4,500 thousand;
- Compositions of the Management Board and Supervisory Board have been changed.

□ Disposal by Asseco South Eastern Europe S.A. of a 23.1% stake of shares to its subsidiary ITD A.Ş. (Istanbul)

On 29 March 2011, the Management Board of ITD A.Ş. (Istanbul) passed a resolution to acquire a 23.1% stake of shares in EST A.Ş. (Istanbul) from Asseco South Eastern Europe S.A., for USD 2,000 thousand. Following that transaction, the direct shareholding of Asseco South Eastern Europe S.A. in EST A.Ş. (Istanbul) dropped from 100% to 76.9%. However, the shares held Asseco South Eastern Europe both indirectly and directly represent the same equity interest as before the transaction. The said transaction had no impact on the consolidated financial statements of the Asseco South Eastern Europe Group.

□ Acquisition of a 0.33% stake in ITD A.Ş.

Asseco South Eastern Europe S.A. purchased a 0.33% stake of shares in ITD A.Ş. (Istanbul) from an individual person, for the amount of USD 37 thousand. Following that transaction, the shareholding of Asseco South Eastern Europe S.A. in ITD A.Ş. (Istanbul) increased from 99.66% to 99.99%.



**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
OF THE ASSECO SOUTH EASTERN EUROPE GROUP
FOR THE 1ST QUARTER OF 2011**

Rzeszów, 11 May 2011

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
OF THE ASSECO SOUTH EASTERN EUROPE GROUP
FOR THE 1ST QUARTER OF 2011**

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**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
OF THE ASSECO SOUTH EASTERN EUROPE GROUP
FOR THE 1ST QUARTER OF 2011**

These interim condensed consolidated financial statements were authorized for publication by the Management Board of Asseco South Eastern Europe S.A. on 11 May 2011.

Management Board of Asseco South Eastern Europe S.A.:

Piotr Jeleński	President of the Management Board
Rafał Kozłowski	Vice President of the Management Board
Hatice Ayas	Member 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

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

	Note	3 months ended 31 March 2011 (unaudited)	3 months ended 31 March 2010 (unaudited)
Sales revenues	<u>1</u>	97,976	92,298
Cost of sales (-)	<u>2</u>	(72,036)	(70,360)
Gross profit on sales		25,940	21,938
Selling expenses (-)	<u>2</u>	(7,223)	(4,965)
General administrative expenses (-)	<u>2</u>	(7,504)	(7,469)
Net profit on sales		11,213	9,504
Other operating income		196	300
Other operating expenses (-)		(290)	(188)
Operating profit		11,119	9,616
Financial income		3,118	818
Financial expenses (-)		(843)	(1,066)
Pre-tax profit		13,394	9,368
Corporate income tax (current and deferred portions)		(1,317)	(1,256)
Net profit (loss) for the period reported		12,077	8,112
Attributable to:			
Shareholders of the Parent Company		12,115	8,173
Non-controlling shareholders		(38)	(61)

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

Basic consolidated earnings per share from continuing operations for the period reported	<u>3</u>	0.24	0.16
Diluted consolidated earnings per share from continuing operations for the period reported	<u>3</u>	0.24	0.16

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

	3 months ended 31 March 2011 (unaudited)	3 months ended 31 March 2010 (unaudited)
Net profit for the period reported	12,077	8,112
Other comprehensive income:		
Hedges of cash flows	194	(1,905)
Foreign currency translation differences on subsidiary companies	11,223	(33,549)
Other	5	-
Total other comprehensive income	11,422	(35,454)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	23,499	(27,342)
Attributable to:		
<i>Shareholders of the Parent Company</i>	<i>23,537</i>	<i>(27,281)</i>
<i>Non-controlling shareholders</i>	<i>(38)</i>	<i>(61)</i>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
ASSECO SOUTH EASTERN EUROPE GROUP

ASSETS	Note	31 March 2011	31 December 2010	31 March 2010
		(unaudited)	(audited)	(unaudited)
Non-current assets		516,587	505,991	436,469
Property, plant and equipment		18,206	16,670	10,293
Investment property		820	843	825
Intangible assets		8,842	9,364	7,662
Goodwill arising from consolidation	5	485,780	476,399	414,866
Investments in subsidiary companies		11	13	-
Financial assets available for sale		45	44	44
Long-term loans		388	28	29
Long-term receivables		190	149	-
Deferred income tax assets		1,582	1,592	2,559
Long-term deferred expenses		366	322	34
Restricted cash	7	357	567	157
Current assets		201,362	222,643	196,723
Inventories		13,428	13,851	18,954
Deferred expenses	8	5,743	4,070	3,973
Trade accounts receivable	6	46,545	71,203	46,210
Corporate income tax recoverable	6	1,221	1,327	1,371
Receivables from the State budget	6	924	662	5,629
Receivables arising from valuation of IT contracts		25,957	22,270	12,971
Other receivables	6	8,991	7,461	7,033
Financial assets available for sale		25	24	30
Financial assets held to maturity		240	241	545
Financial assets carried at fair value through profit or loss		96	95	-
Short-term loans		512	463	106
Cash and short-term deposits	7	97,680	100,976	99,901
Non-current assets classified as held for sale		-	-	2,435
TOTAL ASSETS		717,949	728,634	635,627

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
ASSECO SOUTH EASTERN EUROPE GROUP

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	31 March 2011	31 December 2010	31 March 2010
		(unaudited)	(audited)	(unaudited)
Shareholders' equity (attributable to Shareholders of the Parent Company)		620,720	597,264	551,192
Share capital	<u>9</u>	509,921	509,921	495,617
Share premium		38,825	38,825	37,409
Revaluation capital		(47)	(241)	(2,974)
Foreign currency translation differences on subsidiary companies		(38,062)	(49,285)	(40,796)
Prior years' retained earnings (deficit) and current net profit		110,083	98,044	61,936
Non-controlling interests		-	-	(19)
Total shareholders' equity		620,720	597,264	551,173
Non-current liabilities		4,569	6,968	10,975
Interest-bearing bank loans, borrowings and debt securities	<u>11</u>	498	520	-
Deferred income tax provisions		1,820	1,736	1,189
Long-term provisions		314	316	108
Long-term financial liabilities	<u>10</u>	1,595	3,762	9,316
Long-term deferred income		101	375	44
Other long-term liabilities		241	259	318
Current liabilities		92,660	124,402	71,662
Interest-bearing bank loans, borrowings and debt securities	<u>11</u>	1,473	2,176	3,084
Trade accounts payable	<u>12</u>	22,237	36,896	26,352
Corporate income tax payable	<u>12</u>	1,015	1,358	1,242
Liabilities to the State budget	<u>12</u>	6,350	12,473	3,439
Financial liabilities	<u>10</u>	15,906	20,981	6,342
Liabilities arising from valuation of IT contracts		735	368	843
Other liabilities	<u>12</u>	19,804	26,158	10,297
Short-term provisions		5,269	5,074	4,038
Deferred income	<u>13</u>	7,808	8,377	7,715
Accrued expenses	<u>13</u>	12,063	10,541	8,310
Liabilities directly related to non-current assets classified as held for sale		-	-	1,817
TOTAL LIABILITIES		97,229	131,370	84,454
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		717,949	728,634	635,627

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

For the period of 3 months ended 31 March 2011

	Note	Share capital	Share premium	Subscribed unregistered share capital	Revaluation capital	Foreign currency translation differences on subsidiary companies	Prior years' retained earnings (deficit) and current net profit	Shareholders' equity attributable to Shareholders of the Parent Company	Non-controlling interests	Total shareholders' equity
As at 1 January 2011		509,921	38,825	-	(241)	(49,285)	98,044	597,264	-	597,264
Net profit (loss) for the period reported		-	-	-	-	-	12,115	12,115	(38)	12,077
Other comprehensive income		-	-	-	194	11,223	5	11,422	-	11,422
Total comprehensive income for the period reported		-	-	-	194	11,223	12,120	23,537	(38)	23,499
Changes in the Group structure, of which:		-	-	-	-	-	(81)	(81)	-	(81)
<i>Acquisition of non-controlling interests</i>		-	-	-	-	-	<i>(81)</i>	<i>(81)</i>	-	<i>(81)</i>
Recognition of profit attributable to non-controlling interests		-	-	-	-	-	-	-	38	38
As at 31 March 2011 (unaudited)	9	509,921	38,825	-	(47)	(38,062)	110,083	620,720	-	620,720

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

For the period of 3 months ended 31 March 2010

	Note	Share capital	Share premium	Subscribed unregistered share capital	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	(1,069)	(7,247)	53,763	578,509	102	578,611
Net profit (loss) for the period reported		-	-	-	-	-	8,173	8,173	(61)	8,112
Other comprehensive income		-	-	-	(1,905)	(33,549)	-	(35,454)	-	(35,454)
Total comprehensive income for the period reported		-	-	-	(1,905)	(33,549)	8,173	(27,281)	(61)	(27,342)
Changes in the Group structure		-	-	-	-	-	-	-	(60)	(60)
Issuance of series P shares		15,242	10,655	(25,897)	-	-	-	-	-	-
Other		-	(36)	-	-	-	-	(36)	-	(36)
As at 31 March 2010 (unaudited)	<u>9</u>	495,617	37,409	-	(2,974)	(40,796)	61,936	551,192	(19)	551,173

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

For 12 months ended 31 December 2010

	Note	Share capital	Share premium	Subscribed unregistered share capital	Revaluation capital	Foreign currency translation differences on subsidiary companies	Prior years' retained earnings (deficit) and current net profit	Shareholders' equity attributable to Shareholders of the Parent Company	Non-controlling interests	Total shareholders' equity
As at 1 January 2010		480,375	26,790	25,897	(1,069)	(7,247)	53,763	578,509	102	578,611
Net profit (loss) for the period reported		-	-	-	-	-	43,647	43,647	(47)	43,600
Other comprehensive income		-	-	-	828	(42,038)	(71)	(41,281)	10	(41,271)
Total comprehensive income for the period reported		-	-	-	828	(42,038)	43,576	2,366	(37)	2,329
Changes in the Group structure, of which:		-	-	-	-	-	(1,812)	(1,812)	(205)	(2,017)
<i>Acquisition of non-controlling interests</i>		-	-	-	-	-	<i>(1,812)</i>	<i>(1,812)</i>	<i>(205)</i>	<i>(2,017)</i>
Recognition of profit attributable to non-controlling interests		-	-	-	-	-	8,011	8,011	140	8,151
Issuance of series P shares		15,242	10,655	(25,897)	-	-	-	-	-	-
Issuance of series R shares		5,929	652	-	-	-	-	6,581	-	6,581
Issuance of series S shares		8,375	452	-	-	-	-	8,827	-	8,827
Cost of issuances of shares		-	312	-	-	-	-	312	-	312
Dividend		-	-	-	-	-	(5,452)	(5,452)	-	(5,452)
Other		-	(36)	-	-	-	(42)	(78)	-	(78)
As at 31 December 2010 (audited)	9	509,921	38,825	-	(241)	(49,285)	98,044	597,264	-	597,264

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

	Note	3 months ended 31 March 2011 (unaudited)	3 months ended 31 March 2010 (unaudited)
Cash flows - operating activities			
Pre-tax profit		13,394	9,368
Total adjustments:		(7,615)	(6,795)
Depreciation and amortization		1,980	1,500
Change in inventories		599	4,820
Change in receivables		19,717	1,931
Change in liabilities		(28,897)	(9,112)
Change in deferred and accrued expenses		(852)	(5,698)
Change in provisions		190	2,148
Interest income and expense		(504)	(281)
Gain (loss) on foreign exchange differences		149	(2,235)
Gain (loss) on investing activities		-	19
Other		3	113
Net cash generated from operating activities		5,779	2,573
Corporate income tax paid		(1,572)	(1,937)
Net cash provided by (used in) operating activities		4,207	636
Cash flows - investing activities			
Disposal of tangible fixed assets and intangible assets		153	50
Acquisition of property, plant and equipment and intangible assets		(2,804)	(1,342)
Acquisition of subsidiary and associated companies		(5,635)	(27)
Disposal of shares in subsidiary and associated companies		-	7
Loans granted		(419)	(14)
Loans collected		14	133
Interest received		606	365
Net cash provided by (used in) investing activities		(8,085)	(828)

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

	3 months ended 31 March 2011 (unaudited)	3 months ended 31 March 2010 (unaudited)
Cash flows - financing activities		
Repayment of loans and borrowings	(476)	(143)
Finance lease commitments paid	(94)	(204)
Interest paid	(106)	(88)
Dividends paid out to non-controlling shareholders	-	(1,785)
Acquisition of non-controlling interests	(108)	-
Other	(58)	169
Net cash provided by (used in) financing activities	(842)	(2,051)
Net increase (decrease) in cash and cash equivalents	(4,720)	(2,243)
Net foreign exchange differences	1,424	(2,407)
Cash and cash equivalents as at 1 January	100,976	104,551
Cash and cash equivalents as at 31 March	Z 97,680	99,901

ADDITIONAL INFORMATION AND EXPLANATIONS

I. 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 accordance with the historical cost principle, except for derivative instruments. 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 interim 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. Compliance statement

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 EU as well as the nature of the Group's operations, within 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 European Union.

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 entities, which were introduced to adjust the financial statements of those entities to the IFRS.

3. 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 2010, which were published on 16 March 2011 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 2010.

The accounting principles (policy) adopted for drawing up this report for the 1st quarter of 2011 are coherent with those applied for preparation of the Group's consolidated financial statements for the year ended 31 December 2010, except for applying the amendments to standards and new interpretations effective for annual periods beginning on or after 1 January 2011.

4. Functional currency and reporting currency

The functional currency applied by the Parent Company as well as the reporting currency used in these interim condensed consolidated financial statements is the Polish zloty (PLN).

Separate and consolidated financial statements of the Group companies are drawn up in the currency of their primary business environment (in their functional currencies). The functional currencies of direct subsidiaries of Asseco South Eastern Europe S.A. include the Romanian leu (RON), Croatian kuna (HRK), Serbian dinar (RDS), euro (EUR), Turkish lira (TRY), Bosnia and Herzegovina convertible mark (BAM), and Polish zloty (PLN).

5. Changes of estimates

In the period of 3 months ended 31 March 2011, the Company's approach to making estimates was not subject to any substantial changes.

6. 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. As at 31 March 2011, receivables arising from valuation of IT contracts amounted to PLN 25,957 thousand, while liabilities due to such valuation equalled PLN 735 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

As at 31 December 2010, the Management Board of the Parent Company performed an impairment test on goodwill recognized on acquisition of subsidiary companies as well as from mergers. This task required making estimates of the recoverable value of cash-generating units to which goodwill is allocated. The recoverable value 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 31 December 2010, goodwill arising from acquisition of subsidiary companies amounted to PLN 476,399 thousand.

As at 31 March 2011, the Company revised its assumptions for the impairment test performed on goodwill as at 31 December 2010. In particular we checked whether the

assumed financial results to be achieved in 2011 by individual cash-generating units are not materially different from their actual financial performance in the first 3 months of 2011, 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 31 March 2011. However, impairment testing will be performed as at 31 December 2011, even if there are no indications of impairment.

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

As at 31 March 2011 as well as at 31 December 2010 and 31 March 2010, the Group recognized liabilities by virtue of future payments to non-controlling shareholders in the company Multicard d.o.o., Beograd. Such liabilities equalled PLN 1,093 thousand as at 31 March 2011, PLN 1,052 thousand as at 31 December 2010, and PLN 8,725 thousand as at 31 March 2010. Additionally, both as at 31 March 2011 and 31 December 2010, the Group recognized liabilities by virtue of future payments for shares acquired in EST A.Ş., Istanbul in the amounts of PLN 10,701 thousand and PLN 18,111 thousand, respectively, as well as for shares acquired in Asseco SEE o.o.d., Sofia, in the amounts of PLN 1,906 thousand and PLN 1,881 thousand, respectively. Additionally, as at 31 March 2010, the Group recognized a liability in the amount of PLN 2,208 thousand by virtue of the acquisition of shares in Asseco SEE Sh.p.k. (Pristina). Determination of the amounts payable under such liabilities required making estimates of the companies' financial results.

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

In the period of 3 months ended 31 March 2011, the Group recognized a deferred income tax asset (net of deferred income tax provision). Due to the lack of an unambiguous interpretation of the tax regulations currently in force, the Parent Company did not recognize the entire balance of deferred income tax assets related to the prior years' losses.

Based on the current financial budget and applicable tax regulations, the Group's management believes that future utilization of deferred tax assets recognized in the amount of PLN 1,582 thousand is very likely.

7. 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 licenses usually in the last quarter.

8. Changes in the applied principles of presentation

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

9. Changes in the accounting principles applied

In the period reported the Group did not introduce any changes to the applied principles of accounting, except for adopting the amendments to standards and new interpretations effective for annual periods beginning on or after 1 January 2011.

10. Corrections of material errors

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

II. 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 Solutions [*BAN – COR + MASS*],
- b) Card Business [*BAN – CARD + PG*],
- c) Systems Integration [*SI*].

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

Banking Solutions [BAN – COR + MASS]¹

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

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

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

Card Business [BAN – CARD + PG]¹

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

Systems Integration [SI]

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

Mobile Banking & Authentication [BAN – MASS]

The Group decided not to identify a separate segment of Mobile Banking and Authentication as it does not satisfy the quantitative criteria for identification of reportable segments set forth in IFRS 8 "Operating Segments": the segment's revenue should be minimum 10% of the combined revenues of all operating segments; or the segment's profit or loss should be minimum 10% of the combined profit of all operating segments that did not report a loss, or of the combined loss of all operating segments that reported a loss; or the segment's assets should be minimum 10% of the combined assets of all operating segments. Cash flows related to Mobile Banking & Authentication have been disclosed in the Banking Solutions segment.

¹ Segmenty: Rozwiązania w sektorze bankowym oraz Karty stanowią zbiór rozwiązań dla bankowości.

For 3 months ended 31 March 2011 and as at 31 March 2011, in PLN thousands (unaudited)	Banking Solutions (I)	Card Business (II)	Total Banking Business (I-II)	Systems Integration (III)	Unallocated	Eliminations / Reconciliations	Total
Sales revenues:	29,549	20,473	50,022	50,953	1,099	(4,098)	97,976
Sales to external customers	28,029	20,206	48,235	49,741	-	-	97,976
Inter/intra segment sales	1,520	267	1,787	1,212	1,099	(4,098)	-
Gross profit (loss) on sales	10,044	6,410	16,454	9,486	-	-	25,940
Selling expenses	(1,510)	(1,570)	(3,080)	(4,122)	(21)	-	(7,223)
General administrative expenses	(2,797)	(1,987)	(4,784)	(2,720)	-	-	(7,504)
Net profit (loss) on sales	5,737	2,853	8,590	2,644	(21)	-	11,213
Segment assets, of which:	235,653	135,559	371,212	226,440	120,297	-	717,949
<i>goodwill arising from consolidation</i>	194,985	107,480	302,465	183,315	-	-	485,780
<i>property, plant and equipment</i>	3,497	8,041	11,538	6,419	249	-	18,206
<i>intangible assets</i>	5,373	2,624	7,997	713	132	-	8,842
<i>trade accounts receivable</i>	9,707	8,977	18,684	27,136	725	-	46,545
<i>receivables arising from valuation of IT contracts</i>	21,880	2,343	24,223	1,734	-	-	25,957
<i>Inventories</i>	211	6,094	6,305	7,123	-	-	13,428
<i>Other</i>	-	-	-	-	119,191	-	119,191
Segment expenditures for tangible and intangible assets	(405)	(1,224)	(1,629)	(1,193)	(5)	-	(2,827)

Assets that are not allocated to any operating segment as at 31 March 2011 include the following items: cash (PLN 97,680 thousand), receivables from the State budget (PLN 2,145 thousand) and other receivables (PLN 8,991 thousand), deferred income tax assets (PLN 1,582 thousand), and other assets (PLN 8,793 thousand). Segment data do not include revenues from 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 3 months ended 31 March 2011, in EUR thousands (unaudited)	Banking Solutions (I)	Card Business (II)	Total Banking Business (I-II)	Systems Integration (III)	Unallocated	Eliminations / Reconciliations	Total
Sales revenues:	7,435	5,151	12,586	12,821	277	(1,031)	24,653
Sales to external customers	7,053	5,084	12,137	12,516	-	-	24,653
Inter/intra segment sales	382	67	449	305	277	(1,031)	-
Gross profit (loss) on sales	2,527	1,613	4,140	2,387	-	-	6,527
Selling expenses	(380)	(395)	(775)	(1,037)	(5)	-	(1,817)
General administrative expenses	(704)	(500)	(1,204)	(685)	-	-	(1,889)
Net profit (loss) on sales	1,443	718	2,161	665	(5)	-	2,821

For 3 months ended 31 March 2010 and as at 31 March 2010, in PLN thousands (unaudited)	Banking Solutions (I)	Card Business (II)	Total Banking Business (I-II)	Systems Integration (III)	Unallocated	Eliminations / Reconciliations	Total
Sales revenues:	26,877	13,313	40,190	53,179	-	(1,071)	92,298
Sales to external customers	26,586	13,088	39,674	52,624	-	-	92,298
Inter/intra segment sales	291	225	516	555	-	(1,071)	-
Gross profit (loss) on sales	9,250	4,473	13,723	8,215	-	-	21,938
Selling expenses	(1,125)	(672)	(1,797)	(3,168)	-	-	(4,965)
General administrative expenses	(3,326)	(920)	(4,246)	(2,514)	(709)	-	(7,469)
Net profit (loss) on sales	4,799	2,881	7,680	2,533	(709)	-	9,504
Segment assets, of which:	233,705	77,419	311,124	199,814	124,689	-	635,627
<i>goodwill arising from consolidation</i>	196,581	67,756	264,337	150,529	-	-	414,866
<i>property, plant and equipment</i>	3,891	2,467	6,358	3,930	5	-	10,293
<i>intangible assets</i>	6,976	466	7,442	220	-	-	7,662
<i>trade accounts receivable</i>	14,155	3,411	17,566	28,631	13	-	46,210
<i>receivables arising from valuation of IT contracts</i>	11,627	-	11,627	1,344	-	-	12,971
<i>inventories</i>	475	3,319	3,794	15,160	-	-	18,954
<i>other</i>	-	-	-	-	124,671	-	124,671
Segment expenditures for tangible and intangible assets	(248)	(373)	(621)	(450)	-	-	(1,071)

Assets that were not allocated to any operating segment as at 31 March 2010 included the following items: cash (PLN 99,901 thousand), receivables from the State budget (PLN 7,000 thousand) and other receivables (PLN 7,033 thousand), deferred income tax assets (PLN 2,559 thousand), and other assets (PLN 8,178 thousand). Segment data do not include revenues from 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 3 months ended 31 March 2010, in EUR thousands (unaudited)	Banking Solutions (I)	Card Business (II)	Total Banking Business (I-II)	Systems Integration (III)	Unallocated	Eliminations / Reconciliations	Total
Sales revenues:	6,775	3,356	10,131	13,406	-	(270)	23,267
Sales to external customers	6,702	3,299	10,001	13,266	-	-	23,267
Inter/intra segment sales	73	57	130	140	-	(270)	-
Gross profit (loss) on sales	2,332	1,128	3,460	2,070	-	-	5,530
Selling expenses	(284)	(169)	(453)	(799)	-	-	(1,252)
General administrative expenses	(838)	(232)	(1,070)	(633)	(179)	-	(1,882)
Net profit (loss) on sales	1,210	727	1,937	638	(179)	-	2,396

As at 31 December 2010, in PLN thousands (audited)	Banking Solutions (I)	Card Business (II)	Total Banking Business (I-II)	Systems Integration (III)	Unallocated	Eliminations / Reconciliations	Total
Segment assets, of which:	230,759	134,979	365,738	243,623	119,273	-	728,634
<i>goodwill arising from consolidation</i>	188,761	107,363	296,124	180,275	-	-	476,399
<i>property, plant and equipment</i>	3,465	7,885	11,350	5,056	264	-	16,670
<i>intangible assets</i>	5,577	2,996	8,573	659	132	-	9,364
<i>trade accounts receivable</i>	13,441	10,552	23,993	47,210	-	-	71,203
<i>receivables arising from valuation of IT contracts</i>	19,257	-	19,257	3,013	-	-	22,270
<i>inventories</i>	258	6,183	6,441	7,410	-	-	13,851
<i>other</i>	-	-	-	-	118,877	-	118,877
Segment expenditures for tangible and intangible assets	(2,283)	(4,787)	(7,070)	(2,299)	(421)	-	(9,790)

Assets that are not allocated to any operating segment as at 31 December 2010 include the following items: cash (PLN 100,976 thousand), receivables from the State budget (PLN 1,989 thousand) and other receivables (PLN 7,461 thousand), deferred income tax assets (PLN 1,592 thousand), and other assets (PLN 6,859 thousand).

In the first 3 months of 2010, our **Banking Solutions segment [BAN - COR + MASS]** generated PLN 29,549 thousand in sales revenues that is 10% more than in the corresponding period last year. The share of this segment in the total sales remained virtually unchanged. Whereas, its net profit on sales climbed 20%, from PLN 4,799 thousand to PLN 5,737 thousand.

In the period of 3 months ended 31 March 2011, sales generated by the **Card Business segment [BAN - CARD + PG]** increased to PLN 20,473 thousand or by 54% from the level of PLN 13,313 thousand achieved a year ago. Hence, the sector's contribution to the total sales increased by 7 percentage points.

Revenues generated by the **Systems Integration segment [SI]** in the period reported amounted to PLN 50,953 thousand and they declined by 4% from PLN 53,179 thousand reported for the corresponding period of 3 months ended 31 March 2010. Despite lower sales revenues, the segment's first quarter net profit on sales improved to PLN 2,644 thousand from PLN 2,533 thousand posted last year.

Geographical breakdown of sales

During the first 3 months of 2011, the Group generated 27% of its sales revenues in Serbia, 25% in Romania, 13% in Croatia, 11% in Macedonia, and 9% in Turkey. The remaining 15% of sales were realized in other countries of South Eastern Europe. Whereas, net profit on sales was earned in the following portions: 37% in Serbia, 11% in Romania, 12% in Croatia, 13% in Macedonia, and 13% in Turkey. The above presented shares in the total sales and net profit on sales were determined taking into account the countries where particular revenue/profit generating companies are seated.

III. INFORMATION ON GEOGRAPHICAL STRUCTURE OF FINANCIAL RESULTS

For the period of 3 months ended 31 March 2011 in PLN '000	Albania	Bosnia	Bulgaria	Croatia	Montenegro	Kosovo	Macedonia	Poland	Romania	Serbia	Slovenia	Turkey	Total
Sales revenues	640	3,894	588	12,972	2,000	3,636	11,000	1,593	24,952	26,223	1,539	8,939	97,976
Cost of sales	(436)	(2,511)	(126)	(9,437)	(1,630)	(3,089)	(8,225)	(1,031)	(20,303)	(18,127)	(1,426)	(5,695)	(72,036)
Gross profit (loss) on sales	204	1,383	462	3,535	370	547	2,775	562	4,649	8,096	113	3,244	25,940
Selling expenses	(47)	(215)	(195)	(1,020)	-	(215)	(523)	(82)	(2,123)	(1,854)	(28)	(821)	(7,223)
General administrative expenses	(94)	(369)	(59)	(1,130)	(44)	(288)	(835)	(170)	(1,331)	(2,102)	(72)	(1,010)	(7,504)
Net profit (loss) on sales	63	799	208	1,385	326	44	1,417	210	1,195	4,140	13	1,413	11,213
Other operating income	-	34	2	26	1	24	85	-	10	12	-	2	196
Other operating expenses	-	(52)	-	(45)	-	-	(129)	-	-	(64)	-	-	(290)
Operating profit (loss)	63	781	210	1,366	327	68	1,373	210	1,205	4,088	13	1,415	11,119
Financial income	-	4	2	60	5	20	207	2,018	492	166	-	144	3,118
Financial expenses	-	(4)	-	(13)	-	-	-	(280)	(36)	(483)	-	(27)	(843)
Pre-tax profit (loss)	63	781	212	1,413	332	88	1,580	1,948	1,661	3,771	13	1,532	13,394
Corporate income tax (current and deferred portions)	(6)	(42)	(8)	(251)	(31)	(10)	(85)	32	(271)	(288)	(2)	(355)	(1,317)
Net profit (loss) for the period reported	57	739	204	1,162	301	78	1,495	1,980	1,390	3,483	11	1,177	12,077

For the period of 3 months ended 31 March 2011 in EUR '000	Albania	Bosnia	Bulgaria	Croatia	Montenegro	Kosovo	Macedonia	Poland	Romania	Serbia	Slovenia	Turkey	Total
Sales revenues	161	980	148	3,264	503	915	2,768	401	6,278	6,599	387	2,249	24,653
Cost of sales	(110)	(632)	(32)	(2,375)	(410)	(777)	(2,070)	(259)	(5,109)	(4,560)	(359)	(1,433)	(18,126)
Gross profit (loss) on sales	51	348	116	889	93	138	698	142	1,169	2,039	28	816	6,527
Selling expenses	(12)	(54)	(49)	(257)	-	(54)	(132)	(46)	(534)	(465)	(7)	(207)	(1,817)
General administrative expenses	(24)	(93)	(15)	(284)	(11)	(72)	(210)	(43)	(335)	(530)	(18)	(254)	(1,889)
Net profit (loss) on sales	15	201	52	348	82	12	356	53	300	1,044	3	355	2,821
Other operating income	-	9	1	7	-	6	21	-	3	2	-	1	50
Other operating expenses	-	(13)	-	(11)	-	-	(32)	-	-	(17)	-	-	(73)
Operating profit (loss)	15	197	53	344	82	18	345	53	303	1,029	3	356	2,798
Financial income	-	1	1	15	1	5	52	508	124	42	-	36	785
Financial expenses	-	(1)	-	(3)	-	-	-	(70)	(9)	(123)	-	(7)	(213)
Pre-tax profit (loss)	15	197	54	356	83	23	397	491	418	948	3	385	3,370
Corporate income tax (current and deferred portions)	(2)	(11)	(2)	(63)	(8)	(3)	(21)	8	(68)	(71)	(1)	(89)	(331)
Net profit (loss) for the period reported	13	186	52	293	75	20	376	499	350	877	2	296	3,039

For the period of 3 months ended 31 March 2010 in PLN '000	Albania	Bosnia	Bulgaria	Croatia	Montenegro	Kosovo	Macedonia	Poland	Romania	Serbia	Slovenia	Turkey	Total
Sales revenues	113	2,803	143	6,064	1,205	3,346	19,845	897	34,779	22,686	417	-	92,298
Cost of sales	(153)	(1,925)	(206)	(3,943)	(838)	(2,112)	(15,690)	(783)	(27,600)	(16,749)	(361)	-	(70,360)
Gross profit (loss) on sales	(40)	878	(63)	2,121	367	1,234	4,155	114	7,179	5,937	56	-	21,938
Selling expenses	(27)	(42)	-	(292)	-	(211)	(255)	-	(2,969)	(1,149)	(20)	-	(4,965)
General administrative expenses	(27)	(127)	-	(966)	(53)	(806)	(749)	(709)	(1,581)	(2,385)	(66)	-	(7,469)
Net profit (loss) on sales	(94)	709	(63)	863	314	217	3,151	(595)	2,629	2,403	(30)	-	9,504
Other operating income	-	17	20	2	3	8	45	62	30	111	2	-	300
Other operating expenses	-	(2)	(28)	-	-	-	(61)	-	-	(97)	-	-	(188)
Operating profit (loss)	(94)	724	(71)	865	317	225	3,135	(533)	2,659	2,417	(28)	-	9,616
Financial income	-	1	-	2	6	135	28	87	356	203	-	-	818
Financial expenses	-	-	(1)	(16)	(9)	(154)	(403)	(163)	(91)	(219)	(10)	-	(1,066)
Pre-tax profit (loss)	(94)	725	(72)	851	314	206	2,760	(609)	2,924	2,401	(38)	-	9,368
Corporate income tax (current and deferred portions)	-	(128)	-	(223)	(28)	(24)	(203)	22	(468)	(211)	7	-	(1,256)
Net profit (loss) for the period reported	(94)	597	(72)	628	286	182	2,557	(587)	2,456	2,190	(31)	-	8,112

For the period of 3 months ended 31 March 2010 in EUR '000	Albania	Bosnia	Bulgaria	Croatia	Montenegro	Kosovo	Macedonia	Poland	Romania	Serbia	Slovenia	Turkey	Total
Sales revenues	28	707	36	1,529	304	843	5,003	226	8,767	5,719	105	-	23,267
Cost of sales	(39)	(485)	(52)	(994)	(211)	(532)	(3,955)	(197)	(6,958)	(4,223)	(91)	-	(17,737)
Gross profit (loss) on sales	(11)	222	(16)	535	93	311	1,048	29	1,809	1,496	14	-	5,530
Selling expenses	(7)	(11)	-	(74)	-	(53)	(64)	-	(748)	(290)	(5)	-	(1,252)
General administrative expenses	(7)	(32)	-	(244)	(13)	(203)	(189)	(179)	(399)	(599)	(17)	-	(1,882)
Net profit (loss) on sales	(25)	179	(16)	217	80	55	795	(150)	662	607	(8)	-	2,396
Other operating income	-	4	5	1	1	2	11	16	8	28	1	-	77
Other operating expenses	-	(1)	(7)	-	-	-	(15)	-	-	(26)	-	-	(49)
Operating profit (loss)	(25)	182	(18)	218	81	57	791	(134)	670	609	(7)	-	2,424
Financial income	-	-	-	1	2	34	7	22	90	51	-	-	207
Financial expenses	-	-	-	(4)	(2)	(39)	(102)	(41)	(23)	(55)	(3)	-	(269)
Pre-tax profit (loss)	(25)	182	(18)	215	81	52	696	(153)	737	605	(10)	-	2,362
Corporate income tax (current and deferred portions)	-	(32)	-	(56)	(7)	(6)	(51)	6	(118)	(55)	2	-	(317)
Net profit (loss) for the period reported	(25)	150	(18)	159	74	46	645	(147)	619	550	(8)	-	2,045

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

In the 1st quarter of 2011 sales revenues of the Asseco South Eastern Europe Group amounted to PLN 97,976 thousand and, when compared with the corresponding period last year, they increased by 6% if stated in PLN and also by 6% if restated in EUR.

Sales revenues by sectors	3 months ended 31 March 2011 (unaudited)	3 months ended 31 March 2010 (unaudited)
Banking and finance	65,567	51,238
Enterprises	27,011	32,499
Public administration	5,398	8,561
	97,976	92,298

Sales revenues by sectors in %	3 months ended 31 March 2011 (unaudited)	3 months ended 31 March 2010 (unaudited)
Banking and finance	67%	56%
Enterprises	28%	35%
Public administration	5%	9%
	100%	100%

In the 1st quarter of 2011, the Group's sales to the banking and financial sector amounted to PLN 65,567 thousand as compared with PLN 51,238 thousand generated in the 1st quarter of 2010. Concurrently, the share of this sector in total sales increased considerably by 11 percentage points, from 56% in 2010 to 67% in 2011.

In the 1st quarter of 2011, the Group's sales to the enterprises sector reached PLN 27,011 thousand and they decreased by PLN 5,488 thousand from the level of PLN 32,499 thousand achieved in the corresponding period of 2010. Hence, the sector's share in the total turnover declined to 28% from the level of 35% observed in 2010.

In the 1st quarter of 2011, the Group's sales to public institutions were PLN 5,398 thousand as compared with PLN 8,561 thousand generated in the 1st quarter of 2010. Concurrently, the share of this sector in total sales decreased by 4 percentage points, from 9% in 2010 to 5% in 2011.

	3 months ended 31 March 2011 (unaudited)	3 months ended 31 March 2010 (unaudited)	change %
Sales revenues	97,976	92,298	6%
Gross profit on sales	25,940	21,938	18%
Net profit on sales	11,213	9,504	18%
Operating profit	11,119	9,616	16%
Net profit for the period reported	12,077	8,112	49%
Net profit attributable to Shareholders of the Parent Company	12,115	8,173	48%

	3 months ended 31 March 2011 (unaudited)	3 months ended 31 March 2010 (unaudited)
Gross profit margin	26%	24%
EBITDA margin	13%	12%
Operating profit margin	11%	10%
Net profit margin	12%	9%
Return on equity (ROE)	2%	2%
Return on assets (ROA)	2%	1%

The above ratios have been computed using the following formulas:

Gross profit margin = gross profit on sales / sales

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

Operating profit margin = operating profit / sales

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

Return on equity (ROE) = net profit for the period reported attributable to Shareholders of the Parent Company / average annual equity attributable to Shareholders of the Parent Company

Return on assets (ROA) = net profit for the period reported attributable to Shareholders of the Parent Company / average annual assets

In the 1st quarter of 2011, the Group's gross profit on sales reached PLN 25,940 thousand and it increased by 18% year on year. Whereas, gross profit margin achieved in the 1st quarter of 2011 equalled 26% and it improved by 2 percentage points from the last year's level.

Net profit attributable to shareholders of the Parent Company amounted to PLN 12,115 thousand in the 1st quarter of 2011 and, when compared with the level of PLN 8,173 thousand earned in the corresponding period of 2010, it increased by an impressive 48%. Concurrently, operating profit increased by PLN 1,503 thousand or by 16% year on year. Such growth in the bottom line was achieved partially as a result of recognizing a financial income of PLN 1,790 thousand as the Group reduced its estimate of a liability arising from the acquisition of a subsidiary company.

	31 March 2011 (unaudited)	31 Dec. 2010 (audited)	31 March 2010 (unaudited)
Working capital (in PLN thousands)	108,702	98,241	125,061
Current liquidity ratio	2.17	1.79	2.75
Quick liquidity ratio	1.97	1.65	2.43
Absolute liquidity ratio	1.06	0.81	1.4

The above ratios have been computed using the following formulas:

Working capital = current assets - current liabilities

Current liquidity ratio = current assets / current liabilities

Quick liquidity ratio = (current assets - inventories - deferred expenses) / current liabilities

Absolute liquidity ratio = (bonds and securities held to maturity + cash and short-term bank deposits) / current liabilities

	31 March 2011 (unaudited)	31 Dec. 2010 (audited)	31 March 2010 (unaudited)
Debt ratio	0.14	0.18	0.13
Debt / equity ratio	0	0	0.01
Debt / (debt + equity) ratio	0	0	0.01

The above ratios have been computed using the following formulas:

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

Debt / equity ratio = interest-bearing bank loans and debt securities / shareholders' equity

Debt / (debt + equity) ratio = interest-bearing bank loans and debt securities / (interest-bearing bank loans and debt securities + shareholders' equity)

V. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Breakdown of sales revenues

During the 1st quarter of 2011 and the corresponding comparative period, the operating revenues were as follows:

Sales revenues by type of business	3 months ended 31 March 2011 (unaudited)	3 months ended 31 March 2010 (unaudited)
Proprietary software and services	48,655	34,478
Third-party software and services	20,694	24,627
Hardware and infrastructure	28,627	33,193
	97,976	92,298

2. Breakdown of operating costs

	3 months ended 31 March 2011 (unaudited)	3 months ended 31 March 2010 (unaudited)
Materials and energy used (-)	(1,148)	(787)
Third-party work (-)	(10,619)	(7,106)
Salaries (-)	(24,897)	(19,503)
Employee benefits (-)	(3,927)	(3,272)
Depreciation and amortization (-)	(1,980)	(1,500)
Taxes and charges (-)	(371)	(173)
Business trips (-)	(1,036)	(1,347)
Other (-)	186	(2,472)
	(43,792)	(36,160)
Cost of sales:	(72,036)	(70,360)
<i>production cost (-)</i>	(29,065)	(23,726)
<i>value of merchandise, materials and third-party work sold (COGS) (-)</i>	(42,971)	(46,634)
Selling expenses (-)	(7,223)	(4,965)
General administrative expenses (-)	(7,504)	(7,469)

3. Earnings per share

	3 months ended 31 March 2011 (unaudited)	3 months ended 31 March 2010 (unaudited)
Consolidated earnings per share for the period reported attributable to Shareholders of Asseco South Eastern Europe S.A. (in PLN):		
Basic consolidated earnings per share from continuing operations for the period reported	0.24	0.16
Diluted consolidated earnings per share from continuing operations for the period reported	0.24	0.16

Basic earnings per share are computed by dividing net profit for the period reported, attributable to shareholders of the Parent Company, by the weighted average 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) weighted average 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 31 March 2011 (unaudited)	3 months ended 31 March 2010 (unaudited)
Consolidated net profit for the period reported attributable to Shareholders of the Parent Company	12,115	8,173
Weighted average number of ordinary shares outstanding, used for calculation of basic earnings per share	50,992,132	49,561,719
Dilution factors	-	-
Adjusted weighted average number of ordinary shares, used for calculation of diluted earnings per share	50,992,132	49,561,719

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.

4. Information on dividends paid out or declared

The Ordinary General Meeting of Shareholders of Asseco South Eastern Europe S.A. 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 sect. 4 item 3) of the Company's Articles of Association, by its resolution of 29 April 2011, decided that the net profit for the year 2010 in the amount of PLN 20,201,917.08 shall be distributed as follows:

- a) PLN 1,616,154 shall be allocated to reserve capital pursuant to art. 396 §1 of the PCCC;
- b) PLN 13,257,954.32 shall be distributed among the Company's shareholders as a dividend of PLN 0.26 per share.

The Ordinary General Meeting of Shareholders of Asseco South Eastern Europe S.A. seated in Rzeszów, acting on the basis of art. 348 §3 of the Polish Commercial Companies Code as well as pursuant to §12 sec. 4 item 2) of the Company's Articles of Association, determined 1 July 2011 as the dividend right date and 15 July 2011 as the dividend payment date.

5. Goodwill arising from consolidation

	31 March 2011	31 Dec. 2010	31 March 2010
	(unaudited)	(audited)	(unaudited)
Banking Solutions	194,985	188,761	196,581
Card Business	107,480	107,363	67,756
Systems Integration	183,315	180,275	150,529
	485,780	476,399	414,866

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

	31 March 2011	31 Dec. 2010	31 March 2010
	(unaudited)	(audited)	(unaudited)
Consolidation goodwill at the beginning of the period	476,399	443,867	443,867
Banking Solutions	188,761	208,608	208,608
Card Business	107,363	75,075	75,075
Systems Integration	180,275	160,184	160,184
Change in consolidation goodwill due to acquisition of shares (+/-)	-	68,899	-
Banking Solutions	-	-	-
Card Business	-	42,632	-
Systems Integration	-	26,267	-
Foreign currency differences on translation of goodwill arising from foreign subsidiaries (+/-)	9,381	(36,367)	(29,001)
Banking Solutions	6,224	(19,847)	(12,027)
Card Business	117	(10,344)	(7,319)
Systems Integration	3,040	(6,176)	(9,655)
Total book value at the end of period	485,780	476,399	414,866

6. Short-term receivables

Short-term receivables	31 March 2011	31 Dec. 2010	31 March 2010
Trade accounts receivable	(unaudited)	(audited)	(unaudited)
Trade accounts receivable, of which:	49,792	74,355	48,669
From related companies	440	-	-
from other companies	49,352	74,355	48,669
Revaluation write-down on doubtful receivables (-)	(3,247)	(3,152)	(2,459)
	46,545	71,203	46,210

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 31 March 2011, current receivables and future receivables in the amount of PLN 250 thousand served as security for bank loans and guarantee facilities. As at 31 March 2011, there were no liabilities under bank loans secured with such assets; however, the Group recognized off-balance-sheet liabilities due to bank guarantees extended under a bank guarantee facility secured with receivables and inventories in the amount of PLN 4,290 thousand.

As at 31 December 2010, current receivables and future receivables in the amount of PLN 2,508 thousand served as security for bank loans and bank guarantee facilities. As at 31 December 2010, there were no liabilities under bank loans secured with such assets; however, the Group recognized off-balance-sheet liabilities due to bank guarantees extended under a bank guarantee facility secured with receivables and inventories in the amount of PLN 3,610 thousand.

As at 31 March 2010, current receivables and future receivables in the amount of PLN 1,049 thousand served as security for bank loans and guarantee facilities. As at 31 March 2010, there were no liabilities under bank loans secured with such assets; however, the Group recognized off-balance-sheet liabilities due to bank guarantees extended under a bank guarantee facility secured with receivables and inventories in the amount of PLN 5,948 thousand.

Receivables on taxes, import tariffs, social security and other regulatory payments	31 March 2011	31 Dec. 2010	31 March 2010
	(unaudited)	(audited)	(unaudited)
Value added tax	721	460	5,309
Corporate income tax (CIT)	1,221	1,327	1,371
Other	203	202	320
	2,145	1,989	7,000

Receivables on value added tax, as presented in the consolidated financial statements as at 31 March 2010, refer to the right of Asseco South Eastern Europe S.A. 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. Based on the above the Company applied to the internal revenue office for reimbursement of such value added tax. Hence, the amount of PLN 5,033 thousand was received in the Company's bank account on 25 October 2010.

Other receivables	31 March 2011	31 Dec. 2010	31 March 2010
	(unaudited)	(audited)	(unaudited)
Receivables from non-invoiced deliveries	5,047	4,124	3,271
Advance payments to other suppliers	1,985	1,264	1,656
Receivables from employees	142	84	4
Receivables from subsidies	854	898	-
Other receivables	1,100	1,091	2,102
Revaluation write-down (-)	(137)	-	-
	8,991	7,461	7,033

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. Other receivables, both as at 31 March 2011 and 31 December 2010, include among others the amounts of subsidies receivable that were granted to ITD A.Ş. (Istanbul) by Türkiye Bilimsel ve Teknolojik Araştırma Kurumu ("TÜBİTAK") over the agency of Teknoloji İzleme ve Değerlendirme Başkanlığı ("TİDEB"). TÜBİTAK is a leading institution engaged in the management, financing and organization of research and development projects in Turkey.

7. Cash and cash equivalents and restricted cash

	31 March 2011	31 Dec. 2010	31 March 2010
	(unaudited)	(audited)	(unaudited)
Cash at bank and in hand	50,332	60,071	23,601
Short-term deposits	46,998	40,852	76,241
Cash equivalents	118	49	59
Cash being transferred	9	4	-
Restricted cash	223	-	-
	97,680	100,976	99,901
Restricted cash (recognized in fixed assets)	357	567	157

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 as at 31 March 2011 nor as at 31 December 2010.

As at 31 March 2011, restricted cash served as security for bank guarantees (of due performance of contracts and tender deposits) in the amount of PLN 392 thousand as well as security for bank loans in the amount of PLN 188 thousand.

As at 31 December 2010, restricted cash served as security for bank guarantees (of due performance of contracts and tender deposits) in the amount of PLN 369 thousand as well as security for bank loans in the amount of PLN 198 thousand.

As at 31 March 2010, restricted cash in the amount of PLN 157 thousand served as security for the bank guarantees (of due performance of contracts and tender deposits).

8. Deferred expenses

Short-term	31 March 2011	31 Dec. 2010	31 March 2010
	(unaudited)	(audited)	(unaudited)
Maintenance services	4,186	2,737	2,943
Prepaid insurance	295	170	105
Prepaid subscriptions	103	55	43
Prepaid rents	190	52	18
Prepaid consulting services	245	67	30
Other prepaid services	314	302	-
Expenses related to issuance of shares, company acquisitions and non-cash contributions	55	-	-
Other	367	699	846
Revaluation write-down (-)	(12)	(12)	(12)
	5,743	4,070	3,973

As at 31 March 2011, 31 December 2010 and 31 March 2010, deferred expenses included primarily the costs of maintenance services amounting to PLN 4,186 thousand, PLN 2,737 thousand and PLN 2,943 thousand, respectively, that will be successively expensed in the future periods.

9. Share capital

Share capital				31 March 2011 (unaudited)	31 December 2010 (audited)		31 March 2010 (unaudited)	
Shares	Series	Par value per share	Number of shares	Value of shares	Number of shares	Value of shares	Number of shares	Value of shares
Ordinary registered shares	A*	0.1	5,000,000	500	5,000,000	500	5,000,000	500
Ordinary registered shares	B*	0.1	5,000,000	500	5,000,000	500	5,000,000	500
Ordinary registered shares	C*	0.1	2,567,000,900	256,700	2,567,000,900	256,700	2,567,000,900	256,700
Ordinary registered shares	D	10	25,770,009	257,700	25,770,009	257,700	25,770,009	257,700
Ordinary registered shares	E	10	956,447	9,565	956,447	9,565	956,447	9,565
Ordinary registered shares	F	10	1,475,509	14,755	1,475,509	14,755	1,475,509	14,755
Ordinary registered shares	G	10	2,708,378	27,084	2,708,378	27,084	2,708,378	27,084
Ordinary registered shares	H	10	1,062,030	10,620	1,062,030	10,620	1,062,030	10,620
Ordinary registered shares	I	10	1,770,609	17,706	1,770,609	17,706	1,770,609	17,706
Ordinary registered shares	J	10	1,714,209	17,142	1,714,209	17,142	1,714,209	17,142
Ordinary registered shares	K	10	4,590,470	45,905	4,590,470	45,905	4,590,470	45,905
Ordinary registered shares	L	10	2,100,000	21,000	2,100,000	21,000	2,100,000	21,000
Ordinary registered shares	M	10	4,810,880	48,109	4,810,880	48,109	4,810,880	48,109
Ordinary registered shares	N	10	1,078,909	10,789	1,078,909	10,789	1,078,909	10,789
Ordinary registered shares	P	10	1,524,269	15,242	1,524,269	15,242	1,524,269	15,242
Ordinary registered shares	R	10	592,941	5,929	592,941	5,929	-	-
Ordinary registered shares	S	10	837,472	8,375	837,472	8,375	-	-
			50,992,132	509,921	50,992,132	509,921	49,561,719	495,617

* Following a reverse stock split of series D shares

On 18 March 2011, the Management Board of Asseco South Eastern Europe S.A. passed a resolution on increasing the Company's share capital by the amount of PLN 9,021 thousand through the issuance of 902,119 shares of series T, in order to partially repay the liability for shares acquired in EST A.S. (Istanbul) in 2010. Until the date of publication of this report, i.e. till 11 May 2011, the Parent Company has not yet received any court decision on registration of the issuance of series T shares.

10. Long-term and short-term financial liabilities

Long-term	31 March 2011	31 Dec. 2010	31 March 2010
	(unaudited)	(audited)	(unaudited)
Liabilities due to acquisition of non-controlling interests in subsidiaries (put options)	1,093	1,052	8,725
Liabilities due to acquisition of shares	-	2,219	-
Finance lease commitments	502	491	591
	1,595	3,762	9,316

As at 31 March 2011 as well as at 31 December 2010 and 31 March 2010, the Group carried a long-term liability under the put options held by non-controlling shareholders in Multicard d.o.o., Beograd. Such liability corresponds to the estimated present value of future payment for the remaining stake of shares in the above-mentioned company. Determination of fair value of the liability resulting from the possible exercise of stock put options was based on the following several assumptions. The Group assumes the stock put options will be exercised by all the minority shareholders, and as a consequence the Group will acquire a 100% share in profits. The concluded stock option agreement stipulates that the future payment shall be equal to the amount of audited net profit for the calendar year preceding the option exercise year, multiplied by a contractually predefined fixed rate. Net profit assumed for measurement of the aforesaid liability has been based on the most up-to-date financial forecasts for the current year and future periods. This foreign-currency liability was restated in Polish zlotys at the exchange rates published by the National Bank of Poland on 31 March 2011, 31 December 2010 and 31 March 2010, and it amounted to PLN 1,093 thousand, PLN 1,052 thousand and PLN 8,725 thousand, respectively.

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

Long-term liabilities, recognized as at 31 December 2010, due to acquisition of shares in the amount of PLN 2,219 thousand represented the long-term portion of payment for the purchase of shares in EST A.Ş. (Istanbul).

Short-term	31 March 2011	31 Dec. 2010	31 March 2010
	(unaudited)	(audited)	(unaudited)
Liabilities due to dividend payment	2,781	2,769	3,757
Finance lease commitments	414	439	377
Liabilities due to acquisition of shares	12,607	17,773	2,208
Currency forward contracts	97	-	-
Other	7	-	-
	15,906	20,981	6,342

Liabilities due to dividend payment disclosed as at 31 March 2011 as well as at 31 December 2010 and 31 March 2010 were recognized by virtue of dividends payable to former shareholders of subsidiary companies. As at 31 March 2011 and 31 December 2010, liabilities due to dividend payment totalled PLN 2,781 thousand and PLN 2,769 thousand, respectively, and they included liabilities assumed when obtaining control over the assets and liabilities of the companies of BDS d.o.o. and Cardinfo BDS d.o.o. as well as additional liabilities to pay out dividends from undistributed profits for the years 2009 and

2010 that were recognized by the Group in all the cases where such payments to former shareholders were provided for in the relevant company acquisition agreements. Whereas, as at 31 March 2010 dividend payment liabilities in the amount of PLN 3,757 thousand were owed to former shareholders of the companies of Asseco SEE d.o.o., Beograd, Asseco SEE d.o.o. (Zagreb), and Asseco SEE Sh.p.k. (Pristina).

Liabilities due to acquisition of shares disclosed as at 31 March 2011 include the remaining portion of payment for the acquisition of shares in EST A.Ş. in the amount of PLN 10,701 thousand. In the period of 3 months ended 31 March 2011, there was signed a memorandum of understanding on reducing the amount of EST's net profit for 2011 used for the calculation of the next installment on shares in EST A.Ş. which resulted in a reduction of the amount of such next instalment payable for shares acquired in that company. As a result of signing the above-mentioned memorandum of understanding, in the 1st quarter of 2011 the Group recognized a financial income of PLN 1,790 thousand following a decrease in the estimated remaining payment for the acquisition of shares in EST A.Ş. Furthermore, as at 31 March 2011, the Group disclosed a liability of PLN 1,906 thousand payable on the purchase of a 49% stake in Asseco SEE o.o.d. (Sofia) in 2010.

Liabilities due to acquisition of shares disclosed as at 31 December 2010 include a liability due to the acquisition of shares in EST A.Ş. in the amount of PLN 18,111 thousand (long-term portion: PLN 2,219 thousand, short-term portion: PLN 15,892 thousand), which resulted from the company acquisition agreement and corresponds to additional payments to former EST A.Ş. shareholders, to be made either in the form of cash (in the amount of PLN 7,019 thousand) and/or issuance of Asseco South Eastern Europe shares (with the value of PLN 11,092 thousand), provided that EST A.Ş. achieves the specified target levels of net profit for the years 2010 and 2011. Furthermore, liabilities due to acquisition of shares presented as at 31 December 2010 comprise PLN 1,881 thousand payable for the acquisition of a 49% stake in Asseco SEE o.o.d. (Sofia) by Asseco South Eastern Europe S.A.

Whereas, the liability in the amount of PLN 2,208 thousand, recognized by the Asseco South Eastern Europe Group as at 31 March 2010, corresponded to the acquisition of shares in Asseco SEE Sh.p.k. (Pristina).

11. Interest-bearing bank loans and debt securities issued

Short-term loans	Name of entity	Maximum debt in PLN thousands as at			Effective interest rate %	Currency	Repayment date	Utilization as at		
		31 March 2011	31 Dec. 2010	31 March 2010				31 March 2011 (unaudited)	31 Dec. 2010 (audited)	31 March 2010 (unaudited)
Bank account overdraft facility	NLB Tutunska Banka AD Skopje	65	65	63	19.5%	MKD	2011-03-31	13	32	20
Bank account overdraft facility	NLB Tutunska Banka AD Skopje	13	13	13	15%	MKD	2011-03-31	-	1	-
Bank account overdraft facility	Alpha Bank Unirii Branch	8,036	7,922	7,736	3M LIBOR +margin; 3M BUBOR +margin	multi-currency	2011-04-15	-	-	-
Bank account overdraft facility	Nova Ljubljanska Banka	n/a	n/a	1,545	10.80%	EUR	2010-11-23	-	-	-
		8,114	8,000	9,357				13	33	20

Other short-term loans	Name of entity	Maximum debt in PLN thousands as at			Effective interest rate %	Currency	Repayment date	Utilization as at		
		31 March 2011	31 Dec. 2010	31 March 2010				31 March 2011 (unaudited)	31 Dec. 2010 (audited)	31 March 2010 (unaudited)
Operating loan facility	Komercijalna Banka Beograd	1,123	1,575	n/a	8.9%	RSD	2011-10-13	1,123	1,575	-
Operating loan facility	Garanti Bank Levent/Istanbul Branch	732	98	n/a	0%	TRY	2011-04-01	104	98	-
Operating loan facility	Komercijalna Banka AD Banja Luka	n/a	n/a	95	12.25%	EUR	2010-06-30	-	-	-
Auto financing loan	Yapi Kredi Bankasi A.Ş.	26	35	n/a	8.1%	TRY	2014-02-28	26	35	-
Loan	Liatris d.o.o. & I4 Invention d.o.o.	n/a	n/a	3,711	0%	RSD	2010-12-31	-	-	2,950
Loan	Non-controlling shareholders	n/a	n/a	35	7%	BGN	2010-10-13	-	-	35
Loan	Non-controlling shareholders	n/a	n/a	35	7%	BGN	2010-10-12	-	-	35
Loan	Non-controlling shareholders	n/a	n/a	44	7%	BGN	2010-10-14	-	-	44
Loan	Türkiye Teknoloji Geliştirme Vakfi	207	435	n/a	0%	USD	2012-07-01	207	435	-
		2,088	2,143	3,920				1,460	2,143	3,064

Interest-bearing bank loans and debt securities issued (continued)

Long-term loans	Name of entity	Maximum debt in PLN thousands as at			Effective interest rate %	Currency	Repayment date	Utilization as at		
		31 March 2011	31 Dec. 2010	31 March 2010				31 March 2011 (unaudited)	31 Dec. 2010 (audited)	31 March 2010 (unaudited)
Investment loan facility	European Bank for Reconstruction and Development	28,083	27,722	27,035	3M EURIBOR + margin	EUR	2016-01-31	-	-	-
Loan	Türkiye Teknoloji Geliştirme Vakfı	229	240	n/a	0%	USD	2012-07-01	229	240	-
Loan	Türkiye Teknoloji Geliştirme Vakfı	185	192	n/a	0%	USD	2012-07-01	185	192	-
Auto financing loan	Yapi Kredi Bankasi A.Ş.	84	88	n/a	8.1%	TRY	2014-02-28	84	88	-
		28,581	28,242	27,035				498	520	-

As at 31 March 2011, total liabilities of the Asseco South Eastern Europe Group under all the bank loans and borrowings taken out and debt securities issued aggregated at PLN 1,971 thousand. The Group's total liabilities under all the bank loans and borrowings taken out and debt securities issued aggregated at PLN 2,696 thousand as at 31 December 2010; whereas, as at 31 March 2010 such liabilities amounted to PLN 4,901 thousand, of which PLN 1,817 thousand represented liabilities relating to assets classified as held for sale.

As at 31 March 2011, total funds available to the Asseco South Eastern Europe Group under bank account overdraft facilities, operating and investment loan facilities, and borrowings reached approx. PLN 38,783 thousand (inclusive of the EBRD financing after making a pledge on shares in subsidiaries), as compared with PLN 38,385 thousand and PLN 40,312 thousand available as at the end of 2010 and as at 31 March 2010, respectively.

As at the end of the period reported, the Group has drawn PLN 13 thousand from the bank account overdraft facilities (vs. PLN 33 thousand utilized as at the end of the prior year, and PLN 20 thousand as at the end of the 1st quarter of 2010).

The Group's liabilities under other bank loans and borrowings amounted to PLN 1,958 thousand as at 31 March 2011 (vs. PLN 2,663 thousand as 31 December 2010, and PLN 3,064 thousand as at 31 March 2010).

As at 31 March 2011 as well as at 31 December 2010 and 31 March 2010, tangible fixed assets and intangible assets did not serve as security for any bank loans contracted by the Group.

As at 31 March 2011, inventories did not serve as security for any bank loans taken out by the Group; nevertheless, they were used to back up bank guarantee facilities in the amount of PLN 3,153 thousand. As at 31 March 2011, off-balance-sheet liabilities due to bank guarantees extended under a bank guarantee facility secured with inventories and receivables amounted to PLN 4,290 thousand.

As at 31 December 2010, inventories did not serve as security for any bank loans taken out by the Group; nevertheless, they were used to back up bank guarantee facilities in the amount of PLN 3,303 thousand. As at 31 December 2010, off-balance-sheet liabilities due to bank guarantees extended under a bank guarantee facility secured with inventories and receivables amounted to PLN 3,610 thousand.

As at 31 March 2010, inventories did not serve as security for any bank loans taken out by the Group; nevertheless, they were used to back up bank guarantee facilities in the amount of PLN 3,324 thousand. As at 31 March 2010, off-balance-sheet liabilities due to bank guarantees extended under a bank guarantee facility secured with inventories and receivables amounted to PLN 5,948 thousand.

As at 31 March 2011, current receivables and future receivables in the amount of PLN 250 thousand served as security for bank loans and guarantee facilities. As at 31 March 2011, there were no liabilities under bank loans secured with such assets; however, the Group recognized off-balance-sheet liabilities due to bank guarantees extended under a bank guarantee facility secured with receivables and inventories in the amount of PLN 4,290 thousand.

As at 31 December 2010, current receivables and future receivables in the amount of PLN 2,508 thousand served as security for bank loans and bank guarantee facilities. As at 31 December 2010, there were no liabilities under bank loans secured with such assets; however, the Group recognized off-balance-sheet liabilities due to bank guarantees extended under a bank guarantee facility secured with receivables and inventories in the amount of PLN 3,610 thousand.

As at 31 March 2010, current receivables and future receivables in the amount of PLN 1,049 thousand served as security for bank loans and guarantee facilities. As at 31 March 2010, there were no liabilities under bank loans secured with such assets; however, the Group recognized off-balance-sheet liabilities due to bank guarantees extended under a bank guarantee facility secured with receivables and inventories in the amount of PLN 5,948 thousand.

As at 31 March 2011, restricted cash with the book value of PLN 188 thousand served as security for a bank loan taken out. As at 31 March 2011, liabilities by virtue of this loan amounted to PLN 185 thousand.

As at 31 December 2010, restricted cash with the book value of PLN 198 thousand served as security for a bank loan taken out. As at 31 December 2010, liabilities by virtue of this loan amounted to PLN 192 thousand.

Additionally, as at 31 March 2010, assets classified as held for sale with the book value of PLN 2,435 thousand served as security for a bank loan taken out. As at 31 March 2010, liability by virtue of that loan amounted to PLN 1,817 thousand and has been presented in a separate line of the balance sheet – Liabilities directly related to non-current assets classified as held for sale.

12. Short-term trade accounts payable and other liabilities

Short-term trade accounts payable	31 March 2011	31 Dec. 2010	31 March 2010
	(unaudited)	(audited)	(unaudited)
To related companies	100	61	2,381
To other companies	22,137	36,835	23,971
	22,237	36,896	26,352

Trade accounts payable are not interest-bearing. At the Asseco South Eastern Europe Group liabilities payment term ranges from 30 to 40 days on average.

Liabilities on taxes, import tariffs, social security and other regulatory payments	31 March 2011	31 Dec. 2010	31 March 2010
	(unaudited)	(audited)	(unaudited)
Value added tax	3,549	10,084	2,017
Corporate income tax (CIT)	1,015	1,358	1,242
Personal income tax (PIT)	977	698	390
Social security payable	1,606	1,358	993
Other	218	333	39
	7,365	13,831	4,681

Other current liabilities	31 March 2011	31 Dec. 2010	31 March 2010
	(unaudited)	(audited)	(unaudited)
Liabilities to employees relating to salaries and wages	4,259	1,353	2,691
Liabilities due to non-invoiced deliveries	1,260	1,593	392
Trade prepayments received	13,739	22,266	7,025
Other liabilities	546	946	189
	19,804	26,158	10,297

13. Accrued expenses and deferred income

Short-term accrued expenses	31 March 2011	31 Dec. 2010	31 March 2010
	(unaudited)	(audited)	(unaudited)
Provision for unused annual leaves	1,042	605	207
Provision for the employee bonuses	7,710	8,033	4,868
Provision for non-invoiced costs	2,917	1,456	3,074
Provision for the audit of financial statements	394	447	161
	12,063	10,541	8,310

Accrued expenses comprise mainly provisions for unused annual leaves, provisions for salaries and wages of the current period to be paid out in future periods which result from the bonus schemes applied in 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	31 March 2011	31 Dec. 2010	31 March 2010
	(unaudited)	(audited)	(unaudited)
Maintenance services	6,877	5,402	6,055
Prepaid consulting services	883	1,093	-
Prepayments received	-	1,846	847
Other	48	36	813
	7,808	8,377	7,715

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

14. Employment

Average Group workforce in the reporting period	3 months ended 31 March 2011 (unaudited)	3 months ended 31 March 2010 (unaudited)
Management Board of the Parent Company*	7	6
Management Boards of the Group companies	29	17
Production departments	618	570
Maintenance departments	252	180
Sales departments	106	75
Administration departments	166	142
Other employees	16	16
	1,194	1,006

The Group workforce as at	31 March 2011 (unaudited)	31 Dec. 2010 (audited)	31 March 2010 (unaudited)
Management Board of the Parent Company*	7	7	6
Management Boards of the Group companies	30	27	12
Production departments	614	623	575
Maintenance departments	257	246	182
Sales departments	110	102	77
Administration departments	161	173	145
Other employees	16	16	15
	1,195	1,194	1,012

* Since 2010 Piotr Jeleński and Rafał Kozłowski have served in the Management Board of Asseco South Eastern Europe S.A. on the basis of work contracts. The remaining members of the Company's Management Board perform their functions under an assignment.

Numbers of employees in the Group companies as at	31 March 2011 (unaudited)	31 Dec. 2010 (audited)	31 March 2010 (unaudited)
Asseco South Eastern Europe S.A.	10	10	8
Asseco SEE s.r.l., (Bucharest) 1)	174	176	188
Asseco SEE d.o.o., Beograd	481	479	511
Asseco SEE d.o.o. (Zagreb) 2)	156	153	83
Asseco SEE Sh.p.k. (Pristina)	86	85	92
EST Elektronik Sanal Ticaret ve Bilisim Hizmetleri A.Ş. (Istanbul)	42	44	n/a
ITD İletişim Teknoloji Danışmanlık Ticaret A.Ş. (Istanbul)	42	45	n/a
ITD Polska Sp. z o.o. (Warsaw)	16	17	n/a
IPSA BHM INVESTMENTS d.o.o., Beograd	43	45	n/a
Asseco SEE DOOEL, Skopje	145	140	130
	1,195	1,194	1,012

1. 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, the employment data of both the merged companies as at 31 March 2010 have been presented in aggregate.
2. On 3 January 2011, there was registered a merger of Asseco SEE d.o.o. (Zagreb) (the taking-over company) with Biro Data Servis d.o.o. (the acquired company). For the sake of comparability, the employment data of both the merged companies as at 31 December 2010 have been presented in aggregate.

15. Contingent liabilities

During the 3 months ended 31 March 2011 neither the Issuer nor any of its subsidiaries granted any bank loan sureties or guarantees to any single entity or their subsidiary, where the aggregate value of all the existing sureties or guarantees extended to such entity would equal at least 10% of the Issuer's equity.

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. The resulting contingent liabilities equalled PLN 12,400 thousand as at 31 March 2011, PLN 11,997 thousand as at 31 December 2010, and PLN 8,625 thousand as at 31 March 2010.

As at 31 March 2011, inventories with the book value of PLN 3,153 thousand as well as current and future receivables with the book value of PLN 250 thousand served as security for bank guarantee facilities. As at 31 March 2011, the related contingent liabilities amounted to PLN 4,290 thousand.

As at 31 December 2010, inventories with the book value of PLN 3,303 thousand as well as current and future receivables with the book value of PLN 2,508 thousand served as security for bank guarantee facilities. As at 31 December 2010, the related contingent liabilities amounted to PLN 3,610 thousand.

As at 31 March 2010, inventories with the book value of PLN 3,342 thousand as well as current and future receivables with the book value of PLN 1,049 thousand served as security for bank guarantee facilities. As at 31 March 2010, the related contingent liabilities amounted to PLN 5,948 thousand.

As at 31 March 2011, restricted cash up to the amount of PLN 392 thousand served as security for bank guarantees (of due performance of contracts and tender deposits).

As at 31 December 2010, restricted cash up to the amount of PLN 369 thousand served as security for bank guarantees (of due performance of contracts and tender deposits).

As at 31 March 2010, restricted cash up to the amount of PLN 157 thousand served as security for bank guarantees (of due performance of contracts and tender deposits).

As at 31 March 2011, Asseco SEE d.o.o., Beograd had a liability to purchase equipment and intangible assets for the amount of PLN 751 thousand, while as at 31 December 2010 this liability amounted to PLN 877 thousand.

As the Group companies rent office space, as at 31 March 2011 as well as at 31 December 2010 and 31 March 2010, the Group was a party to a number of rental, leasing and other contracts of similar nature, resulting in the following future payments:

Liabilities under lease of space	31 March 2011 (unaudited)	31 Dec. 2010 (audited)	31 March 2010 (unaudited)
In the period up to 1 year	11,215	11,527	6,911
In the period from 1 to 5 years	35,358	33,929	25,955
	46,573	45,456	32,866

Liabilities under operating lease of property, plant and equipment	31 March 2011 (unaudited)	31 Dec. 2010 (audited)	31 March 2010 (unaudited)
In the period up to 1 year	553	524	240
In the period from 1 to 5 years	598	734	350
	1,151	1,258	590

16. Capital expenditures

During the first 3 months of 2011 the Group incurred capital expenditures of PLN 8,570 thousand, of which PLN 2,827 thousand were spent for non-financial fixed assets.

Whereas, during the first 3 months of 2010 the Group incurred capital expenditures of PLN 1,098 thousand, of which PLN 1,071 thousand were spent for non-financial fixed assets.

17. Issuance, redemption and repayment of non-equity and equity securities

On 18 March 2011, the Management Board of Asseco South Eastern Europe S.A. passed a resolution on increasing the Company's share capital by the amount of PLN 9,021 thousand through the issuance of 902,119 shares of series T, in order to partially repay the liability for shares acquired in EST A.S. (Istanbul) in 2010. Until the date of publication of this report, i.e. till 11 May 2011, the Parent Company has not yet received any court decision on registration of the issuance of series T shares.

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

VI. TRANSACTIONS WITH RELATED COMPANIES

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

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

Until the date of approval of these interim condensed consolidated financial statements, Asseco South Eastern Europe S.A. 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 31 March 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 2,950 thousand. 100% of shares in Liatris d.o.o. are owned by Mihail Petreski, Member of the Supervisory Board of Asseco South Eastern Europe S.A. The company I4 Invention d.o.o. is a shareholder in Asseco South Eastern Europe S.A.; whereas, Member of the Management Board of Asseco South Eastern Europe S.A., namely Miodrag Mirčetić is a shareholder in I4 Invention d.o.o. Both as at 31 March 2011 and 31 December 2010, these liabilities have been already extinguished.

VII. INFORMATION ON PENDING LEGAL PROCEEDINGS CONCERNING LIABILITIES OR RECEIVABLES OF ASSECO SOUTH EASTERN EUROPE S.A. OR ITS SUBSIDIARY COMPANIES

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

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

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

VIII. OPINION OF THE MANAGEMENT BOARD ON FEASIBILITY OF MEETING THE PREVIOUSLY PUBLISHED FINANCIAL FORECASTS

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

The Management Board of Asseco South Eastern Europe S.A. did not publish any financial forecasts for 2011.

IX. INFORMATION ON BANK LOAN SURETIES OR GUARANTEES EXTENDED BY THE ISSUER

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

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

During the 3 months ended 31 March 2011 neither the Issuer nor any of its subsidiaries granted any bank loan sureties or guarantees to any single entity or their subsidiary, where the aggregate value of all the existing sureties or guarantees extended to such entity would equal at least 10% of the Issuer's equity.

X. OTHER FACTORS SIGNIFICANT FOR ASSESSMENT OF THE HUMAN RESOURCES, ASSETS, AND FINANCIAL POSITION

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

1. Issuer's development policy

The Asseco South Eastern Europe Group develops in two major areas. The first is based on organic growth in the existing geographical and product markets; whereas, the second assumes the expansion or supplementation of such markets by way of company acquisitions. The Group's development directions are shaped primarily by the strategic assumptions adopted for its individual business units.

The Banking Solutions unit strives to expand its business in the markets of Albania, Bosnia and Herzegovina, Croatia, and Kosovo. The objective is to launch the offering of core banking systems and solutions supporting the bank distribution channels. As part of its development in Bosnia and Herzegovina, the Group plans to reinforce its market position as a provider of software solutions for banking. Following such plans, the Group establishes in miscellaneous countries its "competence centres" that will serve as the base for provision of customer support services in the future. The Banking Solutions segment also includes the results of operations within mobile banking and authentication systems. In this area, sales revenues are increased pursuing a different strategy. First of all, the corresponding products are marketed in the whole territory of operations of the Asseco Group. This business unit focuses on setting up sales channels in all the promising markets. In South Eastern Europe, the unit is engaged in building a sales network drawing on the resources of all the Asseco South Eastern Europe Group subsidiaries. Whereas in countries outside this region, the unit strives to enter into cooperation with local business partners in order to sell its proprietary solutions through their distribution networks. At all times the technical support and production facilities of this business unit are located in Croatia.

The Cards Business unit seeks opportunities for development in broadening its geographical coverage and product portfolio. The unit is engaged in building support centres in four countries including Bulgaria, Kosovo, Slovenia, and Albania with the objective to enhance its presence on these markets. Additionally, this business unit continues to look for and test new products and solutions that would match its operating profile.

The Systems Integration unit envisages its development basically by boosting its presence in various countries of the region. Growth shall be achieved through continued delivery of the latest solutions of the world's leading producers as well as through the promotion of integration services featuring proprietary solutions. The aim is to increase the level of sales of our own solutions and services. Moreover, the Group makes strong endeavours to acquire competence in the implementation of the EU co-financed projects, both in the area of accession programs and structural funds.

Factors influencing the Group's financial results

- consistently implemented market strategy of individual operating segments;
- cost reduction programs implemented in individual companies of the Group;
- Average exchange rates of the functional currencies of the Group subsidiaries applied in translation to the Group's presentation currency, i.e. Polish zloty;
- foreign currency positions exposed to exchange rate risk: dividends received and receivable as well as the valuation of liabilities due to the purchase of shares in EST A.Ş. (Istanbul).

2. Single-time events affecting the achieved financial results

During the 3-month period ended 31 March 2011, apart from the information provided in this report, there occurred no extraordinary events which would affect the financial results achieved for that period.

3. Significant events during the period reported

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

4. Significant agreements concluded by the Group

In the period of 3 months ended 31 March 2011, the Group signed the following agreements significant for its business operations:

- in the Banking Solutions segment: contracts with Zagrebačka Banka d.d. for supply of mBanking software and mobile tokens, Credit Agricole Banka for delivery of PUB2000 banking system, NLB Tutunska Banka for provision of outsourcing services, Zagrebačka Banka d.d. for supply of licenses, Bosna Bank International for delivery of ASEBA banking system, Volksbank for delivery of ASEBA BI and Experience systems, Komercijalna Banka for delivery of Business Intelligence Data Warehouse software, and with Univerzal Banka for supply of Data Warehouse and Basel II software;

- in the Card Business segment: contracts with NKBM for delivery of POS terminals, Privredna Banka for delivery of ATMs, Hrvatska Postanska Banka for delivery of ATMs, and with ISP CARD for delivery of POS terminals;

- in the Systems Integration segment: contracts with Serbian Republic Agency for Eletronic Communications for provision of software and hardware for their central database, Hestia Kontakt for supply of Contact Center software, Ministry of the Interior of Bosnia and Herzegovina for delivery of hardware, Makedonski Telekom for supply of SetTop boxes for IP television, and with Call Aktif for delivery of Call Center software.

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

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

In the opinion of the Management Board of Asseco South Eastern Europe S.A., the Group's current financial standing, its production potential and market position pose no threats to continued operations and growth throughout 2011. However, there are numerous factors, both internal and external, which may directly or indirectly affect the Group's financial performance in the next quarters.

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

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

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

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

XII. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

In the period from 31 March 2011 till the date of approval of these interim condensed consolidated financial statements, this is till 11 May 2011, there took place no significant events, the disclosure of which might significantly affect the assessment of human resources, assets, and financial position of the Asseco South Eastern Europe Group.

XIII. SIGNIFICANT EVENTS RELATED TO PRIOR YEARS

Until the date of preparing these interim condensed consolidated financial statements, this is until 11 May 2011, there occurred no significant events related to prior years, which have not but should have been included in the accounting books.



**ASSECO SOUTH EASTERN EUROPE S.A.
STANDALONE FINANCIAL DATA
FOR THE 1ST QUARTER OF 2011**

Rzeszów, 11 May 2011

FINANCIAL HIGHLIGHTS OF ASSECO SOUTH EASTERN EUROPE S.A.

	3 months ended 31 March 20 11 (unaudited)	3 months ended 31 March 20 10 (unaudited)	3 months ended 31 March 20 11 (unaudited)	3 months ended 31 March 20 10 (unaudited)
	PLN '000	PLN '000	EUR '000	EUR '000
I. Dividend income	264	-	66	-
II. Revenues from sales of services	1,099	-	277	-
III. Operating profit (loss)	338	(533)	85	(134)
IV. Pre-tax profit (loss)	1,151	(598)	290	(151)
V. Net profit (loss) for the period reported	1,218	(576)	306	(145)
VI. Net cash provided by (used in) operating activities	(5,025)	(1,858)	(1,264)	(468)
VII. Net cash provided by (used in) investing activities	(5)	61	(1)	15
VIII. Net cash provided by (used in) financing activities	(73)	-	(18)	-
IX. Cash and cash equivalents at the end of period	8,419	46,217	2,099	11,966
X. Basic earnings (loss) per ordinary share for the period reported (in PLN/EUR)	0,024	(0,012)	0,006	(0,003)
XI. Diluted earnings (loss) per ordinary share for the period reported (in PLN/EUR)	0,024	(0,012)	0,006	(0,003)

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 2011 to 31 March 2011: EUR 1 = PLN 3.9742
 - for the period from 1 January 2010 to 31 March 2010: EUR 1 = PLN 3.9669
- 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 31 March 2011: EUR 1 = PLN 4.0119
 - exchange rate effective on 31 March 2010: EUR 1 = PLN 3.8622

CONDENSED PROFIT AND LOSS ACCOUNT
ASSECO SOUTH EASTERN EUROPE S.A.

	3 months ended 31 March 2011 (unaudited)	3 months ended 31 March 2010 (unaudited)
Dividend income	264	-
Revenues from sales of services	1,099	-
Cost of sales (-)	(997)	-
Gross profit on sales	366	-
Selling expenses (-)	(21)	-
General administrative expenses (-)	-	(709)
Net profit (loss) on sales	345	(709)
Other operating income	464	959
Other operating expenses (-)	(471)	(783)
Operating profit (loss)	338	(533)
Financial income	2,858	87
Financial expenses (-)	(2,045)	(152)
Pre-tax profit (loss)	1,151	(598)
Corporate income tax (current and deferred portions)	67	22
Net profit (loss) for the period reported	1,218	(576)
Earnings (loss) per share for the period reported (in PLN)		
Basic earnings per share from continuing operations for the period reported	0,024	(0,012)
Diluted earnings per share from continuing operations for the period reported	0,024	(0,012)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
ASSECO SOUTH EASTERN EUROPE S.A.

	3 months ended 31 March 2011 (unaudited)	3 months ended 31 March 2010 (unaudited)
Net profit for the period reported	1,218	(576)
Other comprehensive income:		
Hedges of cash flows	194	(1,905)
Total other comprehensive income	194	(1,905)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,412	(2,481)

CONDENSED BALANCE SHEET
ASSECO SOUTH EASTERN EUROPE S.A.

ASSETS	31 March 2011	31 Dec. 2010	31 March 2010
	(unaudited)	(audited)	(unaudited)
Non-current assets	571,357	577,752	490,256
Property, plant and equipment	249	264	5
Intangible assets	132	132	-
Investments in subsidiary companies	570,177	576,599	489,893
Deferred income tax assets	504	437	324
Long-term deferred expenses	295	320	34
Current assets	15,867	14,921	53,054
Deferred expenses	596	311	447
Trade accounts receivable	1,126	512	1,154
Receivables from the State budget	71	99	4,922
Other receivables	5,655	352	314
Cash and short-term deposits	8,419	13,647	46,217
TOTAL ASSETS	587,224	592,673	543,310

CONDENSED BALANCE SHEET
ASSECO SOUTH EASTERN EUROPE S.A.

SHAREHOLDERS' EQUITY AND LIABILITIES	31 March 2011	31 Dec. 2010	31 March 2010
	(unaudited)	(audited)	(unaudited)
Shareholders' equity			
Share capital	509,921	509,921	495,617
Share premium	38,825	38,825	37,409
Revaluation capital	(47)	(241)	(2,974)
Prior years' retained earnings (deficit) and current net profit	22,808	21,590	6,305
Total shareholders' equity	571,507	570,095	536,357
Non-current liabilities	28	2,258	44
Long-term deferred income	28	39	44
Long-term financial liabilities	-	2,219	-
Current liabilities	15,689	20,320	6,909
Trade accounts payable	410	452	2,552
Liabilities to the State budget	301	131	44
Financial liabilities	12,704	17,773	2,208
Other liabilities	18	3	10
Provisions	1,229	1,229	1,228
Deferred income	815	36	672
Accrued expenses	212	696	195
TOTAL LIABILITIES	15,717	22,578	6,953
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	587,224	592,673	543,310

CONDENSED STATEMENT OF CHANGES IN EQUITY
ASSECO SOUTH EASTERN EUROPE S.A.

For 3 months ended 31 March 2011 and for 3 months ended 31 March 2010

	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 2011	509,921	38,825	-	(241)	21,590	570,095
Net profit for the period reported	-	-	-	-	1,218	1,218
Other comprehensive income	-	-	-	194	-	194
Total comprehensive income for the period reported	-	-	-	194	1,218	1,412
As at 31 March 2011 (unaudited)	509,921	38,825	-	(47)	22,808	571,507
As at 1 January 2010	480,375	26,790	25,897	(1,069)	6,881	538,874
Net loss for the period reported	-	-	-	-	(576)	(576)
Other comprehensive income	-	-	-	(1,905)	-	(1,905)
Total comprehensive income for the period reported	-	-	-	(1,905)	(576)	(2,481)
Issuance of series P shares	15,242	10,655	(25,897)	-	-	-
Other	-	(36)	-	-	-	(36)
As at 31 March 2010 (unaudited)	495,617	37,409	-	(2,974)	6,305	536,357

CONDENSED STATEMENT OF CHANGES IN EQUITY
ASSECO SOUTH EASTERN EUROPE S.A. (continued)

For the year ended 31 December 2010

	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
Net profit for the period reported	-	-	-	-	20,202	20,202
Other comprehensive income	-	-	-	828	-	828
Total comprehensive income for the period reported	-	-	-	828	20,202	21,030
Issuance of series P shares	15,242	10,655	(25,897)	-	-	-
Issuance of series R shares	5,929	652	-	-	-	6,581
Issuance of series S shares	8,375	452	-	-	-	8,827
Dividends	-	-	-	-	(5,452)	(5,452)
Cost of issuances of shares	-	312	-	-	-	312
Other	-	(36)	-	-	(41)	(77)
As at 31 December 2010 (audited)	509,921	38,825	-	(241)	21,590	570,095

CONDENSED STATEMENT OF CASH FLOWS
ASSECO SOUTH EASTERN EUROPE S.A.

	3 months ended 31 March 2011 (unaudited)	3 months ended 31 March 2010 (unaudited)
Cash flows - operating activities		
Pre-tax profit (loss)	1,151	(598)
Total adjustments:	(6,128)	(1,260)
Depreciation and amortization	20	-
Change in inventories	-	700
Change in receivables	661	(326)
Change in liabilities	(1,416)	437
Change in deferred and accrued expenses	82	(129)
Change in provisions	-	51
Interest income and expense	16	(61)
Gain (loss) on foreign exchange differences	252	(1,905)
Acquisition of subsidiary companies	(5,743)	(27)
Net cash used in operating activities	(4,977)	(1,858)
Corporate income tax paid	(48)	-
Net cash provided by (used in) operating activities	(5,025)	(1,858)
Cash flows - investing activities		
Acquisition of property, plant and equipment and intangible assets	(5)	-
Interest received	-	61
Net cash provided by (used in) investing activities	(5)	61
Cash flows - financing activities		
Interest paid	(15)	-
Other	(58)	-
Net cash provided by (used in) financing activities	(73)	-
Net increase (decrease) in cash and cash equivalents	(5,103)	(1,797)
Net foreign exchange differences	(125)	-
Cash and cash equivalents as at 1 January	13,647	48,014
Cash and cash equivalents as at 31 March	8,419	46,217