SEMI-ANNUAL REPORT
OF THE ASSECO SOUTH EASTERN EUROPE GROUP
FOR THE PERIOD OF 6 MONTHS
ENDED 30 JUNE 2011

Rzeszów, 24 August 2011

FINANCIAL HIGHLIGHTS
OF THE ASSECO SOUTH EASTERN EUROPE GROUP
FOR THE PERIOD OF 6 MONTHS
ENDED 30 JUNE 2011

FINANCIAL HIGHLIGHTS OF THE ASSECO SOUTH EASTERN EUROPE GROUP

		6 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2010 (unaudited)
		PLN '000	**PLN '000**	**EUR '000**	**EUR '000**
I.	Sales revenues	199,422	192,627	50,266	48,106
II.	Operating profit	21,155	21,489	5,332	5,367
III.	Pre-tax profit	26,050	21,042	6,566	5,255
IV.	Net profit for the period reported	23,093	17,847	5,821	4,457
V.	Net profit attributable to Shareholders of the Parent Company	**23,163**	**17,984**	**5,838**	**4,491**
VI.	Net cash provided by (used in) operating activities	15,491	14,776	3,905	3,690
VII.	Net cash provided by (used in) investing activities	(10,476)	(1,697)	(2,641)	(424)
VIII.	Net cash provided by (used in) financing activities	(2,468)	(5,845)	(622)	(1,460)
IX.	Cash and cash equivalents at the end of period	103,666	110,848	26,004	26,737
X.	Basic earnings per ordinary share for the period reported attributable to Shareholders of the Parent Company (in PLN/EUR)	0.45	0.36	0.11	0.09
XI.	Diluted earnings per ordinary share for the period reported attributable to Shareholders of the Parent Company (in PLN/EUR)	0.45	0.36	0.11	0.09

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 30 June 2011: EUR 1 = PLN 3.9673
  - for the period from 1 January 2010 to 30 June 2010: EUR 1 = PLN 4.0042

- the Group's cash and cash equivalents as at the end of period reported and the corresponding period of the previous year have been translated into Euro at the mid exchange rates as published by the National Bank of Poland. These exchange rates were as follows:
  - exchange rate effective on 30 June 2011: EUR 1 = PLN 3.9866
  - exchange rate effective on 30 June 2010: EUR 1 = PLN 4.1458

All figures in thousands of PLN, unless stated otherwise

SOUTH EASTERN EUROPE

GENERAL INFORMATION

THE ASSECO SOUTH EASTERN EUROPE GROUP

SEMI-ANNUAL REPORT OF THE ASSECO SOUTH EASTERN EUROPE GROUP FOR THE PERIOD OF 6 MONTHS ENDED 30 JUNE 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.

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. These interim condensed consolidated financial statements provide a description of the Asseco South Eastern Europe Group's core business broken down by relevant segments.

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

The parent of Asseco South Eastern Europe S.A. is Asseco Poland S.A. (the higher-level parent company). As at 30 June 2011, Asseco Poland S.A. held a 51.06% stake in the share capital of Asseco South Eastern Europe S.A.

These interim condensed consolidated financial statements cover the period of 6 months ended 30 June 2011 and contain comparative data for the period of 6 months ended 30 June 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 December 2010 in case of the balance sheet. The profit and loss account as well as notes to the profit and loss account cover the period of 3 months ended 30 June 2011 and contain comparative data for the period of 3 months ended 30 June 2010; these data were not subject to a review by certified auditors.

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

These interim condensed consolidated financial statements for the period of 6 months ended 30 June 2011 were authorized for publication by the Management Board on 24 August 2011.

II. COMPOSITION OF THE ASSECO SOUTH EASTERN EUROPE GROUP

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

The table below presents the Asseco South Eastern Europe Group structure along with equity interests and voting interests at the general meetings of shareholders/partners as at 30 June 2011:

	Country of registration	Voting interest 30 June 2011	Voting interest 31 Dec. 2010	Equity interest 30 June 2011	Equity interest 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%
Asseco SEE Teknoloji A.Ş. (Istanbul) [3)]	Turkey	100.00%	99.66%	100.00%	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	n/a	100.00%	n/a	100.00%
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%	50.00%	100.00%	50.00%
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);
3) On 6 June 2011, there was registered a merger of ITD A.Ş. (Istanbul) (the taking-over company) with EST A.Ş. (Istanbul) (the acquired company). On 18 July 2011, the company of ITD A.Ş. (Istanbul) was renamed as Asseco SEE Teknoloji A.Ş. (Istanbul).

The parent of Asseco South Eastern Europe S.A. is Asseco Poland S.A. (the higher-level parent company). As at 30 June 2011, Asseco Poland S.A. held a 51.06% stake in the share capital of Asseco South Eastern Europe S.A.

All figures in thousands of PLN, unless stated otherwise

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-subsidiaries 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 the acquisition of Multicard d.o.o., under which Asseco SEE d.o.o., Beograd is entitled to buy out the remaining non-controlling interests, the company of Multicard d.o.o. is treated as a subsidiary and is subject to full consolidation.

Both as at 30 June 2011 and 31 December 2010, voting interests the Group was entitled to exercise in its subsidiary companies were proportional to the Group's equity interests in these entities.

III. CHANGES IN THE GROUP STRUCTURE

During the period of 6 months ended 30 June 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.

The said transaction had no impact on the consolidated financial statements of the Asseco South Eastern Europe Group.

❑ Disposal of a 23.1% stake in EST A.Ş. (Istanbul) by Asseco South Eastern Europe S.A. 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 by Asseco South Eastern Europe S.A. 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%.

❑ *Merger of ITD A.Ş (Istanbul) with EST A.Ş (Istanbul)*

On 6 June 2011, there was registered a merger of two companies being under common control of Asseco South Eastern Europe S.A., namely ITD A.Ş. (Istanbul) (the taking-over company) and EST A.Ş. (Istanbul) (the acquired company). Following the merger, the company of EST A.Ş. has been dissolved without liquidation. At the time of amalgamation Asseco South Eastern Europe S.A. was the majority shareholder in both the merged companies. On 18 July 2011, the company of ITD A.Ş. (Istanbul) was renamed as Asseco SEE Teknoloji A.Ş. (Istanbul). Asseco South Eastern Europe S.A. holds 99.9935% of share capital of the company resulting from the merger. The said transaction had no impact on the consolidated financial statements of the Asseco South Eastern Europe Group.

SOUTH EASTERN EUROPE

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE ASSECO SOUTH EASTERN EUROPE GROUP FOR THE PERIOD OF 6 MONTHS ENDED 30 JUNE 2011 INCLUDING THE REPORT OF INDEPENDENT CERTIFIED AUDITORS

Rzeszów, 24 August 2011

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE ASSECO SOUTH EASTERN EUROPE GROUP INCLUDING THE REPORT OF INDEPENDENT CERTIFIED AUDITORS FOR THE PERIOD OF 6 MONTHS ENDED 30 JUNE 2011

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These interim condensed consolidated financial statements were authorized for publication by the Management Board of Asseco South Eastern Europe S.A. on 24 August 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 THE ASSECO SOUTH EASTERN EUROPE GROUP

	Note	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)
Sales revenues	1	**101,446**	**199,422**	**100,329**	**192,627**
Cost of sales (-)	2	**(76,006)**	**(148,042)**	**(76,198)**	**(146,954)**
Gross profit on sales		**25,440**	**51,380**	**24,131**	**45,673**
Selling expenses (-)	2	(7,590)	(14,813)	(4,659)	(9,624)
General administrative expenses (-)	2	(7,670)	(15,174)	(8,127)	(15,200)
Net profit on sales		**10,180**	**21,393**	**11,345**	**20,849**
Other operating income	3	202	398	679	979
Other operating expenses (-)	3	(346)	(636)	(151)	(339)
Operating profit		**10,036**	**21,155**	**11,873**	**21,489**
Financial income	4	3,239	6,175	829	1,647
Financial expenses (-)	4	(619)	(1,280)	(1,028)	(2,094)
Pre-tax profit		**12,656**	**26,050**	**11,674**	**21,042**
Corporate income tax (current and deferred portions)	5	(1,640)	(2,957)	(1,939)	(3,195)
Net profit for the period reported		**11,016**	**23,093**	**9,735**	**17,847**
Attributable to:					
Shareholders of the Parent Company		**11,048**	**23,163**	**9,811**	**17,984**
Non-controlling shareholders		(32)	(70)	(76)	(137)

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	6	0.22	0.45	0.20	0.36
Diluted consolidated earnings per share from continuing operations for the period reported	6	0.22	0.45	0.20	0.36

All figures in thousands of PLN, unless stated otherwise

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

	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)
Net profit for the period reported	**11,016**	**23,093**	**9,735**	**17,847**
Other comprehensive income:				
Hedges of cash flows	47	241	2,206	301
Foreign currency translation differences on subsidiary companies	(7,393)	3,830	18,309	(15,240)
Other	(5)	-	(117)	(117)
Total other comprehensive income	**(7,351)**	**4,071**	**20,398**	**(15,056)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**3,665**	**27,164**	**30,133**	**2,791**
Attributable to:				
Shareholders of the Parent Company	3,697	27,234	30,235	2,954
Non-controlling shareholders	(32)	(70)	(102)	(163)

All figures in thousands of PLN, unless stated otherwise

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
THE ASSECO SOUTH EASTERN EUROPE GROUP

ASSETS	Note	30 June 2011 (unaudited)	31 Dec. 2010 (audited)
Non-current assets		**510,484**	**505,991**
Property, plant and equipment	8	17,920	16,670
Investment property		816	843
Intangible assets	8	8,916	9,364
Goodwill arising from consolidation	9	479,535	476,399
Investments in subsidiary companies		11	13
Financial assets available for sale		45	44
Long-term loans		363	28
Long-term receivables		187	149
Deferred income tax assets		1,998	1,592
Long-term deferred expenses		342	322
Restricted cash	12	351	567
Current assets		**222,359**	**222,643**
Inventories		16,014	13,851
Deferred expenses	10	6,184	4,070
Trade accounts receivable	11	57,575	71,203
Corporate income tax recoverable	11	883	1,327
Receivables from the State budget	11	963	662
Receivables arising from valuation of IT contracts		28,876	22,270
Other receivables	11	7,513	7,461
Financial assets available for sale		25	24
Financial assets held to maturity		241	241
Financial assets carried at fair value through profit or loss		97	95
Short-term loans		322	463
Cash and short-term deposits	12	103,666	100,976
TOTAL ASSETS		**732,843**	**728,634**

All figures in thousands of PLN, unless stated otherwise

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
THE ASSECO SOUTH EASTERN EUROPE GROUP

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	30 June 2011 (unaudited)	31 Dec. 2010 (audited)
Shareholders' equity (attributable to Shareholders of the Parent Company)		**620,180**	**597,264**
Share capital	13	518,942	509,921
Share premium		38,825	38,825
Revaluation capital		-	(241)
Foreign currency translation differences on subsidiary companies		(45,455)	(49,285)
Prior years' retained earnings (deficit) and current net profit		107,868	98,044
Non-controlling interests		**-**	**-**
Total shareholders' equity		**620,180**	**597,264**
Non-current liabilities		**4,606**	**6,968**
Interest-bearing bank loans, borrowings and debt securities	15	265	520
Deferred income tax provisions		2,056	1,736
Long-term provisions	17	301	316
Long-term financial liabilities	14	1,694	3,762
Long-term deferred income		24	375
Other long-term liabilities		266	259
Current liabilities		**108,057**	**124,402**
Interest-bearing bank loans, borrowings and debt securities	15	1,233	2,176
Trade accounts payable	16	35,389	36,896
Corporate income tax payable	16	1,038	1,358
Liabilities to the State budget	16	7,972	12,473
Financial liabilities	14	16,887	20,981
Liabilities arising from valuation of IT contracts		1,975	368
Other liabilities	16	20,211	26,158
Short-term provisions	17	4,865	5,074
Deferred income	17	7,962	8,377
Accrued expenses	17	10,525	10,541
TOTAL LIABILITIES		**112,663**	**131,370**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**732,843**	**728,634**

All figures in thousands of PLN, unless stated otherwise

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

For the period of 6 months ended 30 June 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 for the period reported		-	-	-	-	-	23,163	**23,163**	(70)	**23,093**
Other comprehensive income		-	-	-	241	3,830	-	**4,071**	-	**4,071**
Total comprehensive income for the period reported		**-**	**-**	**-**	**241**	**3,830**	**23,163**	**27,234**	**(70)**	**27,164**
Changes in the Group structure, of which:		**-**	**-**	**-**	**-**	**-**	**(81)**	**(81)**	**-**	**(81)**
Acquisition of non-controlling interests		-	-	-	-	-	*(81)*	***(81)***	-	*(81)*
Recognition of profit attributable to non-controlling interests		**-**	**-**	**-**	**-**	**-**	**-**	**-**	70	***70***
Issuance of series T shares		9,021	**-**	**-**	**-**	**-**	**-**	**9,021**	-	***9,021***
Dividend		-	-	-	-	-	(13,258)	**(13,258)**	-	**(13,258)**
As at 30 June 2011 (unaudited)	13	**518,942**	**38,825**	**-**	**-**	**(45,455)**	**107,868**	**620,180**	**-**	**620,180**

All figures in thousands of PLN, unless stated otherwise

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

For the period of 6 months ended 30 June 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 for the period reported		-	-	-	-	-	17,984	**17,984**	(137)	**17,847**
Other comprehensive income		-	-	-	301	(15,214)	(117)	**(15,030)**	(26)	**(15,056)**
Total comprehensive income for the period reported		**-**	**-**	**-**	**301**	**(15,214)**	**17,867**	**2,954**	**(163)**	**2,791**
Recognition of profit attributable to non-controlling interests		-	-	-	-	-	-	**-**	102	**102**
Issuance of series P shares		15,242	10,655	(25,897)	-	-	-	**-**	-	**-**
Dividend		-	-	-	-	-	(5,452)	**(5,452)**	-	**(5,452)**
Other		-	(36)	-	-	-	-	**(36)**	-	**(36)**
As at 30 June 2010 (unaudited)		**495,617**	**37,409**	**-**	**(768)**	**(22,461)**	**66,178**	**575,975**	**41**	**576,016**

All figures in thousands of PLN, unless stated otherwise

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

For 12 months ended 31 December 2010

	Note	Share capital	Share premium	Subscribed unregistered share capital	Revaluation 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 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 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)**
Acquisition of non-controlling interests		-	-	-	-	-	*(1,812)*	***(1,812)***	*(205)*	***(2,017)***
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)	13	**509,921**	**38,825**	**-**	**(241)**	**(49,285)**	**98,044**	**597,264**	-	**597,264**

All figures in thousands of PLN, unless stated otherwise

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

	Note	6 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2010 (unaudited)
Cash flows - operating activities			
Pre-tax profit from continuing operations		**26,050**	**21,042**
Total adjustments:		**(7,472)**	**(3,360)**
Depreciation and amortization		4,069	3,073
Change in inventories		(1,655)	10,653
Change in receivables		5,748	(21,587)
Change in liabilities		(13,362)	5,893
Change in deferred and accrued expenses		(1,833)	(4,249)
Change in provisions		(237)	2,725
Interest income and expense		(1,156)	(786)
Gain on foreign exchange differences		1,096	908
Gain (loss) on investing activities		(113)	15
Other		(29)	(5)
Net cash generated from operating activities		**18,578**	**17,682**
Corporate income tax paid		(3,087)	(2,906)
Net cash provided by (used in) operating activities		**15,491**	**14,776**
Cash flows - investing activities			
Disposal of property, plant and equipment and intangible assets		892	375
Acquisition of property, plant and equipment and intangible assets		(5,168)	(2,985)
Expenditures for research and development projects		(1,599)	-
Acquisition of subsidiary and associated companies		(5,635)	(2,458)
Cash and cash equivalents of acquired subsidiary companies		-	252
Disposal of shares in subsidiary and associated companies		-	1,551
Disposal of financial assets held to maturity		-	560
Acquisition of financial assets held to maturity		-	(245)
Loans granted		(419)	(14)
Loans collected		35	134
Interest received		1,368	1,133
Other		50	-
Net cash provided by (used in) investing activities		**(10,476)**	**(1,697)**

All figures in thousands of PLN, unless stated otherwise

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

	Note	6 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2010 (unaudited)
Cash flows - financing activities			
Repayment of loans and borrowings		(1,127)	(908)
Finance lease commitments paid		(201)	(212)
Dividends paid out to non-controlling shareholders		-	(4,106)
Interest paid		(212)	(363)
Acquisition of non-controlling interests		(870)	-
Other		(58)	(256)
Net cash provided by (used in) financing activities		**(2,468)**	**(5,845)**
Net increase in cash and cash equivalents		2,547	7,234
Net foreign exchange differences		143	(937)
Cash and cash equivalents as at 1 January		100,976	104,551
Cash and cash equivalents as at 30 June	12	**103,666**	**110,848**

All figures in thousands of PLN, unless stated otherwise

SUPPLEMENTARY 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 vale 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 a going-concern basis, assuming the Group, Parent Company as well as subsidiary companies 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 are coherent with those applied for preparation of the annual financial statements for the year ended 31 December 2010, except for applying the following amendments to standards and new interpretations effective for annual periods beginning on or after 1 January 2011:

- Amendments to IAS 24 *Related Party Disclosures* (revised in November 2009) – effective for annual periods beginning on or after 1 January 2011. The amendments simplify the disclosure requirements and clarify the definition of a related party. The revised standard provides an exemption from the disclosure requirements in relation to related party transactions conducted with a government that has control, joint control or significant influence over the reporting entity, and with another entity that is a related party because the same government has control, joint control or significant influence over both the reporting entity and the other entity. Adoption of these amendments did not affect the Group's financial position or its financial performance, nor the scope of information presented in Group's financial statements;

- Amendments to IFRIC 14 IAS 19 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction: Prepayment of a Minimum Funding Requirement* – effective for annual periods beginning on or after 1 January 2011. The amendment eradicates the unintended consequences of IFRIC 14 relating to voluntary retirement contributions, where minimum funding requirements exist. Adoption of these amendments affected neither the Group's financial position nor its financial performance;
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* – effective for annual periods beginning on or after 1 July 2010. IFRIC 19 clarifies the accounting principles to be applied when, as a result of the renegotiation of debt terms, a borrower issues equity instruments to a lender in order to extinguish a financial liability owed to the lender. Adoption of this interpretation affected neither the Group's financial position nor its financial performance;
- Amendments to IAS 32 *Financial Instruments: Presentation: Classification of Rights Issues*. The revision clarifies the approach to recognition of pre-emptive rights to financial instruments denominated in a currency other than the issuer's functional currency. Adoption of these amendments affected neither the Group's financial position nor its financial performance;
- Amendments resulting from the annual review of IFRSs (published in May 2010) – some amendments are effective for annual periods beginning on or after 1 July 2010 and some for annual periods beginning on or after 1 January 2011. Adoption of these amendments affected neither the Group's financial position nor its financial performance;
- Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards: Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters* – effective for annual periods beginning on or after 1 July 2010. Adoption of these amendments affected neither the Group's financial position nor its financial performance.

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

4. Estimates

In the period of 6 months ended 30 June 2011, no substantial changes were introduced to the way of making estimates.

5. 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 30 June 2011, receivables arising from the valuation of IT contracts amounted to PLN 28,876 thousand, while liabilities due to such valuation equalled PLN 1,975 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 the acquisition of subsidiary companies as well as from mergers. This task required making estimates of the value in use of cash-generating units to which goodwill is allocated. The value in use is estimated by determination of the future cash flows expected to be achieved from the cash-generating unit and determination of a discount rate to be subsequently used in order to calculate the net present value of those cash flows. As at 30 June 2011, goodwill arising from the acquisition of subsidiary companies amounted to PLN 479,535 thousand as compared with PLN 476,399 thousand reported as at 31 December 2010.

As at 30 June 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 2010 by individual cash-generating units are not materially different from their actual financial performance in the first half 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 30 June 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

Both as at 30 June 2011 and 31 December 2010, the Group recognized liabilities by virtue of future payments to non-controlling shareholders in the company Multicard d.o.o., Beograd. As at 30 June 2011, such liabilities equalled PLN 1,131 thousand, while as at 31 December 2010 they were PLN 1,052 thousand.

Additionally, as at 30 June 2011, the Group recognized liabilities by virtue of future payments for the acquired shares in EST A.Ş. (Istanbul) and Asseco SEE o.o.d., Sofia, in the amounts of PLN 22 thousand and PLN 1,144 thousand, respectively. Determination of the amounts payable under such liabilities required making estimates of the companies' financial results.

v. Deferred income tax assets

In the period of 6 months ended 30 June 2011, the Group recognized deferred income tax assets. 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 1,998 thousand is very likely.

6. 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.

7. 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.

8. 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.

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

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

Banking Solutions [BAN - CORE + 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] The segments of Banking Solutions and Card Business constitute the Group's total banking business.

For 6 months ended 30 June 2011 and as at 30 June 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:	**56,415**	**43,522**	***99,937***	**106,808**	**1,929**	**(9,252)**	**199,422**
Sales to external customers	51,546	42,980	*94,526*	104,896	-	-	**199,422**
Inter/intra segment sales	4,869	542	*5,411*	1,912	1,929	(9,252)	**-**
Gross profit (loss) on sales	**17,926**	**13,818**	***31,744***	**19,636**	**-**	**-**	**51,380**
Selling expenses	(3,078)	(2,962)	*(6,040)*	(8,773)	-	-	**(14,813)**
General administrative expenses	(6,071)	(3,800)	*(9,871)*	(5,303)	-	-	**(15,174)**
Net profit (loss) on sales	**8,777**	**7,056**	***15,833***	**5,560**	**-**	**-**	**21,393**
Segment assets, of which:	237,497	133,890	*371,387*	236,955	124,501	-	**732,843**
goodwill arising from consolidation	192,744	106,833	*299,577*	179,958	-	-	**479,535**
property, plant and equipment	4,127	7,661	*11,788*	5,893	239	-	**17,920**
intangible assets	5,942	2,354	*8,296*	365	255	-	**8,916**
trade accounts receivable	9,541	9,980	*19,521*	38,054	-	-	**57,575**
receivables arising from valuation of IT contracts	24,863	137	*25,000*	3,876	-	-	**28,876**
inventories	280	6,925	*7,205*	8,809	-	-	**16,014**
other	-	-	*-*	-	124,007	-	**124,007**
							-
Segment expenditures for tangible and intangible assets	**(1,678)**	**(1,186)**	***(2,864)***	**(1,720)**	**(133)**	**-**	**(4,717)**

Assets that were not allocated to any operating segment as at 30 June 2011 included the following items: cash (PLN 103,666 thousand), receivables from the State budget (PLN 1,846 thousand) and other receivables (PLN 7,513 thousand), deferred income tax assets (PLN 1,998 thousand), and other assets (PLN 8,984 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 6 months ended 30 June 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:	**14,220**	**10,970**	***25,190***	**26,922**	**486**	**(2,332)**	**50,266**
Sales to external customers	12,993	10,833	*23,826*	26,440	-	-	**50,266**
Inter/intra segment sales	1,227	137	*1,364*	482	486	(2,332)	**-**
Gross profit (loss) on sales	**4,518**	**3,484**	***8,002***	**4,949**	**-**	**-**	**12,951**
Selling expenses	(776)	(747)	*(1,523)*	(2,211)	-	-	**(3,734)**
General administrative expenses	(1,530)	(958)	*(2,488)*	(1,337)	-	-	**(3,825)**
Net profit (loss) on sales	**2,212**	**1,779**	***3,991***	**1,401**	**-**	**-**	**5,392**

All figures in thousands of PLN, unless stated otherwise

For 6 months ended 30 June 2010 and as at 30 June 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:	**56,162**	**25,511**	***81,673***	**115,534**	**1,065**	**(5,645)**	**192,627**
Sales to external customers	53,884	24,970	*78,854*	113,773	-	-	**192,627**
Inter/intra segment sales	2,278	541	*2,819*	1,761	1,065	(5,645)	**-**
Gross profit (loss) on sales	**19,943**	**7,926**	***27,869***	**17,804**	**-**	**-**	**45,673**
Selling expenses	(2,572)	(1,068)	*(3,640)*	(5,984)	-	-	**(9,624)**
General administrative expenses	(7,829)	(2,324)	*(10,153)*	(5,047)	-	-	**(15,200)**
Net profit (loss) on sales	**9,542**	**4,534**	***14,076***	**6,773**	**-**	**-**	**20,849**
Segment assets, of which:	243,325	81,225	*324,550*	214,694	136,557	-	**675,801**
goodwill arising from consolidation	202,766	69,581	*272,347*	157,606	-	-	**429,953**
property, plant and equipment	3,894	2,890	*6,784*	3,725	228	-	**10,737**
intangible assets	6,811	724	*7,535*	213	-	-	**7,748**
trade accounts receivable	14,854	4,553	*19,407*	41,266	-	-	**60,673**
receivables arising from valuation of IT contracts	14,367	14	*14,381*	2,072	-	-	**16,453**
Inventories	633	3,463	*4,096*	9,812	-	-	**13,908**
other	-	-	-	-	136,329	-	**136,329**
Segment expenditures for tangible and intangible assets	**(889)**	**(932)**	***(1,821)***	**(641)**	**(231)**	**-**	**(2,693)**

Assets that were not allocated to any operating segment as at 30 June 2010 included the following items: cash (PLN 110,848 thousand), receivables from the State budget (PLN 7,582 thousand) and other receivables (PLN 7,149 thousand), deferred income tax assets (PLN 2,524 thousand), and other assets (PLN 8,226 thousand). Segment 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 6 months ended 30 June 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:	**14,026**	**6,371**	***20,397***	**28,853**	**266**	**(1,410)**	**48,106**
Sales to external customers	13,457	6,236	*19,693*	28,413	-	-	**48,106**
Inter/intra segment sales	569	135	*704*	440	266	(1,410)	**-**
Gross profit (loss) on sales	**4,981**	**1,979**	***6,960***	**4,446**	**-**	**-**	**11,406**
Selling expenses	(642)	(267)	*(909)*	(1,494)	-	-	**(2,403)**
General administrative expenses	(1,955)	(580)	*(2,535)*	(1,261)	-	-	**(3,796)**
Net profit (loss) on sales	**2,384**	**1,132**	***3,516***	**1,691**	**-**	**-**	**5,207**

All figures in thousands of PLN, unless stated otherwise

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**
goodwill arising from consolidation	188,761	107,363	*296,124*	180,275	-	-	**476,399**
property, plant and equipment	3,465	7,885	*11,350*	5,056	264	-	**16,670**
intangible assets	5,577	2,996	*8,573*	659	132	-	**9,364**
trade accounts receivable	13,441	10,552	*23,993*	47,210	-	-	**71,203**
receivables arising from valuation of IT contracts	19,257	-	*19,257*	3,013	-	-	**22,270**
inventories	258	6,183	*6,441*	7,410	-	-	**13,851**
other	-	-	-	-	118,877	-	**118,877**
Segment expenditures for tangible and intangible assets	**(2,283)**	**(4,787)**	***(7,070)***	**(2,299)**	**(421)**	**-**	**(9,790)**

Assets that were not allocated to any operating segment as at 31 December 2010 included 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).

All figures in thousands of PLN, unless stated otherwise

In the first half of 2011, the amount of revenues generated by our Banking Solutions segment increased to PLN 56,415 thousand from PLN 56,162 thousand reported for the first half of 2010. The Banking Solutions segment accounted for 28% of total sales in the first half of 2011, down by 1 percentage point from the level of 29% observed in the first half of 2010.

In the first half of 2011, revenues generated by our Card Business segment reached PLN 43,522 thousand, posting a solid increase from PLN 25,511 thousand reported a year ago. The share of this segment in total sales rose to 22% in the first half of 2011 year up from 13% in the corresponding period of 2010. Such an increase was achieved as this segment was extended with "Virtual Payments", which are the Group's new business resulting from the acquisition of the company EST A.Ş. (Istanbul) in July 2010.

In the period of 6 months ended 30 June 2011, the Systems Integration segment generated sales revenues of PLN 106,808 thousand, falling short 8% of the last year's level of PLN 115,534 thousand.

Geographical breakdown of sales

During the first 6 months of 2011, the Group generated 30% of its sales revenues in Romania, 25% in Serbia, 14% in Croatia, 11% in Macedonia, and 9% in Turkey. The above shares in total sales were determined taking into account the countries where particular revenue generating companies are seated.
Whereas, during the first 6 months of 2010, the Group generated 35% of its sales revenues in Romania, 26% in Serbia, 22% in Macedonia, and 7% in Croatia. The above shares in total sales were determined taking into account the countries where particular revenue generating companies are seated.

III. INFORMATION ON GEOGRAPHICAL STRUCTURE OF FINANCIAL RESULTS

For 6 months ended 30 June 2011, in PLN thousands	Albania	Bosnia	Bulgaria	Croatia	Montenegro	Kosovo	Macedonia	Poland	Romania	Serbia	Slovenia	Turkey	Total
Sales revenues	**950**	**6,775**	**1,380**	**27,006**	**3,848**	**5,645**	**21,297**	**3,203**	**60,125**	**49,001**	**2,637**	**17,555**	**199,422**
Cost of sales	(751)	(4,282)	(819)	(19,484)	(3,013)	(4,538)	(15,433)	(2,116)	(48,915)	(35,507)	(2,365)	(10,819)	**(148,042)**
Gross profit (loss) on sales	**199**	**2,493**	**561**	**7,522**	**835**	**1,107**	**5,864**	**1,087**	**11,210**	**13,494**	**272**	**6,736**	**51,380**
Selling expenses	(126)	(403)	(57)	(2,095)	-	(413)	(1,304)	(364)	(4,450)	(3,597)	(43)	(1,961)	**(14,813)**
General administrative expenses	(70)	(700)	(129)	(2,338)	(97)	(547)	(2,069)	(398)	(2,811)	(3,997)	(148)	(1,870)	**(15,174)**
Net profit (loss) on sales	**3**	**1,390**	**375**	**3,089**	**738**	**147**	**2,491**	**325**	**3,949**	**5,900**	**81**	**2,905**	**21,393**
Other operating income	-	50	22	97	4	52	142	-	18	11	2	-	**398**
Other operating expenses	-	(64)	-	(92)	(21)	(8)	(141)	(10)	(1)	(202)	-	(97)	**(636)**
Operating profit (loss)	**3**	**1,376**	**397**	**3,094**	**721**	**191**	**2,492**	**315**	**3,966**	**5,709**	**83**	**2,808**	**21,155**
Financial income	12	8	2	67	6	12	300	4,376	682	415	-	295	**6,175**
Financial expenses	-	(16)	-	(15)	-	-	(1)	(440)	(128)	(657)	-	(23)	**(1,280)**
Pre-tax profit (loss)	**15**	**1,368**	**399**	**3,146**	**727**	**203**	**2,791**	**4,251**	**4,520**	**5,467**	**83**	**3,080**	**26,050**
Corporate income tax (current and deferred portions)	(2)	(68)	(26)	(600)	(67)	(22)	(342)	91	(754)	(678)	(17)	(472)	**(2,957)**
Net profit (loss) for the period reported	**13**	**1,300**	**373**	**2,546**	**660**	**181**	**2,449**	**4,342**	**3,766**	**4,789**	**66**	**2,608**	**23,093**

For 6 months ended 30 June 2011, in EUR thousands	Albania	Bosnia	Bulgaria	Croatia	Montenegro	Kosovo	Macedonia	Poland	Romania	Serbia	Slovenia	Turkey	Total
Sales revenues	**240**	**1,708**	**348**	**6,807**	**970**	**1,423**	**5,368**	**807**	**15,155**	**12,350**	**665**	**4,425**	**50,266**
Cost of sales	(189)	(1,079)	(206)	(4,911)	(759)	(1,144)	(3,890)	(533)	(12,330)	(8,951)	(596)	(2,727)	**(37,315)**
Gross profit (loss) on sales	**51**	**629**	**142**	**1,896**	**211**	**279**	**1,478**	**274**	**2,825**	**3,399**	**69**	**1,698**	**12,951**
Selling expenses	(32)	(102)	(14)	(528)	-	(104)	(329)	(92)	(1,122)	(906)	(11)	(494)	**(3,734)**
General administrative expenses	(18)	(176)	(33)	(589)	(25)	(138)	(522)	(100)	(709)	(1,007)	(37)	(471)	**(3,825)**
Net profit (loss) on sales	**1**	**351**	**95**	**779**	**186**	**37**	**627**	**82**	**994**	**1,486**	**21**	**733**	**5,392**
Other operating income	-	13	6	24	1	13	36	-	5	2	-	-	**100**
Other operating expenses	-	(16)	-	(23)	(5)	(2)	(36)	(3)	-	(51)	-	(24)	**(160)**
Operating profit (loss)	**1**	**348**	**101**	**780**	**182**	**48**	**627**	**79**	**999**	**1,437**	**21**	**709**	**5,332**
Financial income	3	2	1	17	1	3	76	1,103	172	105	-	74	**1,557**
Financial expenses	-	(4)	-	(4)	-	-	-	(111)	(32)	(166)	-	(6)	**(323)**
Pre-tax profit (loss)	**4**	**346**	**102**	**793**	**183**	**51**	**703**	**1,071**	**1,139**	**1,376**	**21**	**777**	**6,566**
Corporate income tax (current and deferred portions)	-	(17)	(7)	(151)	(17)	(6)	(86)	23	(190)	(171)	(4)	(119)	**(745)**
Net profit (loss) for the period reported	**4**	**329**	**95**	**642**	**166**	**45**	**617**	**1,094**	**949**	**1,205**	**17**	**658**	**5,821**

For 6 months ended 30 June 2010, in PLN thousands	Albania	Bosnia	Bulgaria	Croatia	Montenegro	Kosovo	Macedonia	Poland	Romania	Serbia	Slovenia	Turkey	Total

All figures in thousands of PLN, unless stated otherwise

Sales revenues	**389**	**4,848**	**307**	**12,731**	**2,501**	**8,647**	**42,658**	**933**	**67,601**	**50,341**	**1,671**	**-**	**192,627**
Cost of sales	(351)	(3,473)	(367)	(8,752)	(1,779)	(7,139)	(34,961)	(840)	(51,981)	(35,848)	(1,463)	-	**(146,954)**
Gross profit (loss) on sales	**38**	**1,375**	**(60)**	**3,979**	**722**	**1,508**	**7,697**	**93**	**15,620**	**14,493**	**208**	**-**	**45,673**
Selling expenses	(66)	(73)	-	(763)	-	(600)	(532)	-	(4,844)	(2,673)	(73)	-	**(9,624)**
General administrative expenses	(72)	(270)	(7)	(1,565)	(117)	(761)	(1,861)	-	(4,062)	(6,343)	(142)	-	**(15,200)**
Net profit (loss) on sales	**(100)**	**1,032**	**(67)**	**1,651**	**605**	**147**	**5,304**	**93**	**6,714**	**5,477**	**(7)**	**-**	**20,849**
Other operating income	-	11	21	4	-	24	165	-	80	672	2	-	**979**
Other operating expenses	-	(1)	(28)	(67)	-	-	(163)	-	(7)	(73)	-	-	**(339)**
Operating profit (loss)	**(100)**	**1,042**	**(74)**	**1,588**	**605**	**171**	**5,306**	**93**	**6,787**	**6,076**	**(5)**	**-**	**21,489**
Financial income	-	6	-	17	9	252	54	270	856	183	-	-	**1,647**
Financial expenses	-	(3)	(4)	(5)	(22)	(232)	(1,235)	(31)	(189)	(363)	(10)	-	**(2,094)**
Pre-tax profit (loss)	**(100)**	**1,045**	**(78)**	**1,600**	**592**	**191**	**4,125**	**332**	**7,454**	**5,896**	**(15)**	**-**	**21,042**
Corporate income tax (current and deferred portions)	-	(155)	-	(389)	(62)	(28)	(737)	20	(1,200)	(645)	1	-	**(3,195)**
Net profit (loss) for the period reported	**(100)**	**890**	**(78)**	**1,211**	**530**	**163**	**3,388**	**352**	**6,254**	**5,251**	**(14)**	**-**	**17,847**

For 6 months ended 30 June 2010, in EUR thousands	**Albania**	**Bosnia**	**Bulgaria**	**Croatia**	**Montenegro**	**Kosovo**	**Macedonia**	**Poland**	**Romania**	**Serbia**	**Slovenia**	**Turkey**	**Total**
Sales revenues	**97**	**1,211**	**77**	**3,179**	**625**	**2,159**	**10,653**	**233**	**16,883**	**12,572**	**417**	**-**	**48,106**
Cost of sales	(88)	(867)	(92)	(2,186)	(444)	(1,783)	(8,731)	(210)	(12,982)	(8,952)	(365)	-	**(36,700)**
Gross profit (loss) on sales	**9**	**344**	**(15)**	**993**	**181**	**376**	**1,922**	**23**	**3,901**	**3,620**	**52**	**-**	**11,406**
Selling expenses	(16)	(18)	-	(191)	-	(150)	(133)	-	(1,210)	(667)	(18)	-	**(2,403)**
General administrative expenses	(18)	(67)	(2)	(391)	(29)	(190)	(465)	-	(1,014)	(1,585)	(35)	-	**(3,796)**
Net profit (loss) on sales	**(25)**	**259**	**(17)**	**411**	**152**	**36**	**1,324**	**23**	**1,677**	**1,368**	**(1)**	**-**	**5,207**
Other operating income	-	3	5	1	-	6	41	-	20	168	-	-	**244**
Other operating expenses	-	-	(7)	(17)	-	-	(41)	-	(2)	(18)	-	-	**(85)**
Operating profit (loss)	**(25)**	**262**	**(19)**	**395**	**152**	**42**	**1,324**	**23**	**1,695**	**1,518**	**(1)**	**-**	**5,366**
Financial income	-	1	-	4	2	63	13	67	214	47	-	-	**411**
Financial expenses	-	(1)	(1)	(1)	(5)	(58)	(308)	(8)	(47)	(92)	(2)	-	**(523)**
Pre-tax profit (loss)	**(25)**	**262**	**(20)**	**398**	**149**	**47**	**1,029**	**82**	**1,862**	**1,473**	**(3)**	**-**	**5,254**
Corporate income tax (current and deferred portions)	-	(39)	-	(97)	(15)	(7)	(184)	5	(300)	(161)	-	-	**(798)**
Net profit (loss) for the period reported	**(25)**	**223**	**(20)**	**301**	**134**	**40**	**845**	**87**	**1,562**	**1,312**	**(3)**	**-**	**4,456**

All figures in thousands of PLN, unless stated otherwise

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Breakdown of sales revenues

Sales revenues by type of business	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)
Proprietary software and services	45,452	94,107	37,400	71,878
Third-party software and services	25,237	45,931	27,777	52,404
Hardware and infrastructure	30,757	59,384	35,152	68,345
	101,446	**199,422**	**100,329**	**192,627**

In the first half of 2011, sales revenues of the Asseco South Eastern Europe Group reached PLN 199,422 thousand and they increased by 3.5% when compared with those achieved in the corresponding period last year (PLN 192,627 thousand). Our financial performance improved owing to new acquisitions completed in the second half of 2010, when the Group was joined by the following companies: EST A.Ş. (Istanbul), ITD. A.Ş. (Istanbul), BDS d.o.o. (Zagreb), and Cardinfo BDS d.o.o. (Sarajevo). Their operations contributed to higher revenues of the Group in the first half of 2011.

Sales revenues by sectors	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)
Banking and finance	62,176	127,743	58,347	109,585
Enterprises	26,911	53,922	34,576	67,075
Public institutions	12,359	17,757	7,406	15,967
	101,446	**199,422**	**100,329**	**192,627**

In the first half-year 2011, the Group generated 64% of its sales revenues from the sector of banking and finance. As compared with the corresponding period of 2010, the sector's share in total sales increased by 7 percentage points as the value of sales improved 21% (to PLN 127,743 thousand for 6 months ended 30 June 2011, up from PLN 109,585 thousand posted a year ago). The key revenue drivers in the banking and finance sector were our contracts executed for: UniCredit Global Information Servisec S.C.p.A (Austria), Privredna Banka Zagreb d.d. (Croatia), Hrvatska Poštanska Banka d.d. (Croatia), NLB Tutunska Banka Skopje (Macedonia), Privredna Banka Zagreb d.d. (Croatia), AIK Banka A.D. NIs (Serbia), Banka Postanska Stedionica a.d. (Serbia), and Credy Banka a.d. Kragujevac (Serbia).

On the other hand, the enterprises sector constituted a slightly lower portion of our business in the period reported. Sales revenues from this sector reached PLN 53,922 thousand or 27% of our total turnover; whereas, in the corresponding period of 2010 sales to enterprises amounted to PLN 67,075 thousand and represented 35% of the total turnover. In the enterprises sector the highest revenues were achieved from our contracts with: S&T Romania SRL, T-Home Skopje (Macedonia), EULEX (Kosovo), Fujitsu Technology Solutions GesMBH Viena Sucursala Bucuresti (Romania), TAROM SA (Romania), DIM SOFT (Romania), Erste & Steiermärkische Bank d.d. (Croatia), Vodafone (Turkey), Turkcell (Turkey), Kaufland Romania SCS (Romania), Call Aktif (Turkey), and Elektrodistribucija (Serbia).

All figures in thousands of PLN, unless stated otherwise 34

In the first half of 2011, the Group's sales to public institutions were PLN 17,757 thousand and they increased 11% as compared with PLN 15,967 thousand generated in the first half-year 2010. Concurrently, the share of this sector in total sales increased to 9% from the level of 8% observed in the first half of 2010. In the public institutions sector the highest revenues were generated by our contracts with: Institutul National de Statistica (Romania), Universitatea Politehnica Bucaresti (Romania), Institutul de Biochimie al Academiei Romane (Romania), Ministry of Labour and Social Policy (Macedonia), Ministry of Transportation (Romania), Ministry of Foreign Affairs (Kosovo), and Centralna Depozitarna Agencija (Montenegro).

2. Breakdown of operating costs

	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)
Materials and energy used (-)	(854)	(2,002)	(908)	(1,697)
Third-party work (-)	(11,747)	(22,366)	(10,038)	(17,151)
Salaries (-)	(25,275)	(50,172)	(19,100)	(38,605)
Employee benefits (-)	(3,691)	(7,618)	(3,686)	(6,958)
Depreciation and amortization (-)	(2,089)	(4,069)	(1,573)	(3,073)
Taxes and charges (-)	(369)	(740)	(189)	(362)
Business trips (-)	(1,185)	(2,221)	(697)	(2,043)
Other (-)	764	950	(1,136)	(3,611)
	(44,446)	**(88,238)**	**(37,327)**	**(73,500)**
Cost of sales:	**(76,006)**	**(148,042)**	**(76,198)**	**(146,954)**
production cost (-)	(29,186)	(58,251)	(24,541)	(48,676)
value of merchandise, materials and third-party work sold (COGS) (-)	(46,820)	(89,791)	(51,657)	(98,278)
Selling expenses (-)	**(7,590)**	**(14,813)**	**(4,659)**	**(9,624)**
General administrative expenses (-)	**(7,670)**	**(15,174)**	**(8,127)**	**(15,200)**

"Other" operating costs have been reduced by the amount cancelled provisions for warranty repairs and reversed write-downs on receivables and inventories that were recognized as other operating costs in prior reporting periods. The item value is positive as the total amount of provisions and write-downs reversed was higher than the total amount of provisions and write-downs established during the period reported.

3. Other operating income and expenses

Other operating income	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)
Gain on disposal of tangible fixed assets	76	142	648	648
Compensations received	25	26	31	74
Other	101	230	-	257
	202	**398**	**679**	**979**

Other operating expenses	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)

All figures in thousands of PLN, unless stated otherwise

Loss on disposal of tangible fixed assets (-)	(7)	(67)	(2)	(29)
Liquidation costs of tangible fixed assets, intangible assets, and inventories (-)	-	-	-	(58)
Charitable contributions to unrelated parties (-)	(112)	(184)	(54)	(110)
Costs of post-accident repairs (-)	(48)	(104)	(58)	(99)
Penalties and compensations (-)	(1)	(55)	-	-
Other (-)	(178)	(226)	(37)	(43)
	(346)	**(636)**	**(151)**	**(339)**

4. Financial income and expenses

Financial income	**3 months ended 30 June 2011 (unaudited)**	**6 months ended 30 June 2011 (unaudited)**	**3 months ended 30 June 2010 (unaudited)**	**6 months ended 30 June 2010 (unaudited)**
Interest income on loans granted, debt securities and bank deposits	879	1,560	773	1,145
Other interest income	-	11	6	44
Gain on foreign exchange differences	-	454	14	387
Changes in estimates of liabilities	2,360	4,150	-	-
Discounting of settlements	-	-	26	61
Other financial income	-	-	10	10
	3,239	**6,175**	**829**	**1,647**

The changes in estimates of liabilities recognized in the first half of 2011 in the amount of PLN 4,150 thousand correspond to: (i) a decrease in the estimated remaining payment for the acquisition of shares in EST A.Ş (Istanbul) resulting from a memorandum of understanding, amending the terms of the original company acquisition agreement, signed with the objective to reduce the amount of net profit of EST A.Ş. (Istanbul) as applied in the calculation of the acquisition price (we recognized a financial income of PLN 3,448 thousand); (ii) a revision of the estimated liabilities to pay out dividends from profits for the years 2009 and 2010 assumed by the Group pursuant to the agreement for acquisition of BDS d.o.o. (we recognized a financial income of PLN 702 thousand). Both the above-mentioned amounts are described in detail in note 14 to these financial statements.

All figures in thousands of PLN, unless stated otherwise

Financial expenses	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)
Interest expense on bank loans, borrowings and debt securities (-)	(23)	(68)	(10)	(86)
Other interest expenses (-)	(26)	(87)	(30)	(36)
Bank fees and commissions (-)	(62)	(93)	(79)	(79)
Loss on foreign exchange differences (-)	(429)	(686)	(883)	(1,822)
Discounting of settlements (-)	(1)	(136)	-	-
Interest expenses under finance leases (-)	(24)	(41)	(21)	(39)
Loss on disposal of investments in subsidiary companies (-)	-	-	-	(27)
Loss on change in fair value of currency derivatives (-)	(9)	(127)	-	-
Other financial expenses (-)	(45)	(42)	(5)	(5)
	(619)	**(1,280)**	**(1,028)**	**(2,094)**

5. Corporate income tax

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

	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)
Current corporate income tax and prior years adjustments	(1,850)	(3,069)	(1,357)	(2,399)
Deferred corporate income tax, of which:	210	112	(582)	(796)
related to origination or reversal of temporary differences	*210*	*112*	*(582)*	*(796)*
Income tax expense as disclosed in the profit and loss account, of which:	**(1,640)**	**(2,957)**	**(1,939)**	**(3,195)**
Corporate income tax attributable to continuing operations	(1,640)	(2,957)	(1,939)	(3,195)

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

All figures in thousands of PLN, unless stated otherwise

6. Earnings per share

	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 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	0.22	0.45	0.20	0.36
Diluted consolidated earnings per share from continuing operations for the period reported	0.22	0.45	0.20	0.36

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 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)
Consolidated net profit for the period reported attributable to Shareholders of Asseco South Eastern Europe S.A.	**11,048**	**23,163**	**9,811**	**17,984**
Weighted average number of ordinary shares outstanding, used for calculation of basic earnings per share	51,012,179	51,002,156	49,561,719	49,561,719
Dilution factors	-	-	-	-
Adjusted weighted average number of ordinary shares, used for calculation of diluted earnings per share	**51,012,179**	**51,002,156**	**49,561,719**	**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.

All figures in thousands of PLN, unless stated otherwise

7. 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 remaining portion of the net profit for 2010 was allocated to prior years' retained earnings.

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 PCCC 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.

8. Property, plant and equipment, and intangible assets

Property, plant and equipment

In the period of 6 months ended 30 June 2011 the Group purchased tangible fixed assets for PLN 4,151 (vs. PLN 2,048 thousand spent during the first 6 months of 2010).

Furthermore, in the period of 6 months ended 30 June 2011 the Group sold or liquidated tangible fixed assets with the net value of PLN 159 thousand (vs. PLN 184 thousand during 6 months ended 30 June 2010).

During the 6-month periods ended both 30 June 2011 and 30 June 2010 the Group did not recognize any impairment write-downs on its property, plant and equipment.

Intangible assets

In the period of 6 months ended 30 June 2011 the Group purchased intangible assets for PLN 567 thousand (vs. PLN 645 thousand spent during the first 6 months of 2010).

In the period of 6 months ended 30 June 2011 the Group capitalized the costs of research and development projects in progress with a value of PLN 899 thousand. The capitalized assets included chiefly the "*Expirience*" software developed in Serbia.

Furthermore, in the period of 6 months ended 30 June 2011 the Group sold or liquidated intangible assets with a net value of PLN 222 thousand (vs. PLN 10 thousand during 6 months ended 30 June 2010).

During the 6-month periods ended both 30 June 2011 and 30 June 2010 the Group did not recognize any impairment write-downs on its intangible assets.

Both as at 30 June 2011 and 31 December 2010, property, plant and equipment and intangible assets did not serve as security for any bank loans and borrowings taken out.

9. Goodwill arising from consolidation

	30 June 2011 (unaudited)	31 December 2010 (audited)
Banking Solutions	192,744	188,761
Card Business	106,833	107,363
Systems Integration	179,958	180,275
	479,535	**476,399**

In the financial statements for the year ended 31 December 2010, goodwill was presented in a breakdown by four reporting segments: Banking Solutions where goodwill amounted to PLN 152,512 thousand, Mobile Banking & Authentication – PLN 36,249 thousand, Card Business – PLN 107,363 thousand, and Systems Integration – PLN 180,275 thousand. In 2011 the Group decided not to identify a separate segment of Mobile Banking & Authentication as it did not satisfy the quantitative criteria for identification of reportable segments set forth in IFRS 8 *Operating Segments*. The segment of Mobile Banking & Authentication has become part of operations conducted by the Banking Solutions segment, and therefore goodwill arising in the first-mentioned segment has been reallocated accordingly.

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

	30 June 2011 (unaudited)	31 December 2010 (audited)
Consolidation goodwill at the beginning of the period	**476,399**	**443,867**
Banking Solutions	188,761	208,608
Card Business	107,363	75,075
Systems Integration	180,275	160,184
Change in consolidation goodwill due to the 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 (+/-)	**3,136**	**(36,367)**
Banking Solutions	3,983	(19,847)
Card Business	(530)	(10,344)
Systems Integration	(317)	(6,176)
Total book value at the end of period	**479,535**	**476,399**

All figures in thousands of PLN, unless stated otherwise

10. Deferred expenses

Short-term	30 June 2011 (unaudited)	31 December 2010 (audited)
Maintenance services	4,642	2,737
Prepaid insurance	255	170
Prepaid subscriptions	92	55
Prepaid rents	224	52
Prepaid consulting services	190	67
Other prepaid services	346	302
Other	447	699
Revaluation charges on deferred expenses	(12)	(12)
	6,184	**4,070**

Both as at 30 June 2011 and 31 December 2010, deferred expenses included primarily the costs of maintenance services amounting to PLN 4,642 thousand and PLN 2,737 thousand, respectively, that will be successively expensed in future periods.

11. Short-term receivables

Short-term receivables

Trade accounts receivable	30 June 2011 (unaudited)	31 December 2010 (audited)
Trade accounts receivable, of which:	60,441	74,355
From related companies	-	-
from other companies	60,441	74,355
Revaluation write-down on doubtful receivables (-)	(2,866)	(3,152)
	57,575	**71,203**

Trade accounts receivable are not interest-bearing.

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

As at 30 June 2011, current receivables and future receivables in the amount of PLN 5,112 thousand served as security for bank loans and bank guarantee facilities. As at 30 June 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 inventories and receivables in the amount of PLN 4,584 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.

All figures in thousands of PLN, unless stated otherwise

Receivables on taxes, import tariffs, social security and other regulatory payments	30 June 2011 (unaudited)	31 December 2010 (audited)
Value added tax	521	460
Corporate income tax (CIT)	883	1,327
Withholding income tax	219	16
Other	223	186
	1,846	**1,989**

Other receivables	30 June 2011 (unaudited)	31 December 2010 (audited)
Receivables from non-invoiced deliveries	3,887	4,124
Advance payments to other suppliers	1,759	1,264
Receivables from employees	126	84
Receivables from subsidies	791	898
Other receivables	1,085	1,091
Revaluation write-down on other doubtful receivables (-)	(135)	-
	7,513	**7,461**

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 30 June 2011 and 31 December 2010, include among others the amounts of subsidies receivable that were granted to Asseco SEE Teknoloji A.Ş. (former 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 work in Turkey.

12. Cash and cash equivalents and restricted cash

	30 June 2011 (unaudited)	31 December 2010 (audited)
Cash at bank and in hand	43,705	60,071
Short-term deposits	59,708	40,852
Cash equivalents	36	49
Cash being transferred	-	4
Restricted cash	217	-
	103,666	**100,976**
Restricted cash (recognized in fixed assets)	351	567

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

Short-term deposits did not serve as security for any bank guarantees (of due performance of contracts and tender deposits) neither at 30 June 2011 nor at 31 December 2010.

All figures in thousands of PLN, unless stated otherwise

As at 30 June 2011, restricted cash in the amount of PLN 568 thousand served as security for bank guarantees (of due performance of contracts and tender deposits).

As at 31 December 2010, restricted cash in the amount of PLN 567 thousand served as security for bank guarantees (of due performance of contracts and tender deposits).

13. Share capital

Share capital			**30 June 2011 (unaudited)**		**31 Dec. 2010 (audited)**	
Shares	**Series**	**Par value per share**	**Number of shares**	**Value of shares**	**Number of shares**	**Value of shares**
Ordinary registered shares	A*	0.1	5,000,000	500	5,000,000	500
Ordinary registered shares	B*	0.1	5,000,000	500	5,000,000	500
Ordinary registered shares	C*	0.1	2,567,000,900	256,700	2,567,000,900	256,700
Ordinary registered shares	D	10	25,770,009	257,700	25,770,009	257,700
Ordinary registered shares	E	10	956,447	9,565	956,447	9,565
Ordinary registered shares	F	10	1,475,509	14,755	1,475,509	14,755
Ordinary registered shares	G	10	2,708,378	27,084	2,708,378	27,084
Ordinary registered shares	H	10	1,062,030	10,620	1,062,030	10,620
Ordinary registered shares	I	10	1,770,609	17,706	1,770,609	17,706
Ordinary registered shares	J	10	1,714,209	17,142	1,714,209	17,142
Ordinary registered shares	K	10	4,590,470	45,905	4,590,470	45,905
Ordinary registered shares	L	10	2,100,000	21,000	2,100,000	21,000
Ordinary registered shares	M	10	4,810,880	48,109	4,810,880	48,109
Ordinary registered shares	N	10	1,078,909	10,789	1,078,909	10,789
Ordinary registered shares	P	10	1,524,269	15,242	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
Ordinary registered shares	T	10	902,119	9,021	-	
			51,894,251	**518,942**	**50,992,132**	**509,921**

* Following a reverse stock split of series D shares

In the period reported ended 30 June 2011, the Company's share capital was raised by the amount of PLN 9,021 thousand through the issuance of 902,119 series T shares that was registered by the District Court in Rzeszów on 28 June 2011.

All figures in thousands of PLN, unless stated otherwise

14. Long-term and short-term financial liabilities

Long-term	30 June 2011 (unaudited)	31 December 2010 (audited)
Liabilities due to the acquisition of non-controlling interests in subsidiaries (put options)	1,131	1,052
Liabilities due to the acquisition of shares	-	2,219
Finance lease commitments	563	491
	1,694	**3,762**

Both as at 30 December 2011 and 31 December 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 has been restated in Polish zlotys at the exchange rates published by the National Bank of Poland on 30 June 2011 and 31 December 2010, and it amounted to PLN 1,131 thousand and PLN 1,052 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 due to the acquisition of shares, as at 31 December 2010 recognized in the amount of PLN 2,219 thousand, represented the long-term portion payable for the purchase of shares in EST A.Ş. (Istanbul).

Short-term	30 June 2011 (unaudited)	31 December 2010 (audited)
Liabilities due to dividend payment	15,318	2,769
Finance lease commitments	384	439
Liabilities due to the acquisition of shares	1,166	17,773
Other	19	-
	16,887	**20,981**

All figures in thousands of PLN, unless stated otherwise

Liabilities due to dividend payment amounting to PLN 15,318 thousand as at 30 June 2011, comprised primarily dividends payable to shareholders of Asseco South Eastern Europe S.A. in the amount of PLN 13,258 thousand; dividend liabilities assumed when obtaining control over the companies of BDS d.o.o. and Asseco SEE d.o.o. (Sarajevo) (former Cardinfo BDS d.o.o.) in the amount of PLN 2,060 thousand; and liabilities to pay out dividends from undistributed profits for the years 2009 and 2010 assumed by the Group, where so provided for in relevant company acquisition agreements. In the 2nd quarter of 2011, the Group recognized a financial income of PLN 702 thousand upon revision of the estimated liabilities to pay out dividends from undistributed profits for the years 2009 and 2010 assumed by the Group pursuant to a subsidiary acquisition agreement.
As at 31 December 2010, liabilities due to dividend payment totalled PLN 2,769 thousand and they included liabilities assumed when obtaining control over the companies of BDS d.o.o. and Asseco SEE d.o.o. (Sarajevo) (former Cardinfo BDS d.o.o.) as well as liabilities to pay out dividends from undistributed profits for the years 2009 and 2010 that were assumed by the Group, where such payments to former shareholders were provided for in the relevant company acquisition agreement.

Liabilities due to the acquisition of shares disclosed as at 30 June 2011 include the remaining portion of payment for the acquisition of shares in EST A.Ş. (Istanbul) in the amount of PLN 22 thousand. In the 1st quarter of 2011, we signed a memorandum of understanding, amending the terms of the original company acquisition agreement, with the objective to reduce the amount of net profit of EST A.Ş. (Istanbul) for 2011 as applied in the calculation of the acquisition price. In effect the next instalment payable for shares acquired in that company was also reduced. As a result of signing the above-mentioned memorandum of understanding, in 2011 the Group recognized a financial income of PLN 3,448 thousand following a decrease in the estimated remaining payment for the acquisition of shares in EST A.Ş. (Istanbul). Furthermore, as at 30 June 2011, the Group disclosed a liability of PLN 1,144 thousand payable on the purchase of a 49% stake in Asseco SEE o.o.d. (Sofia) in 2010.

Liabilities due to the acquisition of shares disclosed as at 31 December 2010 include a liability due to the acquisition of shares in EST A.Ş. (Istanbul) 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 corresponded to additional payments to former shareholders of EST A.Ş. (Istanbul) 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 a value of PLN 11,092 thousand), provided that EST A.Ş. (Istanbul) achieves the specified target levels of net profit for the years 2010 and 2011. Furthermore, liabilities due to the 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.

15. Interest-bearing bank loans and debt securities issued

Short-term loans	Name of entity	Maximum debt in PLN thousands as at 30 June 2011	Maximum debt in PLN thousands as at 31 December 2010	Effective interest rate %	Currency	Repayment date	Utilization as at 30 June 2011 (unaudited)	Utilization as at 31 Dec. 2010 (audited)
Bank account overdraft facility	NLB Tutunska Banka AD Skopje	65	65	19.5%	MKD	2011-06-30	14	32
Bank account overdraft facility	NLB Tutunska Banka AD Skopje	13	13	15%	MKD	2011-06-30	2	1
Bank account overdraft facility	Alpha Bank Unirii Branch	5,986	7,922	EURIBOR 3M+margin; LIBOR 3M+margin; BUBOR 3M+margin	multi-currency	2012-05-31	-	-
		6,064	**8,000**				**16**	**33**

Other short-term loans	Name of entity	Maximum debt in PLN thousands as at 30 June 2011	Maximum debt in PLN thousands as at 31 December 2010	Effective interest rate %	Currency	Repayment date	Utilization as at 30 June 2011 (unaudited)	Utilization as at 31 Dec. 2010 (audited)
Operating loan facility	Komercijalna Banka Beograd	652	1,575	8.9%	RSD	2011-10-13	652	1,575
Operating loan facility	Garanti Bank Levent/Istanbul Branch	90	98	0%	TRY	2011-07-01	90	98
Auto financing loan	Yapi Kredi Bankasi A.Ş.	31	35	8.1%	TRY	2014-02-28	31	35
Loan	Non-controlling shareholders	40	-	0%	RSD	2012-04-11	40	-
Loan	Türkiye Teknoloji Geliştirme Vakfi	180	435	0%	USD	2012-07-01	180	435
Loan	Türkiye Teknoloji Geliştirme Vakfi	224	-	0%	USD	2012-07-01	224	-
		1,217	**2,143**				**1,217**	**2,143**

All figures in thousands of PLN, unless stated otherwise

Long-term loans	Name of entity	Maximum debt in PLN thousands as at 30 June 2011	Maximum debt in PLN thousands as at 31 December 2010	Effective interest rate %	Currency	Repayment date	Utilization as at 30 June 2011 (unaudited)	Utilization as at 31 Dec. 2010 (audited)
Investment loan facility	European Bank for Reconstruction and Development	27,906	27,722	3M EURIBOR + margin	EUR	2016-01-31	-	-
Loan	Türkiye Teknoloji Geliştirme Vakfi	112	240	0%	USD	2012-07-01	112	240
Loan	Türkiye Teknoloji Geliştirme Vakfi	-	192	0%	USD	2012-07-01	-	192
Loan	Türkiye Teknoloji Geliştirme Vakfi	90	-	0%	USD	2012-07-01	90	-
Auto financing loan	Yapi Kredi Bankasi A.Ş.	63	88	8.1%	TRY	2014-02-28	63	88
		28,171	**28,242**				**265**	**520**

As at 30 June 2011, total liabilities of the Asseco South Eastern Europe Group under all bank loans and borrowings taken out and debt securities issued aggregated at PLN 1,498 thousand. As at 31 December 2010, total liabilities under all bank loans and borrowings taken out and debt securities issued aggregated at PLN 2,696 thousand.

As at 30 June 2011, total funds available to the Asseco South Eastern Europe Group under overdraft facilities in current accounts, operating and investment loan facilities, and borrowings reached approx. PLN 35,452 thousand (inclusive of the EBRD financing after making a pledge on shares in subsidiaries), as compared with PLN 38,385 available as at the end of 2010.

As at the end of the period reported, the Group has drawn PLN 16 thousand from bank overdraft facilities vs. PLN 33 thousand utilized as at the prior year's end.

The Group's liabilities under other bank loans and borrowings amounted to PLN 1,482 thousand as at 30 June 2011 and to PLN 2,663 thousand as at 31 December 2010.

All figures in thousands of PLN, unless stated otherwise

Both as at 30 June 2011 and 31 December 2010, tangible fixed assets and intangible assets did not serve as security for any bank loans contracted by the Group.

As at 30 June 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 3,076 thousand. As at 30 June 2011, off-balance-sheet liabilities due to bank guarantees extended under a bank guarantee facility secured with inventories and receivables amounted to PLN 4,584 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 30 June 2011, current receivables and future receivables in the amount of PLN 5,112 thousand served as security for bank loans and bank guarantee facilities. As at 30 June 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 inventories and receivables in the amount of PLN 4,584 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.

16. Short-term trade accounts payable and other liabilities

Short-term trade accounts payable	30 June 2011 (unaudited)	31 December 2010 (audited)
To related companies	1	61
To other companies	35,388	36,835
	35,389	**36,896**

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	30 June 2011 (unaudited)	31 December 2010 (audited)
Value added tax	5,839	10,084
Corporate income tax (CIT)	1,038	1,358
Personal income tax (PIT)	651	698
Social Insurance Institution (ZUS)	1,295	1,358
Other	187	333
	9,010	**13,831**

Other current liabilities	30 June 2011 (unaudited)	31 December 2010 (audited)
Liabilities to employees relating to salaries and wages	3,094	1,353
Liabilities due to non-invoiced deliveries	1,084	1,593
Trade prepayments received	15,664	22,266
Other liabilities	369	946
	20,211	**26,158**

All figures in thousands of PLN, unless stated otherwise

17. Accrued expenses, deferred income and provisions

Provisions	30 June 2011 (unaudited)	31 December 2010 (audited)
Long-term	301	316
Short-term	4,865	5,074
	5,166	**5,390**

Short-term accrued expenses	30 June 2011 (unaudited)	31 December 2010 (audited)
Provision for unused annual leaves	1,150	605
Provision for the employee bonuses	7,004	8,033
Provision for non-invoiced costs	2,042	1,456
Provision for the audit of financial statements	329	447
	10,525	**10,541**

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 by the Asseco South Eastern Europe Group, as well as provisions for the current operating expenses which have been incurred but not yet invoiced.

Short-term deferred income	30 June 2011 (unaudited)	31 December 2010 (audited)
Maintenance services	7,326	7,248
Prepaid consulting services	636	1,093
Other	-	36
	7,962	**8,377**

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

All figures in thousands of PLN, unless stated otherwise

18. Related party transactions

The value of transactions conducted between the Asseco South Eastern Europe Group and Asseco Poland S.A. (a shareholder with significant influence over the Group) as well as with other related companies of the Asseco Group during 6-month periods ended on 30 June 2011 and 30 June 2010, and outstanding balances of receivables and liabilities arising from such transactions as at 30 June 2011 and 31 December 2010 are presented in the table below:

Related party		Sales to related companies	Purchases from related companies	Receivables from related companies	Liabilities to related companies
Parties having significant influence over the Group:					
	2011	357	130	–	1
	2010	–	141	–	61
Other related parties:					
	2011	–	15	–	-
	2010	–	–	–	-

Transactions conducted with or through the Key Management Personnel (members of Management and Supervisory Boards) of companies of the Asseco South Eastern Europe Group

The value of transactions conducted by the Asseco South Eastern Europe Group with or through the Key Management Personnel (members of Management and Supervisory Boards) of the Group companies during 6-month periods ended on 30 June 2011 and 30 June 2010, and outstanding balances of receivables and liabilities arising from such transactions as at 30 June 2011 and 31 December 2010 are presented in the table below:

Related party		Sales to related companies	Purchases from related companies	Receivables from related companies	Liabilities to related companies
Key management personnel (members of Management Boards) of the Group:					
	2011	45	6,371	19	2,095
	2010	-	586	-	4,782
Key management personnel (members of Supervisory Boards) of the Group:					
	2011	17	3,356	-	33
	2010	-	3,247	-	6

Purchases from related companies presented in the table above are primarily related to the rental of space, purchases or sales of hardware and services, and purchases or sales of shares.

Additionally, as at 30 June 2011 and 31 December 2010 Asseco SEE Sh.p.k. used bank guarantee facilities in the amount of PLN 4,784 thousand and PLN 4,752 thousand, respectively, that were secured with a pledge on a building owned by that company's management staff.

The figures disclosed in the table above include the following transactions concluded with or through the Key Management Personnel (members of the Management Board and Supervisory Board) of the Asseco South Eastern Europe S.A.:

All figures in thousands of PLN, unless stated otherwise

During the 6-month period ended 30 June 2011, Asseco SEE d.o.o. Beograd incurred the total space rental costs of PLN 3,218 thousand that were paid to its related entities MHM d.o.o., Beograd[2], DM3 d.o.o., Beograd[2], and Mini Invest d.o.o., Beograd[3].

During the 6-month period ended 30 June 2011, Asseco SEE DOEL, Skopje incurred the space rental costs of PLN 423 thousand that were paid to MPS d.o.o., Skopje[4].

During the 6-month period ended 30 June 2010, Asseco SEE d.o.o. Beograd incurred the total space rental costs of PLN 3,081 thousand that were paid to its related entities MHM d.o.o., Beograd, DM3 d.o.o., Beograd and Mini Invest d.o.o., Beograd.

Additionally, during the 6-month period ended 30 June 2010, Asseco SEE DOEL, Skopje incurred the space rental costs of PLN 312 thousand, directly and indirectly through the company of MPS d.o.o., Skopje.

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

Until the date of approval of these interim condensed consolidated financial statements, Asseco South Eastern Europe 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.

[2] Mihail Petreski, Member of the Supervisory Board of Asseco South Eastern Europe S.A. is a shareholder in Liatris d.o.o. which as at 30 June 2011 held a 7,40% equity interest in Asseco South Eastern Europe S.A. (as at 31 December 2010: 7,53%). Mihail Petreski and Liatris d.o.o. hold 40% of shares in MHM d.o.o. as well as 50% of shares in DM3 d.o.o. Furthermore, President of the Management Board of Asseco South Eastern Europe S.A. holds indirectly a 15% stake in MHM d.o.o. through his wholly-owned Kompania Petyhorska d.o.o. Whereas, 20% of shares in MHM d.o.o. are held by I4 Invention d.o.o. which is also a shareholder in Asseco South Eastern Europe S.A. 100% of shares in I4 Invention d.o.o. are owned by Miodrag Mirčetić, President of the Management Board Asseco SEE d.o.o., Beograd and Member of the Management Board of Asseco South Eastern Europe S.A.;

[3] Miljan Mališ, Member of the Management Board of Asseco South Eastern Europe S.A. is a shareholder in Mini Invest d.o.o. which in turn is a shareholder in Asseco South Eastern Europe S.A.;

[4] Mihail Petreski, Member of the Supervisory Board of Asseco South Eastern Europe S.A. is the sole shareholder in MPS d.o.o., Skopje.

19. Remuneration of Members of the Management Board and Supervisory Board of the Parent Company and its subsidiaries

Total remuneration paid or payable to all members of the Management and Supervisory Boards of the Parent Company, and subsidiary and associated companies of the Asseco South Eastern Europe Group in the period of 6 months ended 30 June 2011 amounted to PLN 6,633 thousand.

Whereas, total remuneration paid or payable to all members of the Management and Supervisory Boards of the Parent Company, and subsidiary and associated companies of the Asseco South Eastern Europe Group in the period of 6 months ended 30 June 2010 amounted to PLN 3,484 thousand.

20. Contingent liabilities

During the 6 months ended 30 June 2011, neither the Issuer nor any of its subsidiaries granted any sureties to secure loans and borrowings or any payment guarantees to any single entity or its subsidiary, where the aggregate value of all the existing sureties or guarantees extended in favour of such entity would equal at least 10 % of the Issuer's equity.

Within its commercial activities the Asseco South Eastern Europe Group uses bank guarantees, letters of credit, contract performance guarantees as well as tender deposits as forms of securing its business transactions with miscellaneous organizations, companies and administration bodies. As at 30 June 2011, the related contingent liabilities equalled PLN 11,662 thousand, while as at 31 December 2010 they amounted to PLN 11,997 thousand.

As at 30 June 2011, inventories with a book value of PLN 3,076 thousand as well as current and future receivables in the amount of PLN 5,112 thousand served as security for bank guarantee facilities. As at 30 June 2011, the related contingent liabilities amounted to PLN 4,584 thousand.

As at 31 December 2010, inventories with a book value of PLN 3,303 thousand as well as current and future receivables with a 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 30 June 2011, restricted cash up to the amount of PLN 568 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 567 thousand served as security for bank guarantees (of due performance of contracts and tender deposits).

As at 30 June 2011, Asseco SEE d.o.o., Beograd had a liability to purchase equipment and intangible assets for the amount of PLN 1,564 thousand, while as at 31 December 2010 this liability amounted to PLN 877 thousand.

Both as at 30 June 2011 and 31 December 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	30 June 2011 (unaudited)	31 December 2010 (audited)
In the period up to 1 year	10,924	11,527
In the period from 1 to 5 years	35,358	33,929
	46,282	**45,456**

Liabilities under operating lease of property, plant and equipment	30 June 2011 (unaudited)	31 December 2010 (audited)
In the period up to 1 year	660	524
In the period from 1 to 5 years	633	734
	1,293	**1,258**

All figures in thousands of PLN, unless stated otherwise

21. Employment

Average Group workforce in the reporting period	6 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2010 (unaudited)
Management Board of the Parent Company*	7	6
Management Boards of the Group companies	28	20
Production departments	624	556
Maintenance departments	245	184
Sales departments	110	81
Administration departments	167	148
Other employees	16	21
	1,197	**1,016**

The Group workforce as at	30 June 2011 (unaudited)	31 December 2010 (audited)
Management Board of the Parent Company*	7	7
Management Boards of the Group companies	28	27
Production departments	625	623
Maintenance departments	244	246
Sales departments	118	102
Administration departments	160	173
Other employees	16	16
	1,198	**1,194**

* 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	30 June 2011 (unaudited)	31 December 2010 (audited)
Asseco South Eastern Europe S.A.	10	10
Asseco SEE s.r.l., (Bucharest)	179	176
Asseco SEE d.o.o., Beograd	475	479
Asseco SEE d.o.o. (Zagreb) [1)]	161	153
Asseco SEE Sh.p.k. (Pristina)	88	85
Asseco SEE Teknoloji A.Ş. (Istanbul)[2)]	81	89
ITD Polska Sp. z o.o. (Warsaw)	15	17
IPSA BHM INVESTMENTS d.o.o., Beograd	43	45
Asseco SEE DOOEL, Skopje	146	140
	1,198	**1,194**

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). For the sake of comparability, the employment data of both the merged companies as at 31 December 2010 have been presented in aggregate.
2. On 6 June 2011, there was registered a merger of ITD A.Ş. (Istanbul) (the taking-over company) with EST A.Ş. (Istanbul) (the acquired company); whereas, on 18 July 2011, the company of ITD A.Ş. (Istanbul) was renamed as Asseco SEE Teknoloji A.Ş. (Istanbul). For the sake of comparability, the employment data of both the merged companies as at 31 December 2010 have been presented in aggregate.

All figures in thousands of PLN, unless stated otherwise

22. Capital management

The primary objective of the Group's capital management is to maintain a strong credit rating and healthy level of capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in response to changing economic conditions. To maintain or adjust the capital structure, the Group may revise its dividend payment policy, return some capital to shareholders or issue new shares. In the period of 6 months ended 30 June 2011 as well as in the year ended 31 December 2010, the Group did not introduce any changes to its objectives, principles and processes adopted in this area.

23. Hedges of cash flows

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

During the period of 6 months ended 30 June 2011, the Company reversed the valuation of cash held at a bank account denominated in EUR (designated as a hedging instrument) that was previously recognized in revaluation capital in the amount of PLN 241 thousand. Because the amount of cash held at that bank account was insignificant, as at 30 June 2011 this hedge was no longer effective.

24. Objectives and principles of financial risk management

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

Foreign currency exposure risk

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

Interest rate risk

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

<u>Identification:</u> The interest rate risk arises and is recognized by individual companies of the Group at the time of concluding a transaction or financial instrument based on a

variable interest rate. All such agreements are subject to analysis by the appropriate departments within the Group companies, hence the knowledge of that issue is complete and acquired directly.

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

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

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

Matching: The Group gathers and analyzes the current market information concerning present exposure to the interest rate risk.

Credit risk

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

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

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

Financial liquidity risk

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

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

The tables below reveal the Group's trade accounts payable as at 30 June 2011 and 31 December 2010, by the maturity period based on the contractual undiscounted payments.

Aging structure of trade accounts payable	30 June 2011 (unaudited)		31 Dec. 2010 (audited)	
	amount	structure	amount	structure
Liabilities due already	11,534	32.3%	6,039	16.3%
Liabilities falling due within 3 months	23,298	65.3%	30,546	82.2%
Liabilities falling due within 3 to 12 months	557	1.6%	311	0.8%
Liabilities falling due after 1 year	266	0.8%	259	0.7%
	35,655	**100.0%**	**37,155**	**100.0%**

All figures in thousands of PLN, unless stated otherwise

The tables below present the aging structure of other financial liabilities as at 30 June 2011 and 31 December 2010.

As at 30 June 2011 (unaudited)	**Liabilities falling due within 3 months**	**Liabilities falling due within 3 to 12 months**	**Liabilities falling due within 1 to 5 years**	**Liabilities falling due after 5 years**	**Total**
Finance lease commitments	118	290	607	-	**1,015**
Liabilities arising from bank guarantees and guarantee bonds (off-balance-sheet)	2,575	7,680	1,149	258	**11,662**
	2,693	**7,970**	**1,756**	**258**	**12,677**

As at 31 December 2010 (audited)	**Liabilities falling due within 3 months**	**Liabilities falling due within 3 to 12 months**	**Liabilities falling due within 1 to 5 years**	**Liabilities falling due after 5 years**	**Total**
Finance lease commitments	138	353	534	-	**1,025**
Liabilities arising from bank guarantees and guarantee bonds (off-balance-sheet)	2,778	7,156	1,788	275	**11,997**
	2,916	**7,509**	**2,322**	**275**	**13,022**

Effects of reducing the foreign currency risk

The analysis of sensitivity of trade accounts payable and receivable as well as of cash at foreign currency bank accounts to fluctuations in the exchange rates of the American dollar against the functional currencies of the Group companies indicates a potential loss of PLN 331 thousand in case the dollar depreciates 10% versus such functional currencies. Likewise, if euro depreciates 10% versus the functional currencies of the Group companies, the Group will potentially lose PLN 354 thousand. Hence, the cumulative effect of weaker dollar and euro against the functional currencies of the Group companies would deteriorate the Group's financial results by PLN 685 thousand. In contrast, if the dollar and euro appreciated versus those functional currencies, the Group would recognize an additional gain of PLN 685 thousand. The Management Board of the Parent Company decided to apply hedge accounting in relation to transactions involving the acquisition of new companies.

All figures in thousands of PLN, unless stated otherwise

Trade accounts receivable and payable, and foreign currency bank accounts as at 30 June 2011 (unaudited)	Amount exposed to risk	Impact on financial results of the Group	
		(10%)	10%
EUR:			
Trade accounts receivable	4,832	(302)	302
Trade accounts payable	16,726	1,598	(1,598)
Foreign currency bank accounts	20,166	(1,650)	1,650
Balance	**41,724**	**(354)**	**354**
USD:			
Trade accounts receivable	4,587	(459)	459
Trade accounts payable	6,666	667	(667)
Foreign currency bank accounts	5,386	(539)	539
Balance	**16,639**	**(331)**	**331**

Trade accounts receivable and payable, and foreign currency bank accounts as at 31 December 2010 (unaudited)	Amount exposed to risk	Impact on financial results of the Group	
		(10%)	10%
EUR:			
Trade accounts receivable	9,191	(618)	618
Trade accounts payable	4,974	497	(497)
Foreign currency bank accounts	55,779	(973)	973
Balance	**69,944**	**(1,094)**	**1,094**
USD:			
Trade accounts receivable	122	(1)	1
Trade accounts payable	7,058	706	(706)
Foreign currency bank accounts	807	(8)	8
Balance	**7,987**	**697**	**(697)**

Effects of reducing the interest rate risk

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

Methods adopted for conducting the sensitivity analysis

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

25. Capital expenditures

In the period of 6 months ended 30 June 2011, the Group incurred capital expenditures of PLN 12,121 thousand, of which PLN 4,717 thousand were spent for non-financial fixed assets and PLN 899 thousand were spent for research and development projects in progress.

All figures in thousands of PLN, unless stated otherwise

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

26. Significant events after the balance sheet date

Acquisition of a 50% stake in SIMT Cardinfo d.o.o. (Grosuplje)

On 13 July 2011, Asseco South Eastern Europe S.A. concluded an agreement for the acquisition of 50% of shares in the company SIMT Cardinfo d.o.o. seated in Grosuplje, Slovenia, for the price of EUR 300 thousand. The agreement shall become effective upon the fulfilment of a condition precedent, i.e. approval of the above-mentioned transaction by the competent court of Slovenia. Until the date of publication of this report, Asseco South Eastern Europe S.A. has not received any information that the condition precedent has been satisfied. Following the transaction Asseco South Eastern Europe S.A. will become the owner of 100% of shares (held directly and indirectly) in SIMT Cardinfo d.o.o. (Grosuplje) as 50% of shares in that company are held by our subsidiary Asseco SEE d.o.o., Beograd.

In the period from 30 June 2011 till the date of approval of these interim condensed consolidated financial statements, this is until 24 August 2011, there did not occur any other significant events, the disclosure of which might significantly affect the assessment of human resources, assets, and financial position of the Asseco South Eastern Europe Group.

27. Significant events related to prior years

Until the date of preparing these interim condensed consolidated financial statements for the period of 6 months ended 30 June 2011, this is until 24 August 2011, there occurred no significant events related to prior years, which have not but should have been included in the accounting books.

SOUTH EASTERN EUROPE

SEMI-ANNUAL REPORT
OF ASSECO SOUTH EASTERN EUROPE S.A.
FOR THE PERIOD OF 6 MONTHS
ENDED 30 JUNE 2011

Rzeszów, 24 August 2011

SOUTH EASTERN EUROPE

FINANCIAL HIGHLIGHTS
OF ASSECO SOUTH EASTERN EUROPE S.A.
FOR 6 MONTHS ENDED
30 JUNE 2011

FINANCIAL HIGHLIGHTS OF ASSECO SOUTH EASTERN EUROPE S.A.

		6 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2010 (unaudited)
		PLN '000	**PLN '000**	**EUR '000**	**EUR '000**
I.	Operating income	12,504	7,440	3,152	1,858
II.	Operating profit	10,118	5,725	2,550	1,430
III.	Pre-tax profit	6,319	5,964	1,593	1,489
IV.	Net profit for the period reported	**6,507**	**5,984**	**1,640**	**1,494**
V.	Net cash provided by (used in) operating activities	7,336	(3,039)	1,849	(759)
VI.	Net cash provided by (used in) investing activities	(128)	(21)	(32)	(5)
VII.	Net cash provided by (used in) financing activities	5,713	(410)	1,440	(102)
VIII.	Cash and cash equivalents at the end of period	26,367	43,775	6,614	10,559
IX.	Basic earnings per ordinary share for the period reported (in PLN/EUR)	0.13	0.12	0.03	0.03
X.	Diluted earnings per ordinary share for the period reported (in PLN/EUR)	0.13	0.12	0.03	0.03

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 30 June 2011: EUR 1 = PLN 3.9673
  - for the period from 1 January 2010 to 30 June 2010: EUR 1 = PLN 4.0042

- the Company's cash and cash equivalents as at the end of period reported and the corresponding period of the previous year have been translated into Euro at the mid exchange rates as published by the National Bank of Poland. These exchange rates were as follows:
  - exchange rate effective on 30 June 2011: EUR 1 = PLN 3.9866
  - exchange rate effective on 30 June 2010: EUR 1 = PLN 4.1458

All figures in thousands of PLN, unless stated otherwise

GENERAL INFORMATION

ASSECO SOUTH EASTERN EUROPE S.A.

GENERAL INFORMATION

Asseco South Eastern Europe S.A. (the "Company", "Issuer", "Entity") seated at 14 Olchowa St., Rzeszów, Poland, was established on 10 April 2007 as a joint stock company 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 Company has been assigned the statistical number REGON 180248803. On 11 February 2008, the Company's corporate name was changed from Asseco Adria S.A. to Asseco South Eastern Europe S.A.

The period of the Company's operations is indefinite.

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

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

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

The parent of Asseco South Eastern Europe S.A. is Asseco Poland S.A. (the higher-level parent company). As at 30 June 2011, Asseco Poland S.A. held a 51.06% stake in the share capital of Asseco South Eastern Europe S.A.

These interim condensed financial statements cover the period of 6 months ended 30 June 2011 and contain comparative data for the period of 6 months ended 30 June 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 December 2010 in case of the balance sheet. The profit and loss account as well as notes to the profit and loss account covering the period of 3 months ended 30 June 2011 and containing comparative data for the period of 3 months ended 30 June 2010 – were not subject to a review by certified auditors.

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

These interim condensed financial statements for the period of 6 months ended 30 June 2011 were authorized for publication by the Management Board on 24 August 2011.

The Company also prepared the interim condensed consolidated financial statements for the period of 6 months ended 30 June 2011 which were authorized for issue by the Management Board on 24 August 2011.

INTERIM CONDENSED FINANCIAL STATEMENTS
OF ASSECO SOUTH EASTERN EUROPE S.A.
FOR THE PERIOD OF 6 MONTHS
ENDED 30 JUNE 2011
INCLUDING THE REPORT OF
INDEPENDENT CERTIFIED AUDITORS

Rzeszów, 24 August 2011

INTERIM CONDENSED FINANCIAL STATEMENTS OF ASSECO SOUTH EASTERN EUROPE S.A. FOR THE PERIOD OF 6 MONTHS ENDED 30 JUNE 2011

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INTERIM CONDENSED FINANCIAL STATEMENTS OF ASSECO SOUTH EASTERN EUROPE S.A. FOR THE PERIOD OF 6 MONTHS ENDED 30 JUNE 2011

These interim condensed financial statements were authorized for publication by the Management Board of Asseco South Eastern Europe S.A. on 24 August 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 PROFIT AND LOSS ACCOUNT ASSECO SOUTH EASTERN EUROPE S.A.

	Note	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)
Dividend income	1	**10,311**	**10,575**	**6,375**	**6,375**
Revenues from sales of services	2	830	1,929	1,065	1,065
Cost of sales (-)	3	(932)	(1,929)	(1,065)	(1,065)
Gross profit on sales		**10,209**	**10,575**	**6,375**	**6,375**
Selling expenses (-)	3	(21)	(42)	-	-
General administrative expenses (-)	3	(419)	(419)	(111)	(820)
Net profit on sales		**9,769**	**10,114**	**6,264**	**5,555**
Other operating income	4	76	540	51	1,010
Other operating expenses (-)	4	(65)	(536)	(57)	(840)
Operating profit		**9,780**	**10,118**	**6,258**	**5,725**
Financial income	5	1,716	3,557	324	270
Financial expenses (-)	5	(6,328)	(7,356)	(20)	(31)
Pre-tax profit		**5,168**	**6,319**	**6,562**	**5,964**
Corporate income tax (current and deferred portions)	6	121	188	(2)	20
Net profit for the period reported		**5,289**	**6,507**	**6,560**	**5,984**
Earnings per share (in PLN)					
on continuing operations for the period reported - basic		0.10	0.13	0.13	0.12
on continuing operations for the period reported - diluted		0.10	0.13	0.13	0.12

All figures in thousands of PLN, unless stated otherwise

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

	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)
Net profit for the period reported	**5,289**	**6,507**	**6,560**	**5,984**
Other comprehensive income:				
Hedges of cash flows	47	241	2,206	301
Total other comprehensive income	**47**	**241**	**2,206**	**301**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**5,336**	**6,748**	**8,766**	**6,285**

All figures in thousands of PLN, unless stated otherwise

INTERIM CONDENSED BALANCE SHEET
ASSECO SOUTH EASTERN EUROPE S.A.

ASSETS	Note	30 June 2011 (unaudited)	31 December 2010 (audited)
Non-current assets		**566,907**	**577,752**
Property, plant and equipment		239	264
Intangible assets		255	132
Investments in subsidiary companies	8	564,144	576,599
Deferred income tax assets		625	437
Long-term receivables		1,376	-
Long-term deferred expenses	15	268	320
Current assets		**28,697**	**14,921**
Deferred expenses	15	472	311
Trade accounts receivable	9	204	512
Receivables from the State budget	9	278	99
Other receivables	9	1,376	352
Cash and short-term deposits	10	26,367	13,647
TOTAL ASSETS		**595,604**	**592,673**

All figures in thousands of PLN, unless stated otherwise

INTERIM CONDENSED BALANCE SHEET
ASSECO SOUTH EASTERN EUROPE S.A.

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	30 June 2011 (unaudited)	31 December 2010 (audited)
Shareholders' equity			
Share capital	11	518,942	509,921
Share premium		38,825	38,825
Subscribed unregistered share capital		-	-
Revaluation capital		-	(241)
Prior years' retained earnings (deficit) and current net profit		14,839	21,590
Total shareholders' equity		**572,606**	**570,095**
Non-current liabilities		**24**	**2,258**
Long-term deferred income	15	24	39
Long-term financial liabilities		-	2,219
Current liabilities		**22,974**	**20,320**
Interest-bearing bank loans and borrowings	12	5,980	-
Trade accounts payable	13	61	452
Liabilities to the State budget		56	131
Financial liabilities	13	14,438	17,773
Other liabilities	13	9	3
Provisions	14	1,229	1,229
Deferred income	15	150	36
Accrued expenses	15	1,051	696
TOTAL LIABILITIES		**22,998**	**22,578**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**595,604**	**592,673**

All figures in thousands of PLN, unless stated otherwise

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

For 6 months ended 30 June 2011 and for 12 months 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 2011	**509,921**	**38,825**	**-**	**(241)**	**21,590**	**570,095**
Net profit for the period reported	-	-	-	-	6,507	**6,507**
Other comprehensive income	-	-	-	241		**241**
Total comprehensive income for the period reported	**-**	**-**	**-**	**241**	**6,507**	**6,748**
Issuance of series T shares	9,021	-	-	**-**	**-**	**9,021**
Dividends	-	-	-	-	(13,258)	**(13,258)**
As at 30 June 2011 (unaudited)	**518,942**	**38,825**	**-**	**-**	**14,839**	**572,606**
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**

All figures in thousands of PLN, unless stated otherwise

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

For the period of 6 months ended 30 June 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	-	-	-	-	5,984	**5,984**
Other comprehensive income	-	-	-	301	-	**301**
Total comprehensive income for the period reported	**-**	**-**	**-**	**301**	**5,984**	**6,285**
Issuance of series P shares	15,242	10,655	(25,897)	-	-	-
Dividends	-	-	-	-	(5,452)	**(5,452)**
Other	-	(36)	-	-	-	**(36)**
As at 30 June 2010 (unaudited)	**495,617**	**37,409**	**-**	**(768)**	**7,413**	**539,671**

All figures in thousands of PLN, unless stated otherwise

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

	Note	6 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2010 (unaudited)
Cash flows - operating activities			
Pre-tax profit		**6,319**	**5,964**
Total adjustments:		**1,065**	**(9,003)**
Depreciation and amortization		35	3
Change in inventories		-	700
Change in receivables		529	(6,859)
Change in liabilities		(3,752)	(1,234)
Change in deferred and accrued expenses		345	(567)
Change in provisions		-	51
Interest income and expense		28	(56)
Gain (loss) on foreign exchange differences		733	1,097
Dividends received		-	312
Cost of acquisition of shares in subsidiary companies		(6,505)	(2,450)
Disposal of shares in subsidiary companies		2,677	-
Impairment write-down on investments in subsidiary companies		6,033	-
Other		942	-
Net cash generated from operating activities		**7,384**	**(3,039)**
Corporate income tax paid		(48)	-
Net cash provided by (used in) operating activities		**7,336**	**(3,039)**
Cash flows - investing activities			
Acquisition of tangible fixed assets		(3)	(231)
Acquisition of intangible assets		(125)	-
Interest received		-	210
Net cash provided by (used in) investing activities		**(128)**	**(21)**
Cash flows - financing activities			
Proceeds from loans and borrowings		5,799	-
Interest paid		(28)	(154)
Expenses related to obtaining a bank loan		-	(256)
Other		(58)	-
Net cash provided by (used in) financing activities		**5,713**	**(410)**
Net change in cash and cash equivalents		12,921	(3,470)
Effect of foreign exchange differences on cash and cash equivalents		(201)	(769)
Cash and cash equivalents as at 1 January	10	13,647	48,014
Cash and cash equivalents as at 30 June	10	**26,367**	**43,775**

All figures in thousands of PLN, unless stated otherwise

SUPPLEMENTARY INFORMATION AND EXPLANATIONS

I. ACCOUNTING PRINCIPLES APPLIED WHEN PREPARING THE FINANCIAL STATEMENTS

1. Basis for preparation of interim condensed financial statements

These interim condensed financial statements were prepared in 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 vale which are attributable to the risk against which such assets and liabilities are hedged.

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

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

Till the date of approving these financial statements, there were observed no indications of a threat to the Company's ability to continue as a going concern in the period of at least 12 months following the balance sheet date (30 June 2011).

2. Compliance statement

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

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

3. Major accounting principles

The major accounting principles adopted by Asseco South Eastern Europe S.A. have been described in the 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 financial statements do not include all the information and disclosures required for annual consolidated financial statements and therefore they should be read together with the Company's financial statements for the year ended 31 December 2010.

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

- Amendments to IAS 24 *Related Party Disclosures* (revised in November 2009) – effective for annual periods beginning on or after 1 January 2011. The amendments simplify the disclosure requirements and clarify the definition of a related party. The revised standard provides an exemption from the disclosure requirements in relation to related party transactions conducted with a government that has control, joint control or significant influence over the reporting entity, and with another entity that is a related party because the same government has control, joint control or significant influence over both the reporting entity and the other entity. Adoption of these amendments did not affect the Company's financial position or its financial performance, nor the scope of information presented in Company's financial statements;

- Amendments to IFRIC 14 IAS 19 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction: Prepayment of a Minimum Funding Requirement* – effective for annual periods beginning on or after 1 January 2011. The amendment eradicates the unintended consequences of IFRIC 14 relating to voluntary retirement contributions, where minimum funding requirements exist. Adoption of these amendments affected neither the Company's financial position nor its financial performance;
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* – effective for annual periods beginning on or after 1 July 2010. IFRIC 19 clarifies the accounting principles to be applied when, as a result of the renegotiation of debt terms, a borrower issues equity instruments to a lender in order to extinguish a financial liability owed to the lender. Adoption of this interpretation affected neither the Company's financial position nor its financial performance;
- Amendments to IAS 32 *Financial Instruments: Presentation: Classification of Rights Issues*. The revision clarifies the approach to recognition of pre-emptive rights to financial instruments denominated in a currency other than the issuer's functional currency. Adoption of these amendments affected neither the Company's financial position nor its financial performance;
- Amendments resulting from the annual review of IFRSs (published in May 2010) – some amendments are effective for annual periods beginning on or after 1 July 2010 and some for annual periods beginning on or after 1 January 2011. Adoption of these amendments affected neither the Company's financial position nor its financial performance;
- Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards: Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters* – effective for annual periods beginning on or after 1 July 2010. Adoption of these amendments affected neither the Company's financial position nor its financial performance;

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

4. Estimates

In the period of 6 months ended 30 June 2011, no substantial changes were introduced to the way of making estimates.

5. Professional judgement

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

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

Deferred income tax assets

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

Impairment of financial assets

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

6. Seasonal nature of business

Because we are a holding company, the distribution of our financial results during a fiscal year depends largely on the dates when our subsidiary companies adopt resolutions to pay out dividends.

II. INFORMATION ON OPERATING SEGMENTS

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

III. NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

1. Dividend income

	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)
Dividends received from related companies	10,311	10,575	6,375	6,375
	10,311	**10,575**	**6,375**	**6,375**

Cash flows arising from dividends received in the first half of 2011 amounted to PLN 10,371 thousand.

2. Revenues from sales of services

	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)
Revenues from sales of services	830	1,929	1,065	1,065
	830	**1,929**	**1,065**	**1,065**

From the financial year 2010, Asseco South Eastern Europe S.A. begins to invoice the consulting services it provides to subsidiary companies of the Asseco South Eastern Europe Group.

Bearing in mind the holding nature of the Company's business, revenues from sales of such services are presented under main operating activities.

3. Breakdown of operating costs

	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)
Materials and energy used (-)	(18)	(28)	(39)	(43)
Third-party work (-)	(263)	(490)	(339)	(397)
Salaries (-)	(797)	(1,411)	(594)	(1,076)
Employee benefits (-)	(128)	(218)	(35)	(96)
Depreciation and amortization (-)	(15)	(35)	(3)	(3)
Taxes and charges (-)	(57)	(60)	(48)	(92)
Business trips (-)	(85)	(122)	(92)	(136)
Other (-)	(9)	(26)	(26)	(42)
	(1,372)	**(2,390)**	**(1,176)**	**(1,885)**
Cost of sales (-)	(932)	(1,929)	(1,065)	(1,065)
Selling expenses (-)	(21)	(42)	-	-
General administrative expenses (-)	(419)	(419)	(111)	(820)

All figures in thousands of PLN, unless stated otherwise

4. Other operating income and expenses

Other operating income	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)
Revenues from sales of third-party software and services	67	531	51	1,010
Other	9	9	-	-
	76	**540**	**51**	**1,010**

Other operating income of PLN 531 thousand recognized in the period of 6 months ended 30 June 2011 included: sale of third-party IT support and software maintenance services provided to Bank Pekao S.A. during a warranty period (PLN 133 thousand), resale of implementation and licensing services provided to Kredyt Bank on behalf of Asseco Poland S.A. (PLN 358 thousand), and training services for other entities (PLN 40 thousand).
The above-mentioned revenues have been presented in other operations within our stand-alone financial statements, because Asseco South Eastern Europe S.A. is primarily engaged in holding operations.

Other operating expenses	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)
Cost of purchase of third-party software and services (-)	(65)	(536)	(52)	(784)
Deferred income tax provision related to IPO expenses (-)	-	-	-	(51)
Other (-)	-	-	(5)	(5)
	(65)	**(536)**	**(57)**	**(840)**

Other operating expenses of PLN 536 thousand recognized in the period of 6 months ended 30 June 2011 included: purchase of third-party IT support and maintenance services to be provided to Bank Pekao S.A., and purchase of implementation and licensing services to be provided to Kredyt Bank on behalf of Asseco Poland S.A.

5. Financial income and expenses

Financial income	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)	3 months ended 30 June 2010 (unaudited)	6 months ended 30 June 2010 (unaudited)
Interest on bank deposits	58	109	151	238
Gain on foreign exchange differences	-	-	173	32
Other financial income	1,658	3,448	-	-
	1,716	**3,557**	**324**	**270**

As at 31 December 2010, the Company carried a liability due to the acquisition of shares in EST A.Ş. (Istanbul) in the amount of PLN 18,111 thousand which resulted from the company acquisition agreement and corresponded to additional payments to former shareholders of EST A.Ş. (Istanbul) to be made either in the form of cash and/or

All figures in thousands of PLN, unless stated otherwise

issuance of Asseco South Eastern Europe shares, provided that EST A.Ş. (Istanbul) achieves the specified target levels of net profit for the years 2010 and 2011.
In the 1st quarter of 2011, we signed a memorandum of understanding, amending the terms of the original company acquisition agreement, with the objective to reduce the amount of net profit of EST A.Ş. (Istanbul) for 2011 as applied in the calculation of the acquisition price. In effect the next instalment payable for shares acquired in that company was also reduced. As a result of signing such memorandum of understanding, in the first half of 2011 the Group recognized a financial income of PLN 3,448 thousand reflecting a decrease in the estimated remaining payment for the acquisition of shares in EST A.Ş. (Istanbul)

Financial expenses	**3 months ended 30 June 2011** (unaudited)	**6 months ended 30 June 2011** (unaudited)	**3 months ended 30 June 2010** (unaudited)	**6 months ended 30 June 2010** (unaudited)
Discounting of settlements (-)	(1)	(136)	-	-
Loss on foreign exchange differences (-)	(232)	(112)	-	-
Other interest expenses (-)	(32)	(64)	(20)	(31)
Loss on valuation of embedded derivatives (-)	(30)	(127)	-	-
Impairment write-down on investments in subsidiary companies (-)	(6,033)	(6,033)	-	-
Loss on disposal of investments in subsidiary companies (-)	-	(884)	-	-
	(6,328)	**(7,356)**	**(20)**	**(31)**

In the 1st quarter of 2011, Asseco South Eastern Europe S.A. recognized a loss of PLN 884 thousand on resale of a 23.1% stake in its subsidiary EST A.Ş. (Istanbul).

At every balance sheet date, the Company carries out a valuation of its assets concerning possible impairment. Should there be any indications of impairment, the Company estimates the recoverable amount. If the carrying value of a given asset exceeds its recoverable amount, impairment charges are made in order to reduce such carrying value to the level of recoverable amount.
As at 30 June 2011, we made an estimate of the recoverable amount of our investment in subsidiary Asseco SEE Sh.p.k. (Pristina), because the financial results achieved by that company in the first half of 2011 were short of expectations. Since the carrying value of our investment in Asseco SEE Sh.p.k. (Pristina) exceeded its estimated recoverable amount, in the 2nd quarter of 2011, Asseco South Eastern Europe S.A. recognized a financial expense of PLN 6,033 thousand due to the impairment write-down on the said investment.

All figures in thousands of PLN, unless stated otherwise

6. Corporate income tax

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

	3 months ended 30 June 2011 (unaudited)	**6 months ended 30 June 2011 (unaudited)**	**3 months ended 30 June 2010 (unaudited)**	**6 months ended 30 June 2010 (unaudited)**
Current corporate income tax and prior years adjustments	-	-	-	-
Deferred corporate income tax	121	188	(2)	20
related to origination or reversal of temporary differences	*121*	*188*	*(2)*	*20*
Income tax expense as disclosed in the profit and loss account	**121**	**188**	**(2)**	**20**

The deferred portion of income tax disclosed in the profit and loss account is positive following the recognition of additional deferred income tax assets in the first half of 2011, and as regards the current portion of income tax – due to the utilization the prior years' tax losses. Furthermore, dividend income is taxable in the annual tax returns.

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

7. Information on dividends paid out or declared

The Ordinary General Meeting of Shareholders of Asseco South Eastern Europe 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 remaining portion of the net profit for 2010 was allocated to prior years' retained earnings.

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 PCCC 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.

All figures in thousands of PLN, unless stated otherwise

8. Investments in subsidiary companies

	30 June 2011 (unaudited)	31 December 2010 (audited)
Asseco SEE s.r.l., (Bucharest)	147,485	147,485
Asseco SEE d.o.o., (Beograd)	80,297	80,297
Asseco SEE d.o.o. (Zagreb)	110,680	110,680
Asseco SEE Sh.p.k. (Pristina)	38,328	44,361
Cardinfo BDS d o.o. (Sarajevo)	4,631	4,631
Asseco SEE Teknoloji A.Ş. (Istanbul)	55,810	33,965
EST Elektronik Sanal Ticaret ve Bilisim Hizmetleri A.Ş. (Istanbul)	-	28,267
ITD Polska Sp. z o.o.	124,962	124,962
Asseco SEE o.o.d. , Sofia	1,951	1,951
	564,144	**576,599**

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.

In March 2011, Asseco South Eastern Europe S.A. purchased 165 shares from a shareholder in Asseco SEE Teknoloji A.Ş. (Istanbul) (former ITD İletişim Teknoloji Danışmanlık Ticaret A.Ş. (Istanbul)), increasing this investment by PLN 108 thousand.
In March 2011, Asseco South Eastern Europe S.A. signed an agreement to sell a 23.1% stake in its subsidiary EST Elektronik Sanal Ticaret ve Bilisim Hizmetleri A.Ş. (Istanbul), decreasing this investment by PLN 6,530 thousand.
In June 2011, the companies of ITD İletişim Teknoloji Danışmanlık Ticaret A.Ş. (Istanbul) and EST Elektronik Sanal Ticaret ve Bilisim Hizmetleri A.Ş. (Istanbul) were combined. With regard to the above, as at 30 June 2011 this investment is presented under the new common name of Asseco SEE Teknoloji A.Ş. (Istanbul), just as entered in the commercial register.
In the 2nd quarter of 2011, Asseco South Eastern Europe S.A. recognized an impairment write-down of PLN 6,033 thousand on its investment in Asseco SEE Sh.p.k. (Pristina).

9. Trade accounts receivable and other receivables

Trade accounts receivable	30 June 2011 (unaudited)	31 Dec. 2010 (audited)
Trade accounts receivable, of which:	204	512
from related companies, of which:	204	512
from associated companies	-	-
from other companies	-	-
	204	**512**

Trade accounts receivable are not interest-bearing.

All figures in thousands of PLN, unless stated otherwise

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

Both as at 31 June 2011 and 31 December 2010, no category of receivables served as security for any bank loans and borrowings.

Both as at 30 June 2011 and 31 December 2010, there were no outstanding receivables under transactions conducted with Asseco Poland S.A.

Receivables on taxes, import tariffs, social security and other regulatory payments	**30 June 2011** (unaudited)	**31 Dec. 2010** (audited)
Corporate income tax	48	-
Withholding income tax	203	-
Value added tax	27	99
	278	**99**

The amount of PLN 203 thousand corresponds to income tax withheld by Asseco SEE d.o.o., Beograd on their dividend payment to Asseco South Eastern Europe S.A. made in June 2011.
Hence, Asseco South Eastern Europe S.A. will be entitled to deduct such amount of income tax paid in a foreign country when submitting its tax return for the fiscal year.

Other short-term receivables	**30 June 2011** (unaudited)	**31 Dec. 2010** (audited)
Other short-term receivables	1,376	352
	1,376	**352**

As at 30 June 2011, "Other receivables" comprise the short-term portion of receivables from our related company Asseco SEE Teknoloji A.Ş. (former ITD A.Ş.) due to the sale of a stake of shares in our subsidiary EST A.Ş. (Istanbul). Whereas, the remaining long-term portion of PLN 1,376 thousand is disclosed in "Long-term receivables".
As at 31 December 2010, "Other receivables" in the amount of PLN 352 thousand represent withholding income tax retained by Asseco SEE s.r.l. (Bucharest) on their dividend payment made in 2009. These receivables were recovered by the Company in the 1st quarter of 2011.

10. Cash and cash equivalents and restricted cash

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

	30 June 2011 (unaudited)	**31 Dec. 2010** (audited)
Cash at bank and in hand	116	13,647
Short-term deposits	26,251	**-**
	26,367	**13,647**
Restricted cash	-	-

All figures in thousands of PLN, unless stated otherwise

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

Short-term deposits did not serve as security for any bank guarantees (of due performance of contracts and tender deposits) neither at 30 June 2011 nor at 31 December 2010.

11. Share capital

Share capital				30 June 2011 (unaudited)		31 Dec. 2010 (audited)
Shares	**Series**	**Par value per share**	**Number of shares**	**Value of shares**	**Number of shares**	**Value of shares**
Ordinary registered shares	A*	0.1	5,000,000	500	5,000,000	500
Ordinary registered shares	B*	0.1	5,000,000	500	5,000,000	500
Ordinary registered shares	C*	0.1	2,567,000,900	256,700	2,567,000,900	256,700
Ordinary registered shares	D	10	25,770,009	257,700	25,770,009	257,700
Ordinary registered shares	E	10	956,447	9,565	956,447	9,565
Ordinary registered shares	F	10	1,475,509	14,755	1,475,509	14,755
Ordinary registered shares	G	10	2,708,378	27,084	2,708,378	27,084
Ordinary registered shares	H	10	1,062,030	10,620	1,062,030	10,620
Ordinary registered shares	I	10	1,770,609	17,706	1,770,609	17,706
Ordinary registered shares	J	10	1,714,209	17,142	1,714,209	17,142
Ordinary registered shares	K	10	4,590,470	45,905	4,590,470	45,905
Ordinary registered shares	L	10	2,100,000	21,000	2,100,000	21,000
Ordinary registered shares	M	10	4,810,880	48,109	4,810,880	48,109
Ordinary registered shares	N	10	1,078,909	10,789	1,078,909	10,789
Ordinary registered shares	P	10	1,524,269	15,242	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
Ordinary registered shares	T	10	902,119	9,021	-	
			51,894,251	**518,942**	**50,992,132**	**509,921**

* Following a reverse stock split of series D shares

In the period of 6 months ended 30 June 2011, the Company's share capital was raised by the amount of PLN 9,021 thousand through the issuance of 902,119 series T shares that was registered by the District Court in Rzeszów on 28 June 2011.

All figures in thousands of PLN, unless stated otherwise

12. Interest-bearing bank loans, borrowings and debt securities issued

On 30 May 2011, Asseco South Eastern Europe S.A. signed with its subsidiary Asseco SEE d.o.o. (Skopje) seated in Macedonia a loan agreement for the amount of EUR 2 million. The interest rate payable on the loan equals 4% on an annual basis.

Till 30 June 2011, Asseco South Eastern Europe S.A. received the amount of PLN 5,979 thousand, representing the equivalent of EUR 1.5 million. The loan balance disclosed in the balance sheet is PLN 5,980 thousand, having been increased by foreign exchange differences existing at the balance sheet date. As per the agreement, the loan shall be repaid till 30 June 2012 and therefore it is carried in short-term liabilities.

On 30 December 2009, Asseco South Eastern Europe S.A. signed with the European Bank for Reconstruction and Development an agreement for an investment loan facility in the maximum amount of EUR 7 million. The loan interest rate equals 3M EURIBOR + margin. The repayment deadline specified in the agreement is 31 January 2016. As at 30 June 2011 and 31 December 2010, Asseco South Eastern Europe S.A. had no outstanding liabilities under this loan.

13. Trade accounts payable, financial liabilities and other liabilities

Short-term trade accounts payable	30 June 2011 (unaudited)	31 Dec. 2010 (audited)
To related companies	4	42
To other companies	57	410
	61	**452**

Trade accounts payable are not interest-bearing.

As at 30 June 2011, the balance of outstanding trade liabilities under transactions conducted with Asseco Poland S.A. was PLN 4 thousand; whereas, as at 31 December 2010 such outstanding liabilities amounted to PLN 42 thousand. In the period of 6 months ended 30 June 2011, the net value of transactions conducted with Asseco Poland S.A. totalled PLN 130 thousand, including PLN 7 thousand by virtue of tangible asset purchases. Whereas, in the period of 6 months ended 30 June 2010, the net value of transactions conducted with Asseco Poland S.A. amounted to PLN 79 thousand.

Financial liabilities	30 June 2011 (unaudited)	31 Dec. 2010 (audited)
Dividends payable	13,258	-
Liabilities due to the acquisition of shares in subsidiaries	1,166	17,773
Forward contracts	14	-
	14,438	**17,773**

As at 30 June 2011, liabilities due to the acquisition of shares in subsidiaries in the total amount of PLN 1,166 thousand correspond to the payments for shares in EST Elektronik Sanal Ticaret ve Bilisim Hizmetleri A.Ş. (Istanbul) in the amount of PLN 22 thousand, and in Asseco SEE o.o.d. (Sofia) in the amount of PLN 1,144 thousand.

As at 31 December 2010, liabilities due to the acquisition of shares in subsidiaries in the total amount of PLN 19,992 thousand corresponded to the payments for shares in EST

All figures in thousands of PLN, unless stated otherwise

Elektronik Sanal Ticaret ve Bilisim Hizmetleri A.Ş. (Istanbul) in the amount of PLN 18,111 thousand, and in Asseco SEE o.o.d. (Sofia) in the amount of PLN 1,881 thousand. These liabilities are disclosed in breakdown to long-term portion in the amount of PLN 2,219 thousand and short-term portion of PLN 17,773 thousand.

Other current liabilities	**30 June 2011** (unaudited)	**31 December 2010** (audited)
To related companies	6	-
To other companies	3	3
	9	**3**

As at 30 June 2011, other current liabilities to related companies comprised liabilities towards Asseco Poland S.A. for purchases of tangible and intangible assets in the amount of PLN 6 thousand.

14. Provisions

Both as at 30 June 2011 and 31 December 2010, the Company disclosed a provision in the amount of PLN 1,229 thousand for a potential income tax liability in connection with the ongoing court proceedings concerning the classification of costs related to the public issuance of shares as tax deductible.

15. Deferred and accrued expenses and deferred income

Deferred expenses by virtue of:	**30 June 2011** (unaudited)	**31 December 2010** (audited)
Prepaid insurance	5	9
Payments for support and maintenance of software for Pekao S.A.	159	56
VAT recoverable in the next period	5	1
Prepaid interest and commissions on bank loans	109	121
Expenses related to taking out a bank loan	219	244
Costs of IT audits	200	200
Annual stock exchange and other fees	43	-
	740	**631**
- short-term	472	311
- long-term	268	320

All figures in thousands of PLN, unless stated otherwise

Accrued expenses by virtue of:	30 June 2011 (unaudited)	31 December 2010 (audited)
Provision for the audit of financial statements	114	95
Provision for salaries and wages	881	591
Other provisions	56	10
	1,051	**696**
- short-term	1,051	696
- long-term	**-**	-

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

Deferred income by virtue of:	30 June 2011 (unaudited)	31 December 2010 (audited)
Payments for support and maintenance of software for Pekao S.A.	174	75
	174	**75**
- short-term	150	36
- long-term	24	39

16. Contingent liabilities

Both as at 30 June 2011 and 31 December 2010, the Company had no contingent liabilities.

17. Capital management

The primary objective of the Company's capital management is to maintain a strong credit rating and healthy level of capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in response to changing economic conditions. To maintain or adjust the capital structure, the Company may revise its dividend payment policy, return some capital to shareholders or issue new shares. In the period of 6 months ended 30 June 2011 as well as in the year ended 31 December 2010, the Group did not introduce any changes to its objectives, principles and processes adopted in this area.

18. Hedges of cash flows

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

During the period of 6 months ended 30 June 2011, the Company reversed the valuation of cash held at bank account denominated in EUR (designated as a hedging instrument) that was previously recognized in revaluation capital. Because the amount of cash held at that bank account was insignificant, as at 30 June 2011 this hedge was no longer effective.

All figures in thousands of PLN, unless stated otherwise

19. Related party transactions

Until the date of approval of these interim condensed 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.

Transactions conducted with or through the Key Management Personnel (members of Management and Supervisory Boards) of companies of the Asseco South Eastern Europe Group

The value of transactions conducted by the Asseco South Eastern Europe Group with or through the Key Management Personnel (members of Management and Supervisory Boards) of the Group companies during 6-month periods ended on 30 June 2011 and 30 June 2010, and outstanding balances of receivables and liabilities arising from such transactions as at 30 June 2011 and 31 December 2010 are presented in the table below:

Related party		Sales to related companies	Purchases from related companies	Receivables from related companies	Liabilities to related companies
Key management personnel (members of Management Boards) of the Group:					
	2011	45	6,371	19	2,095
	2010	-	586	-	4,782
Key management personnel (members of Supervisory Boards) of the Group:					
	2011	17	3,356	-	33
	2010	-	3,247	-	6

Purchases from related companies presented in the table above are primarily related to the rental of space, purchases or sales of hardware and services, and purchases or sales of shares.

Additionally, as at 30 June 2011 and 31 December 2010 Asseco SEE Sh.p.k. used bank guarantee facilities in the amount of PLN 4,784 thousand and PLN 4,752 thousand, respectively, that were secured with a pledge on a building owned by that company's management staff.

The figures disclosed in the table above include the following transactions concluded with or through the Key Management Personnel (members of the Management Board and Supervisory Board) of the Asseco South Eastern Europe S.A.:

During the 6-month period ended 30 June 2011, Asseco SEE d.o.o. Beograd incurred the total space rental costs of PLN 3,218 thousand that were paid to its related entities MHM d.o.o., Beograd[5], DM3 d.o.o., Beograd[2], and Mini Invest d.o.o., Beograd[6].

During the 6-month period ended 30 June 2011, Asseco SEE DOEL, Skopje incurred the space rental costs of PLN 423 thousand that were paid to MPS d.o.o., Skopje[7].

[5] Mihail Petreski, Member of the Supervisory Board of Asseco South Eastern Europe S.A. is a shareholder in Liatris d.o.o. which as at 30 June 2011 held a 7,40% equity interest in Asseco South Eastern Europe S.A. (as at 31 December 2010: 7,53%). Mihail Petreski and Liatris d.o.o. hold 40% of shares in MHM d.o.o. as well as 50% of shares in DM3 d.o.o. Furthermore, President of the Management Board of Asseco South Eastern Europe S.A. holds indirectly a 15% stake in MHM d.o.o. through his wholly-owned Kompania Petyhorska d.o.o. Whereas, 20% of shares in MHM d.o.o. are held by I4 Invention d.o.o. which is also a shareholder in Asseco South Eastern Europe S.A. 100% of shares in I4 Invention d.o.o. are owned by Miodrag Mirčetić, President of the Management Board Asseco SEE d.o.o., Beograd and Member of the Management Board of Asseco South Eastern Europe S.A.;
[6] Miljan Mališ, Member of the Management Board of Asseco South Eastern Europe S.A. is a shareholder in Mini Invest d.o.o. which in turn is a shareholder in Asseco South Eastern Europe S.A.;
[7] Mihail Petreski, Member of the Supervisory Board of Asseco South Eastern Europe S.A. is the sole shareholder in MPS d.o.o., Skopje.

All figures in thousands of PLN, unless stated otherwise

During the 6-month period ended 30 June 2010, Asseco SEE d.o.o. Beograd incurred the total space rental costs of PLN 3,081 thousand that were paid to its related entities MHM d.o.o., Beograd, DM3 d.o.o., Beograd and Mini Invest d.o.o., Beograd.

Additionally, during the 6-month period ended 30 June 2010, Asseco SEE DOEL, Skopje incurred the space rental costs of PLN 312 thousand, directly and indirectly through the company of MPS d.o.o., Skopje.

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

20. Objectives and principles of financial risk management

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

Foreign currency exposure risk

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

Interest rate risk

Changes in the market interest rates may have a negative influence on the Company’s financial results. The Company’s exposure to the above-mentioned risk may result in changes of the amounts of interest charged on third-party borrowings which are based on variable interest rates. However, as at 30 June 2011 the Company was not exposed to any interest rate risk.

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

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

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

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

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

Credit risk

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

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

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

Financial liquidity risk

The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool takes into account the maturity of both financial investments and financial assets (e.g. accounts receivable) and projected cash flows from operations.

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

The tables below reveal the Company's trade accounts payable as at 30 June 2011 and 31 December 2010, by the maturity period based on the contractual undiscounted payments.

Aging structure of trade accounts payable	**30 June 2011 (unaudited)**		**31 Dec. 2010 (audited)**	
	amount	**structure**	**amount**	**structure**
Liabilities due already	31	50.8%	246	54.4%
Liabilities falling due within 3 months	30	49.2%	206	45.6%
TOTAL	**61**	**100.00%**	**452**	**100.00%**

Additionally, on 30 May 2011, Asseco South Eastern Europe S.A. signed with its subsidiary Asseco SEE d.o.o. (Skopje) seated in Macedonia a loan agreement for the amount of EUR 2 million. The interest rate payable on the loan equals 4% on an annual basis.

Till 30 June 2011, Asseco South Eastern Europe S.A. received the amount of PLN 5,979 thousand, representing the equivalent of EUR 1.5 million. The loan balance disclosed in the balance sheet is PLN 5,980 thousand, having been increased by foreign exchange differences existing at the balance sheet date. As per the agreement, the loan shall be repaid till 30 June 2012 and therefore it is carried in short-term liabilities.

All figures in thousands of PLN, unless stated otherwise

21. Significant events after the balance sheet date

Acquisition of a 50% stake in SIMT Cardinfo d.o.o. (Grosuplje)

On 13 July 2011, Asseco South Eastern Europe S.A. concluded an agreement for the acquisition of 50% of shares in the company SIMT Cardinfo d.o.o. seated in Grosuplje, Slovenia, for the price of EUR 300 thousand. The agreement shall become effective upon the fulfilment of a condition precedent, i.e. approval of the above-mentioned transaction by the competent court of Slovenia. Until the date of publication of this report, Asseco South Eastern Europe S.A. has not received any information that the condition precedent has been satisfied. Following the transaction Asseco South Eastern Europe S.A. will become the owner of 100% of shares (held directly and indirectly) in SIMT Cardinfo d.o.o. (Grosuplje) as 50% of shares in that company are held by our subsidiary Asseco SEE d.o.o., Beograd.

22. Significant events related to prior years

Until the date of preparing these interim condensed financial statements for the period of 6 months ended 30 June 2011, this is until 24 August 2011, there occurred no significant events related to prior years, which have not but should have been included in the accounting books.