

ASSECO SOUTH EASTERN EUROPE S.A.

**LONG-FORM AUDITORS' REPORT
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

TRANSLATION FROM POLISH

I. GENERAL NOTES

1. Background

Asseco South Eastern Europe S.A. (hereinafter 'the Company') was incorporated on the basis of a Notarial Deed dated April 10, 2007. The Company's registered office is located in Rzeszów at 14 Olchowa Street.

The Company was entered in the Register of Entrepreneurs of the National Court Register under no. KRS 0000284571.

The Company was issued with tax identification number (NIP) 813-351-36-07 on September 12, 2007 and statistical number (REGON) 180248803 on February 25, 2008.

The Company is the holding company of the Asseco South Eastern Europe S.A. capital group. Details of transactions with affiliated entities and the list of companies in which the Company holds at least 20% of shares in the share capital or in the total number of votes in the company's governing body are included in Note 24 of the summary of significant accounting policies and other explanatory notes ("the additional notes and explanations") to the audited financial statements for the year ended 31 December 2012.

The principal activities of the Company are as follows:

- 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.

As at December 31, 2012, the Company's issued share capital amounted to 518.942 thousand zlotys. Equity as at that date amounted to 612.197 thousand zlotys.

In accordance with the information received from the Company as at December 31, 2012, the ownership structure of the Company's issued share capital was as follows:

	Number of shares	Number of votes	Par value of shares	% of issued share capital
Asseco Poland S.A.	26 494 676	26 494 676	264 946	51,06%
EBOiR	4 810 880	4 810 880	48 108	9,27%
Liatrix d.o.o.	3 838 683	3 838 683	38 386	7,40%
Other	16 750 012	16 750 012	167 500	32,27%
Total	51 894 251	51 894 251	518 942	100%

According to information provided by the Company, during the financial year reported and from the reporting date till the publication of our opinion, there were no movements in the share capital in the reporting period.

As at February 20, 2013, the Company's Management Board was composed of the following persons:

Piotr Jeleński	- President
Hatice Avas	- Member
Calin Barseti	- Member
Miljan Mališ	- Member
Miodrag Mirčetić	- Member
Dražen Pehar	- Member
Marcin Rulnicki	- Member

During the reporting period, the following changes in the composition of the Management Board:

-on May 14, 2012 the Company received Mr Rafał Kozłowski's resignation from the position of Vice President of the Management Board of Asseco South Eastern Europe S.A. effective on June 1, 2012,

- on May 24, 2012 the Supervisory Board appointed Mr Marcin Rulnicki to the position of the Member of the Management Board effective on June 1, 2012 and for the next five-year, joint term of the Board covering the period from July 11, 2012 to July 11, 2017.

2. Financial Statements

On August 28, 2008 the General Shareholders' Meeting decided on preparation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU.

2.1 Auditors' opinion and audit of financial statements

Ernst & Young Audit sp. z o.o. with its registered office in Warsaw, at Rondo ONZ 1, is registered on the list of entities authorised to audit financial statements under no. 130.

Ernst & Young Audit sp. z o.o. was appointed by Supervisory Boards on May 24, 2012 to audit the Company's financial statements.

Ernst & Young Audit sp. z o.o. and the key certified auditor meet the conditions required to express an impartial and independent opinion on the financial statements, as defined in Art. 56.3 and 56.4 of the Act on statutory auditors and their self-governance, audit firms authorized to audit financial statements and public oversight, dated 7 May 2009 (Journal of Laws 2009, No. 77, item 649 with subsequent amendments).

Under the contract executed on July 24, 2012 with the Company's Management Board, we have audited the financial statements for the year ended 31 December 2012.

Our responsibility was to express an opinion on the financial statements based on our audit. The auditing procedures applied to the financial statements were designed to enable us to express an opinion on the financial statements taken as a whole. Our procedures did not extend to supplementary information that does not have an impact on the financial statements taken as a whole.

Based on our audit, we issued an auditors' opinion dated February 20, 2012, stating the following:

"To the Supervisory Board of Asseco South Eastern Europe S.A.

1. We have audited the attached financial statements for the year ended 31 December 2012 of Asseco South Eastern Europe S.A. ('the Company') located in Rzeszów at 14 Olchowa Street, containing balance sheet as at 31 December 2012, profit and loss statement, the statement of comprehensive income, the statement of changes in equity, cash flow statement for the period from 1 January 2012 to 31 December 2012 and the summary of significant accounting policies and other explanatory notes ('the attached financial statements').
2. The truth and fairness¹ of the attached financial statements, the preparation of the attached financial statements in accordance with the required applicable accounting policies and the proper maintenance of the accounting records are the responsibility of the Company's Management Board. In addition, the Company's Members of the Supervisory Board are required to ensure that the attached financial statements and the Directors' Report meet the requirements of the Accounting Act dated 29 September 1994 (2009 Journal of Laws No. 152 item 1223 with subsequent amendments – 'the Accounting Act'). Our responsibility was to audit the attached financial statements and to express an opinion on whether, based on our audit, these financial statements comply, in all material respects, with the required

¹ Translation of the following expression in Polish: '*rzetelność i jasność*'

The Polish original should be referred to in matters of interpretations.

Translation of audit report originally issued in Polish.

(Translation performed by Asseco South Eastern Europe S.A.)

*Long-form auditors' report
for the year ended 31 December 2012
(in thousand zlotys)*

applicable accounting policies, whether they truly and fairly² reflect, in all material respects, the financial position and results of the operations of the Company and whether the accounting records that form the basis for their preparation are, in all material respects, properly maintained.

3. We conducted our audit of the attached financial statements in accordance with:

- chapter 7 of the Accounting Act,
- national auditing standards issued by the National Council of Statutory Auditors,

in order to obtain reasonable assurance whether these financial statements are free of material misstatement. In particular, the audit included examining, to a large extent on a test basis, documentation supporting the amounts and disclosures in the attached financial statements. The audit also included assessing the accounting principles adopted and used and significant estimates made by the Management Board, as well as evaluating the overall presentation of the attached financial statements. We believe our audit has provided a reasonable basis to express our opinion on the attached financial statements treated as a whole.

4. In our opinion, the attached financial statements, in all material respects:

- present truly and fairly all information material for the assessment of the results of the Company's operations for the period from 1 January 2012 to 31 December 2012, as well as its financial position³ as at 31 December 2012;
- have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and based on properly maintained accounting records;
- are in respect of the form and content, in accordance with legal regulations governing the preparation of financial statements and the Company's Articles of Association.

We have read the 'Directors' Report for the period from 1 January 2012 to 31 December 2012 and the rules of preparation of annual statements' ('the Directors' Report') and concluded that the information derived from the attached financial statements reconciles with these financial statements. The information included in the Directors' Report corresponds with the relevant regulations of the Decree of the Minister of Finance dated 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognition as equivalent the information required by laws of non-EU member states (Journal of Laws No. 33, item 259 with subsequent amendments)."

We conducted the audit of the Company's financial statements during the period from November 26, 2012 to February 20, 2013. We were present at the Company's head office during the period from November 26, 2012 to November 30, 2012, in the place where the Company's books of account are kept from January 28, 2013 to February 1, 2013 and in the Company's head office from February 4, 2013 to February 20, 2013.

² Translation of the following expression in Polish: *'rzetelnie i jasno'*

³ Translation of the following expression in Polish: *'sytuacja majątkowa i finansowa'*

2.2 Representations provided and data availability

The Management Board confirmed its responsibility for the truth and fairness⁴ of the financial statements and the preparation of the financial statements in accordance with the required applicable accounting policies, and stated that it had provided us with all financial information, accounting records and other required documents as well as all necessary explanations. The Management Board also provided a letter of representations dated February 20, 2013, confirming that:

- the information included in the books of account was complete,
- all contingent liabilities had been disclosed in the financial statements, and
- all material events from the balance sheet date to the date of the representation letter had been disclosed in the financial statements,

and confirmed that the information provided to us was true and fair to the best of the Management Board's knowledge and belief, and included all events that could have had an effect on the financial statements.

At the same time declare that during the audit of the financial statements, there were no limitations of scope.

2.3 Financial statements for prior financial year

The Company's financial statements for the year ended 31 December 2011 were audited by Jarosław Dac, key certified auditor no. 10138, acting on behalf of Ernst & Young Audit sp. z o.o. with its registered office in Warsaw, at Rondo ONZ 1, entered into the list of entities authorised to audit financial statements under no. 130. The key certified auditor issued an unqualified opinion on the financial statements for the year ended 31 December 2011. The Company's financial statements for the year ended 31 December 2011 were approved by the General Shareholders' Meeting on April 12, 2012, and the shareholders resolved to appropriate the 2010 and 2011 net profit as follows:

Dividends for the shareholders	18 682
Reserve capital	1 349

	20 031
	=====

The financial statements for the financial year ended 31 December 2011, together with the auditors' opinion, a copy of the resolution approving the financial statements, a copy of the resolution on the appropriation of profit and the Directors' Report, were filed on April 30, 2012 with the National Court Register.

The balance sheet as at 31 December 2011, the profit and loss account, statement of changes in equity and cash flow statement for the year ended 31 December 2011, together with the auditors' opinion, a copy of the resolution approving the financial statements and a copy of the resolution on the appropriation of profit were published in Monitor Polski B No. 1486 on July 16, 2012.

⁴ Translation of the following expression in Polish: "rzetelność i jasność"

The closing balances as at 31 December 2011 were correctly brought forward in the accounts as the opening balances at 1 January 2012.

3. Analytical Review

3.1 Basic data and financial ratios

Presented below are selected financial ratios indicating the economic or financial performance of the Company for the years 2010 - 2012. The ratios were calculated on the basis of financial information included in the financial statements for the years ended 31 December 2011 and 31 December 2012.

	2012	2011	2010
Total assets	616 601	587 687	592 673
Shareholders' equity	612 197	582 963	570 095
Net profit/ loss	46 712	16 864	20 202
Return on assets (%)	7,6%	2,9%	3,4%
$\frac{\text{Net profit} \times 100}{\text{Total assets}}$			
Return on equity (%)	8,0%	3,0%	3,7%
$\frac{\text{Net profit} \times 100}{\text{Shareholders' equity at the beginning of the period}}$			
Profit margin (%)	85,1%	68,5%	85,9%
$\frac{\text{Net profit} \times 100}{\text{Sales of finished goods, goods for resale and raw materials}}$			
Liquidity I	5,1	3,8	0,7
$\frac{\text{Current assets}}{\text{Short-term creditors}}$			
Liquidity III	0,69	1,05	0,67
$\frac{\text{Cash and cash equivalents}}{\text{Short-term creditors}}$			

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Long-form auditors' report
for the year ended 31 December 2012
(in thousand zlotys)

	2012	2011	2010
Debtors days	19 days	4 days	8 days
$\frac{\text{Trade debtors} \times 365}{\text{Sales of finished goods, goods for resale and raw materials}}$			
Creditors days	29 days	59 days	7 days
$\frac{\text{Trade creditors} \times 365}{\text{Costs of finished goods, goods for resale and raw materials sold}}$			
Inventory days	0,00	n/a	n/a
$\frac{\text{Inventory} \times 365}{\text{Costs of finished goods, goods for resale and raw materials sold}}$			
Stability of financing (%)	99,4%	99,4%	96,8%
$\frac{(\text{Equity} + \text{long-term provisions and liabilities}) \times 100}{\text{Total liabilities, provisions and equity}}$			
Debt ratio (%)	0,7%	0,8%	3,8%
$\frac{(\text{Total liabilities and provisions}) \times 100}{\text{Total assets}}$			
Rate of inflation:			
Yearly average	3,7%	4,3%	2,6%
December to December	2,4%	4,6%	3,1%

3.2 Comments

The following trends may be observed based on the above financial ratios:

- Ratios Return on assets, equity and profit margin increased compared to 2011 and 2010;
- Liquidity ratio I increased compared with 2011 and 2010, while the liquidity ratio III decreased as compared with 2011, and increased as compared to 2010;
- Debtors days ratio has increased compared to 2011 and 2010;
- Creditors days ratio decreased as compared to 2011, and extended in comparison to the year 2010;

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- Stability of financing has remained at the same level as compared to the years 2011 and 2010;
- Debt ratio decreased compared to 2011 and 2010.

3.3 Going concern

Nothing came to our attention during the audit that caused us to believe that the Company is unable to continue as a going concern for at least twelve months subsequent to 31 December 2012 a result of an intended or compulsory withdrawal from or a substantial limitation in its current operations.

In Note 1 of the additional notes and explanations to the audited financial statements for the year ended 31 December 2012, the Management Board has stated that the financial statements were prepared on the assumption that the Company will continue as a going concern for a period of at least twelve months subsequent to 31 December 2012 and that there are no circumstances that would indicate a threat to its continued activity.

II. DETAILED REPORT

1. Accounting System

The Company's accounts are kept using the Symphony by CTN Polska Sp. z o.o. computer system. The Company has up-to-date documentation, as required under Article 10 of the Accounting Act dated 29 September 1994 (2009 Journal of Laws No. 152 item 1223 with subsequent amendments – 'the Accounting Act'), including a chart of accounts approved by the Company's Management Board.

During our audit no material irregularities were noted in the books of account which could have a material effect on the audited financial statements and which were not subsequently adjusted. These would include matters related to:

- the reasonableness and consistency of the applied accounting policies;
- the reliability of the accounting records, the absence of errors in the accounting records and the trail of entries in the accounting records;
- whether business transactions are supported by documents;
- the correctness of opening balances based on approved prior year figures;
- consistency between the accounting entries, the underlying documentation and the financial statements;
- fulfilment of the requirements for safeguarding accounting documents and storing accounting records and financial statements.

2. Assets, Liabilities and Equity, Profit and Loss Account

Details of the Company's assets, liabilities and equity and profit and loss account are presented in the audited financial statements for the year ended 31 December 2012.

Verification of assets, liabilities and equity was performed in accordance with the Accounting Act. Any differences were adjusted in the books of account for the year 2012.

3. Additional Notes and Explanations to the Financial Statements

The additional notes and explanations to the financial statements for the year ended 31 December 2012 were prepared, in all material respects, in accordance with International Financial Reporting Standards as adopted by the EU.

4. Directors' Report

We have read the Directors' report on the Company's activities in the period from 1 January 2012 to 31 December 2012 and the basis for preparation of annual financial statements ('Directors' Report') and concluded that the information derived from the attached financial statements reconciles with the financial statements. The information included in the Directors' Report corresponds with the relevant provisions of the Decree of the Minister of Finance dated 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognition as equivalent the information required by laws of non-EU member states (Journal of Laws No. 33, item 259 with subsequent amendments).

5. Conformity with Law and Regulations

We have obtained a letter of representations from the Management Board confirming that no laws, regulations or provisions of the Company's Articles of Association were breached during the financial year.

on behalf of:
Ernst & Young Audit sp. z o.o.
Rondo ONZ 1, 00-124 Warsaw
Reg. No 130

Key certified auditor

Atrur Żwak
certified auditor
no. 9894

Warsaw, February 20, 2013