



**REPORT OF THE ASSECO SOUTH EASTERN EUROPE GROUP
FOR THE 3RD QUARTER OF 2012**

Rzeszów, 24 October 2012



**FINANCIAL HIGHLIGHTS
OF THE ASSECO SOUTH EASTERN EUROPE GROUP
FOR THE 3RD QUARTER OF 2012**

FINANCIAL HIGHLIGHTS OF THE ASSECO SOUTH EASTERN EUROPE GROUP

| | 9 months ended 30 Sept. 2012 (unaudited) | 9 months ended 30 Sept. 2011 (unaudited) | 9 months ended 30 Sept. 2012 (unaudited) | 9 months ended 30 Sept. 2011 (unaudited) |
|---------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|
| | PLN '000 | PLN '000 | EUR '000 | EUR '000 |
| I. Sales revenues | 325,143 | 315,568 | 77,511 | 78,086 |
| II. Operating profit | 36,323 | 36,110 | 8,659 | 8,935 |
| III. Pre-tax profit | 38,083 | 41,438 | 9,079 | 10,254 |
| IV. Net profit for the period reported | 34,608 | 36,345 | 8,250 | 8,993 |
| V. Net profit attributable to Shareholders of the Parent Company | 34,669 | 36,423 | 8,265 | 9,013 |
| VI. Net cash provided by (used in) operating activities | 27,358 | 14,489 | 6,522 | 3,585 |
| VII. Net cash provided by (used in) investing activities | (40,148) | (20,025) | (9,571) | (4,955) |
| VIII. Net cash provided by (used in) financing activities | (19,646) | (18,774) | (4,683) | (4,646) |
| IX. Cash and cash equivalents at the end of period | 62,959 | 83,705 | 15,304 | 18,976 |
| X. Basic earnings per ordinary share for the period reported attributable to Shareholders of the Parent Company (in PLN/EUR) | 0.67 | 0.71 | 0.16 | 0.18 |
| XI. Diluted earnings per ordinary share for the period reported attributable to Shareholders of the Parent Company (in PLN/EUR) | 0.67 | 0.71 | 0.16 | 0.18 |

The financial highlights disclosed in these interim condensed consolidated financial statements were translated into euros (EUR) in the following way:

- items of the interim condensed consolidated profit and loss account and statement of cash flows were translated into EUR 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 2012 to 30 September 2012: EUR 1 = PLN 4.1948
 - for the period from 1 January 2011 to 30 September 2011: EUR 1 = PLN 4.0413
- 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 EUR at the mid exchange rates as published by the National Bank of Poland. These exchange rates were as follows:
 - exchange rate effective on 30 September 2012: EUR 1 = PLN 4.1138
 - exchange rate effective on 30 September 2011: EUR 1 = PLN 4.4112



**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
OF THE ASSECO SOUTH EASTERN EUROPE GROUP
FOR THE 3RD QUARTER OF 2012**

Rzeszów, 24 October 2012

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
OF THE ASSECO SOUTH EASTERN EUROPE GROUP
FOR THE 3RD QUARTER OF 2012**

| Table of contents | Page |
|-----------------------------------------------------------------------------------------------|-------------|
| FINANCIAL HIGHLIGHTS OF THE ASSECO SOUTH EASTERN EUROPE GROUP | 3 |
| INTERIM CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT | 8 |
| INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME | 9 |
| INTERIM CONDENSED CONSOLIDATED BALANCE SHEET | 10 |
| INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY | 12 |
| INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS | 14 |
| SUPPLEMENTARY INFORMATION AND EXPLANATORY NOTES | 16 |
| I. GENERAL INFORMATION | 16 |
| II. COMPOSITION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD OF THE PARENT COMPANY | 17 |
| III. MAJOR SHAREHOLDERS | 17 |
| IV. COMPANY'S SHARES AND RIGHTS TO SHARES HELD BY ITS MANAGEMENT AND SUPERVISORY STAFF | 18 |
| V. ORGANIZATIONAL STRUCTURE OF THE ASSECO SOUTH EASTERN EUROPE GROUP | 19 |
| VI. EFFECTS OF CHANGES IN THE ORGANIZATIONAL STRUCTURE | 20 |
| VII. ACCOUNTING PRINCIPLES APPLIED WHEN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS | 21 |
| 1. Basis for preparation of interim condensed consolidated financial statements | 21 |
| 2. Compliance statement | 21 |
| 3. Significant accounting policies | 21 |
| 4. Functional currency and reporting currency | 21 |
| 5. Changes in estimates | 22 |
| 6. Professional judgement | 22 |
| 7. Seasonal nature of business | 23 |
| 8. Changes in the presentation principles applied | 24 |
| 9. Changes in the accounting principles applied | 24 |
| 10. Corrections of material errors | 24 |
| VIII. INFORMATION ON OPERATING SEGMENTS | 25 |
| IX. INFORMATION ON GEOGRAPHICAL STRUCTURE OF FINANCIAL RESULTS | 30 |
| X. SUMMARY AND ANALYSIS OF FINANCIAL RESULTS OF THE ASSECO SOUTH EASTERN EUROPE GROUP | 32 |
| XI. EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS | 34 |
| 1. Breakdown of sales revenues | 34 |
| 2. Breakdown of operating costs | 34 |
| 3. Financial income and expenses | 35 |
| 4. Earnings per share | 36 |
| 5. Information on dividends paid out or declared | 37 |
| 6. Property, plant and equipment, and intangible assets | 37 |
| 7. Goodwill arising from consolidation | 38 |
| 8. Short-term receivables | 40 |
| 9. Financial assets held to maturity | 42 |
| 10. Cash and short-term deposits | 42 |
| 11. Deferred expenses | 43 |
| 12. Share capital | 44 |
| 13. Long-term and short-term financial liabilities | 45 |
| 14. Interest-bearing bank loans and borrowings | 47 |
| 15. Short-term trade accounts payable and other liabilities | 50 |

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| 16. Accrued expenses and deferred income | 50 |
| 17. Changes in provisions and revaluation write-downs on assets..... | 51 |
| 18. Employment..... | 52 |
| 19. Contingent liabilities and receivables | 53 |
| 20. Capital expenditures..... | 54 |
| 21. Issuance, redemption and repayment of non-equity and equity securities | 54 |
| XII. RELATED PARTY TRANSACTIONS | 55 |
| XIII. INFORMATION ON PENDING LEGAL PROCEEDINGS CONCERNING LIABILITIES OR RECEIVABLES OF ASSECO SOUTH EASTERN EUROPE S.A. OR ITS SUBSIDIARY COMPANIES | 55 |
| XIV. OPINION OF THE MANAGEMENT BOARD ON FEASIBILITY OF MEETING THE PREVIOUSLY PUBLISHED FINANCIAL FORECASTS | 55 |
| XV. INFORMATION ON BANK LOAN SURETIES OR GUARANTEES EXTENDED BY THE ISSUER..... | 56 |
| XVI. OTHER FACTORS SIGNIFICANT FOR THE ASSESSMENT OF HUMAN RESOURCES, ASSETS, AND FINANCIAL POSITION | 56 |
| 1. Issuer's development policy | 56 |
| 2. Factors influencing the Group's financial results | 57 |
| 3. Non-recurring events with impact on our financial performance | 57 |
| 4. Significant events during the period reported | 57 |
| 5. Significant agreements concluded by the Group..... | 57 |
| XVII. FACTORS THAT IN THE MANAGEMENT'S OPINION MAY AFFECT THE GROUP'S FINANCIAL PERFORMANCE AT LEAST TILL THE NEXT QUARTER END..... | 58 |
| XVIII. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE..... | 59 |
| XIX. SIGNIFICANT EVENTS RELATED TO PRIOR YEARS..... | 59 |
| ASSECO SOUTH EASTERN EUROPE S.A. STANDALONE FINANCIAL DATA FOR THE 3 RD QUARTER OF 2012..... | 60 |

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
OF THE ASSECO SOUTH EASTERN EUROPE GROUP
FOR THE 3RD QUARTER OF 2012**

These interim condensed consolidated financial statements were approved for publication by the Management Board of Asseco South Eastern Europe S.A.

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

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

| | Note | 3 months ended 30 Sept. 2012 (unaudited) | 9 months ended 30 Sept. 2012 (unaudited) | 3 months ended 30 Sept. 2011 (unaudited) | 9 months ended 30 Sept. 2011 (unaudited) |
|---------------------------------------------------------|----------|------------------------------------------------------|------------------------------------------------------|---------------------------------------------------|------------------------------------------------------|
| Sales revenues | <u>1</u> | 103,369 | 325,143 | 116,146 | 315,568 |
| Cost of sales (-) | <u>2</u> | (75,753) | (237,904) | (85,476) | (233,518) |
| Gross profit on sales | | 27,616 | 87,239 | 30,670 | 82,050 |
| Selling expenses (-) | <u>2</u> | (8,849) | (27,625) | (7,813) | (22,626) |
| General administrative expenses (-) | <u>2</u> | (7,943) | (24,312) | (7,839) | (23,013) |
| Net profit on sales | | 10,824 | 35,302 | 15,018 | 36,411 |
| Other operating income | | 1,462 | 2,072 | 162 | 560 |
| Other operating expenses (-) | | (429) | (1,051) | (225) | (861) |
| Operating profit | | 11,857 | 36,323 | 14,955 | 36,110 |
| Financial income | <u>3</u> | 1,370 | 4,432 | 1,520 | 7,526 |
| Financial expenses (-) | <u>3</u> | (1,614) | (2,672) | (1,087) | (2,198) |
| Pre-tax profit | | 11,613 | 38,083 | 15,388 | 41,438 |
| Corporate income tax (current and deferred tax expense) | | (635) | (3,475) | (2,136) | (5,093) |
| Net profit for the period reported | | 10,978 | 34,608 | 13,252 | 36,345 |
| Attributable to: | | | | | |
| Shareholders of the Parent Company | | 10,965 | 34,669 | 13,260 | 36,423 |
| Non-controlling shareholders | | 13 | (61) | (8) | (78) |

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

| | | | | | |
|--------------------------------------------------------------------------------------------|----------|------|------|------|------|
| Basic consolidated earnings per share from continuing operations for the period reported | <u>4</u> | 0.21 | 0.67 | 0.26 | 0.71 |
| Diluted consolidated earnings per share from continuing operations for the period reported | <u>4</u> | 0.21 | 0.67 | 0.26 | 0.71 |

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

| | 3 months ended 30 Sept. 2012 (unaudited) | 9 months ended 30 Sept. 2012 (unaudited) | 3 months ended 30 Sept. 20 11 (unaudited) | 9 months ended 30 Sept. 2011 (unaudited) |
|------------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------|
| Net profit for the period reported | 10,978 | 34,608 | 13,252 | 36,345 |
| Other comprehensive income: | | | | |
| Hedges of cash flows | - | - | - | 241 |
| Foreign currency translation differences on subsidiary companies | (18,717) | (67,170) | 56,250 | 60,080 |
| Total other comprehensive income | (18,717) | (67,170) | 56,250 | 60,321 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD REPORTED | (7,739) | (32,562) | 69,502 | 96,666 |
| Attributable to: | | | | |
| Shareholders of the Parent Company | (7,750) | (32,502) | 69,510 | 96,744 |
| Non-controlling shareholders | 11 | (60) | (8) | (78) |

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

| ASSETS | Note | 30 Sept. 2012 | 30 June 2012 | 31 Dec. 2011 | 30 Sept. 2011 |
|---------------------------------------------------------------|-----------|------------------|-----------------|-----------------|------------------|
| | | (unaudited) | (unaudited) | (audited) | (unaudited) |
| Non-current assets | | 538,987 | 524,751 | 560,893 | 556,741 |
| Property, plant and equipment | <u>6</u> | 19,922 | 20,899 | 20,326 | 19,275 |
| Investment property | | 811 | 833 | 894 | 891 |
| Intangible assets | <u>6</u> | 24,683 | 13,526 | 12,129 | 10,044 |
| Goodwill arising from consolidation | <u>7</u> | 489,805 | 486,060 | 523,149 | 523,122 |
| Investments in subsidiary companies | | 10 | 10 | 12 | 12 |
| Financial assets available for sale | | 122 | 124 | 43 | 50 |
| Long-term loans | | 247 | 253 | 462 | 485 |
| Long-term receivables | | 295 | 392 | 420 | 607 |
| Deferred income tax assets | | 2,029 | 1,981 | 2,147 | 1,941 |
| Long-term deferred expenses | | 1,063 | 673 | 1,311 | 314 |
| Current assets | | 212,003 | 278,828 | 260,123 | 231,636 |
| Inventories | | 23,983 | 25,476 | 13,079 | 15,386 |
| Deferred expenses | <u>11</u> | 8,185 | 8,977 | 5,887 | 6,858 |
| Trade accounts receivable | <u>8</u> | 67,836 | 69,444 | 85,742 | 70,357 |
| Corporate income tax recoverable | <u>8</u> | 1,653 | 1,462 | 1,451 | 1,254 |
| Other receivables from the State budget | <u>8</u> | 2,360 | 2,060 | 796 | 611 |
| Receivables arising from valuation of IT contracts | | 17,680 | 22,226 | 27,546 | 34,919 |
| Other receivables | <u>8</u> | 14,343 | 17,131 | 7,495 | 9,221 |
| Financial assets available for sale | | 25 | 26 | 28 | 26 |
| Financial assets held to maturity | <u>9</u> | 12,191 | 17,118 | 4,586 | 3,113 |
| Financial assets carried at fair value through profit or loss | | - | 168 | 10,263 | 5,649 |
| Short-term loans | | 788 | 27 | 28 | 537 |
| Cash and short-term deposits | <u>10</u> | 62,959 | 114,713 | 103,222 | 83,705 |
| TOTAL ASSETS | | 750,990 | 803,579 | 821,016 | 788,377 |

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

| SHAREHOLDERS' EQUITY AND LIABILITIES | Note | 30 Sept. 2012 | 30 June 2012 | 31 Dec. 2011 | 30 Sept. 2011 |
|----------------------------------------------------------------------------------|-----------|------------------|-----------------|-----------------|------------------|
| | | (unaudited) | (unaudited) | (audited) | (unaudited) |
| Shareholders' equity (attributable to Shareholders of the Parent Company) | | 654,627 | 662,377 | 705,811 | 689,690 |
| Share capital | <u>12</u> | 518,942 | 518,942 | 518,942 | 518,942 |
| Share premium | | 38,825 | 38,825 | 38,825 | 38,825 |
| Foreign currency translation differences on subsidiary companies | | (58,592) | (39,877) | 8,579 | 10,795 |
| Prior years' retained earnings (deficit) and current net profit | | 155,452 | 144,487 | 139,465 | 121,128 |
| Non-controlling interests | | 174 | - | - | - |
| Total shareholders' equity | | 654,801 | 662,377 | 705,811 | 689,690 |
| Non-current liabilities | | 6,349 | 5,569 | 6,011 | 5,155 |
| Interest-bearing bank loans and borrowings | <u>14</u> | 144 | - | 46 | 47 |
| Deferred income tax provisions | | 2,790 | 3,078 | 3,052 | 2,504 |
| Long-term provisions | | 661 | 368 | 646 | 433 |
| Long-term financial liabilities | <u>13</u> | 1,292 | 1,447 | 1,694 | 1,837 |
| Long-term deferred income | | 1,376 | 591 | 534 | 19 |
| Other long-term liabilities | | 86 | 85 | 39 | 315 |
| Current liabilities | | 89,840 | 135,633 | 109,194 | 93,532 |
| Interest-bearing bank loans and borrowings | <u>14</u> | 352 | 492 | 590 | 738 |
| Trade accounts payable | <u>15</u> | 25,628 | 47,052 | 37,765 | 26,640 |
| Corporate income tax payable | <u>15</u> | 719 | 876 | 736 | 1,030 |
| Other liabilities to the State budget | <u>15</u> | 7,465 | 9,653 | 12,474 | 7,139 |
| Financial liabilities | <u>13</u> | 2,560 | 20,265 | 2,120 | 2,312 |
| Liabilities arising from valuation of IT contracts | | 3,464 | 1,024 | 1,049 | 2,188 |
| Other liabilities | <u>15</u> | 22,021 | 28,301 | 26,687 | 24,832 |
| Short-term provisions | | 4,217 | 4,917 | 6,248 | 5,046 |
| Deferred income | <u>16</u> | 6,764 | 8,667 | 9,360 | 7,393 |
| Accrued expenses | <u>16</u> | 16,650 | 14,386 | 12,165 | 16,214 |
| TOTAL LIABILITIES | | 96,189 | 141,202 | 115,205 | 98,687 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | 750,990 | 803,579 | 821,016 | 788,377 |

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

For 9 months ended 30 September 2012

| | Note | Share capital | Share premium | 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 2012 | | 518,942 | 38,825 | - | 8,579 | 139,465 | 705,811 | - | 705,811 |
| Net profit (loss) for the period reported | | - | - | - | - | 34,669 | 34,669 | (61) | 34,608 |
| Other comprehensive income | | - | - | - | (67,171) | - | (67,171) | 1 | (67,170) |
| Total comprehensive income for the period reported | | - | - | - | (67,171) | 34,669 | (32,502) | (60) | (32,562) |
| Changes in the Group structure, of which: | | - | - | - | - | - | - | 159 | 159 |
| <i>Acquisition of shares in a subsidiary</i> | | - | - | - | - | - | - | 159 | 159 |
| Recognition of profit attributable to non-controlling interests | | - | - | - | - | - | - | 75 | 75 |
| Dividend | | - | - | - | - | (18,682) | (18,682) | - | (18,682) |
| As at 30 September 2012 (unaudited) | 12 | 518,942 | 38,825 | - | (58,592) | 155,452 | 654,627 | 174 | 654,801 |

For 9 months ended 30 September 2011

| | Note | Share capital | Share premium | Revaluation capital | Foreign currency translation differences on subsidiary companies | Prior years' retained earnings (deficit) and current net profit | Shareholders' equity attributable to Shareholders of the Parent Company | Non-controlling interests | Total shareholders' equity |
|-----------------------------------------------------------------|-----------|----------------|---------------|---------------------|------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------------|---------------------------|----------------------------|
| As at 1 January 2011 | | 509,921 | 38,825 | (241) | (49,285) | 98,044 | 597,264 | - | 597,264 |
| Net profit (loss) for the period reported | | - | - | - | - | 36,423 | 36,423 | (78) | 36,345 |
| Other comprehensive income | | - | - | 241 | 60,080 | - | 60,321 | - | 60,321 |
| Total comprehensive income for the period reported | | - | - | 241 | 60,080 | 36,423 | 96,744 | (78) | 96,666 |
| Changes in the Group structure, of which: | | - | - | - | - | (81) | (81) | - | (81) |
| <i>Acquisition of non-controlling interests</i> | | - | - | - | - | (81) | (81) | - | (81) |
| Recognition of profit attributable to non-controlling interests | | - | - | - | - | - | - | 78 | 78 |
| Issuance of series T shares | | 9,021 | - | - | - | - | 9,021 | - | 9,021 |
| Dividend | | - | - | - | - | (13,258) | (13,258) | - | (13,258) |
| As at 30 September 2011 (unaudited) | 12 | 518,942 | 38,825 | - | 10,795 | 121,128 | 689,690 | - | 689,690 |

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

For 12 months ended 31 December 2011

| | Note | Share capital | Share premium | Revaluation capital | Foreign currency translation differences on subsidiary companies | Prior years' retained earnings (deficit) and current net profit | Shareholders' equity attributable to Shareholders of the Parent Company | Non-controlling interests | Total shareholders' equity |
|-----------------------------------------------------------------|-----------|----------------|---------------|---------------------|------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------------|---------------------------|----------------------------|
| As at 1 January 2011 | | 509,921 | 38,825 | (241) | (49,285) | 98,044 | 597,264 | - | 597,264 |
| Net profit (loss) for the period reported | | - | - | - | - | 54,764 | 54,764 | (111) | 54,653 |
| Other comprehensive income | | - | - | 241 | 57,864 | - | 58,105 | - | 58,105 |
| Total comprehensive income for the period reported | | - | - | 241 | 57,864 | 54,764 | 112,869 | (111) | 112,758 |
| Changes in the Group structure, of which: | | - | - | - | - | (85) | (85) | - | (85) |
| <i>Acquisition of non-controlling interests</i> | | - | - | - | - | <i>(85)</i> | <i>(85)</i> | - | <i>(85)</i> |
| Recognition of profit attributable to non-controlling interests | | - | - | - | - | - | - | 111 | 111 |
| Issuance of series T shares | | 9,021 | - | - | - | - | 9,021 | - | 9,021 |
| Dividend | | - | - | - | - | (13,258) | (13,258) | - | (13,258) |
| As at 31 December 2011 (audited) | 12 | 518,942 | 38,825 | - | 8,579 | 139,465 | 705,811 | - | 705,811 |

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

| Note | 9 months ended 30 Sept. 2012 (unaudited) | 9 months ended 30 Sept. 2011 (unaudited) |
|------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Cash flows - operating activities | | |
| Pre-tax profit | 38,083 | 41,438 |
| Total adjustments: | (6,831) | (22,372) |
| Depreciation and amortization | 7,736 | 6,273 |
| Change in inventories | (12,719) | 57 |
| Change in receivables | 24,187 | (3,056) |
| Change in liabilities | (21,576) | (23,833) |
| Change in deferred and accrued expenses | (1,350) | 528 |
| Change in provisions | (2,026) | (304) |
| Interest income and expense | (1,204) | (1,532) |
| Gain (loss) on foreign exchange differences | 885 | (462) |
| Gain (loss) on investing activities | (1,037) | (100) |
| Other | 273 | 57 |
| Net cash generated from operating activities | 31,252 | 19,066 |
| Corporate income tax paid | (3,894) | (4,577) |
| Net cash provided by (used in) operating activities | 27,358 | 14,489 |
| Cash flows - investing activities | | |
| Disposal of property, plant and equipment and intangible assets | 548 | 603 |
| Acquisition of property, plant and equipment and intangible assets | (9,570) | (6,514) |
| Expenditures for development projects | (5,277) | (1,744) |
| Acquisition of subsidiary companies | (28,943) | (5,635) |
| Cash and cash equivalents of subsidiary companies acquired | 14 | - |
| Disposal of financial assets carried at fair value through profit or loss | 10,463 | - |
| Acquisition of financial assets carried at fair value through profit or loss | (163) | (5,544) |
| Disposal of financial assets held to maturity | 8,798 | - |
| Acquisition of financial assets held to maturity | (16,816) | (2,600) |
| Loans granted | (1,043) | (719) |
| Loans collected | 488 | 274 |
| Interest received | 1,335 | 1,866 |
| Other | 18 | (12) |
| Net cash provided by (used in) investing activities | (40,148) | (20,025) |

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

| | 9 months ended 30 Sept. 2012 (unaudited) | 9 months ended 30 Sept. 2011 (unaudited) |
|------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Cash flows - financing activities | | |
| Proceeds from bank loans and borrowings | 297 | - |
| Repayment of bank loans and borrowings | (779) | (1,910) |
| Finance lease commitments paid | (352) | (262) |
| Dividends paid out to shareholders of the Parent Company | (18,682) | (13,258) |
| Dividends paid out to former shareholders of subsidiaries | - | (2,084) |
| Acquisition of non-controlling interests | - | (870) |
| Interest paid | (132) | (332) |
| Other | 2 | (58) |
| Net cash provided by (used in) financing activities | (19,646) | (18,774) |
| Net increase (decrease) in cash and cash equivalents | (32,436) | (24,310) |
| Net foreign exchange differences | (7,654) | 7,039 |
| Cash and cash equivalents as at 1 January | 103,042 | 100,976 |
| Cash and cash equivalents as at 30 September | <u>10</u> 62,952 | 83,705 |

SUPPLEMENTARY INFORMATION AND EXPLANATORY NOTES

I. GENERAL INFORMATION

The Asseco South Eastern Europe Group (the "Group") is comprised of Asseco South Eastern Europe S.A. (the "Parent Company", "ASEE S.A.", "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.

ASEE 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:

- Activities of head offices and holdings;
- Computer programming activities;
- Computer consultancy activities;
- Computer facilities management activities;
- Other information technology and computer service activities;
- Data processing, hosting activities;
- Web portals and call center activities;
- Research and experimental development on natural sciences and engineering;
- Reproduction of recorded media;
- Wholesale of computers, computer peripheral equipment and software;
- Wholesale of electronic and telecommunications equipment;
- Retail sale of computers, peripheral units and software;
- Accounting, book-keeping and tax consultancy;
- Business and other management consultancy activities.

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

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

These interim condensed consolidated financial statements cover the interim period ended 30 September 2012 and contain comparative data for the interim period ended 30 September 2011 in case of the statement of comprehensive income, statement of changes in equity and statement of cash flows; and comparative data as at 30 June 2012, 31 December 2011 and 30 September 2011 in case of the balance sheet.

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

These interim consolidated financial statements were approved for publication by the Management Board of ASEE S.A. on 24 October 2012.

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

Both as at 30 September 2012 and as the publication of this report, i.e. on 24 October 2012, the Company's Management Board and Supervisory Board were composed of the following persons:

| Supervisory Board | Management Board |
|-----------------------|------------------|
| Adam Góral | Piotr Jeleński |
| Jacek Duch | Hatice Ayas |
| Jan Dauman | Calin Barseti |
| Andrzej Mauberg | Miljan Mališ |
| Mihail Petreski | Miodrag Mirčetić |
| Przemysław Sęczkowski | Dražen Pehar |
| Gabriela Żukowicz | Marcin Rulnicki |

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

III. MAJOR SHAREHOLDERS

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

To the best knowledge of the Management Board of ASEE S.A., as at 30 September 2012 as well as at the publication of this report, i.e. on 24 October 2012, and on 31 December 2011, the shareholders who either directly or through their subsidiaries held at least 5% of the total number of votes at the General Meeting of Shareholders were as follows:

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

As at 30 September 2012 and on the date of publication of these financial statements, the share capital of ASEE S.A. amounted to PLN 518,942,510 and it was divided into 51,894,251 ordinary shares with a par value of PLN 10.00 each, which entitled to 51,894,251 votes at the Company's General Meeting of Shareholders.

To the best knowledge of the Management Board of Asseco South Eastern Europe S.A., in the period of 9 months ended 30 September 2012 the Company's shareholders structure remained unchanged.

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

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

| Supervisory Board Members | Number of shares held as at | | | |
|-------------------------------|-----------------------------|---------------|----------------|--------------|
| | 24 October 2012 | 30 Sept. 2012 | 10 August 2012 | 31 Dec. 2011 |
| Adam Góral ¹⁾ | - | - | - | - |
| Jacek Duch | - | - | - | - |
| Jan Dauman | - | - | - | - |
| Andrzej Mauberg | - | - | - | - |
| Mihail Petreski ²⁾ | - | - | - | - |
| Przemysław Sęczkowski | - | - | - | - |
| Gabriela Żukowicz | 150 | 150 | 150 | 150 |

| Management Members | Board | Number of shares held as at | | | |
|--------------------------------|-------|-----------------------------|---------------|----------------|--------------|
| | | 24 October 2012 | 30 Sept. 2012 | 10 August 2012 | 31 Dec. 2011 |
| Piotr Jeleński | | 550 | 550 | 550 | 550 |
| Hatice Ayas | | - | - | - | 21,364 |
| Calin Barseti | | - | - | - | - |
| Miljan Mališ ³⁾ | | - | - | - | - |
| Miodrag Mirčetić ⁴⁾ | | - | - | - | - |
| Dražen Pehar | | 949,900 | 949,900 | 949,900 | 949,900 |
| Marcin Rulnicki ⁵⁾ | | - | - | - | n/a |
| Rafał Kozłowski ⁶⁾ | | n/a | n/a | n/a | 150 |

¹⁾ Adam Góral, Member of the Supervisory Board of ASEE S.A. and a shareholder in Asseco Poland S.A. which in turn is a shareholder in ASEE S.A.; as at 30 September 2012 Asseco Poland S.A. held 26,494,676 shares in ASEE S.A.

²⁾ Mihail Petreski, Member of the Supervisory Board of ASEE S.A. and a shareholder in the company Liatrix d.o.o. which in turn is a shareholder in ASEE S.A.; as at 30 September 2012 Liatrix d.o.o. held 3,838,683 shares in ASEE S.A.

³⁾ Miljan Mališ, Member of the Management Board of ASEE S.A. and a shareholder in the company Mini Invest d.o.o. which in turn is a shareholder in ASEE S.A.; as at 30 September 2012 Mini Invest d.o.o. held 835,597 shares in ASEE S.A.

⁴⁾ Miodrag Mirčetić, Member of the Management Board of ASEE S.A. and a shareholder in the company I4-INVENTION d.o.o. which in turn is a shareholder in ASEE S.A.; as at 30 September 2012 I4-INVENTION d.o.o. held 1,772,971 shares in ASEE S.A.

⁵⁾ Marcin Rulnicki was appointed as Member of the Management Board on 24 May 2012.

⁶⁾ Rafał Kozłowski resigned from the position of Vice President of the Management Board of ASEE S.A. as of 1 June 2012.

V. ORGANIZATIONAL STRUCTURE OF THE ASSECO SOUTH EASTERN EUROPE GROUP

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

The table below presents the structure of the Asseco South Eastern Europe Group along with equity interests and voting interests at the general meetings of shareholders/partners as at 30 September 2012:

| Full name of entity | Short name as used in this report | Country of registration | Equity / Voting interest | |
|--------------------------------------------------------------|-----------------------------------|-------------------------|--------------------------|--------------|
| | | | 30 Sept. 2012 | 31 Dec. 2011 |
| Asseco South Eastern Europe S.A. | ASEE S.A. | Poland | | |
| Asseco SEE s.r.l. (Bucharest) | ASEE Romania | Romania | 100.00% | 100.00% |
| Asseco s.r.l. MOLDOVA | ASEE Moldova | Moldova | 100.00% | 100.00% |
| Asseco SEE d.o.o., Beograd | ASEE Serbia | Serbia | 100.00% | 100.00% |
| E-Mon d.o.o., Podgorica | E-Mon, Montenegro | Montenegro | 50.00% | 50.00% |
| eMS d.o.o., Beograd | eMS, Serbia | Serbia | 100.00% | 100.00% |
| Asseco SEE d.o.o., Podgorica | ASEE Montenegro | Montenegro | 100.00% | 100.00% |
| Asseco SEE d.o.o. (Grosuplje) ¹⁾ | ASEE Slovenia | Slovenia | - | 50.00% |
| Multicard d.o.o., Beograd | Multicard, Serbia | Serbia | 45.00% | 45.00% |
| Asseco SEE d.o.o. (Zagreb) | ASEE Croatia | Croatia | 100.00% | 100.00% |
| BDS-Platus d.o.o. | BDS-Platus, Croatia | Croatia | 100.00% | 100.00% |
| Asseco SEE Sh.p.k. (Pristina) | ASEE Kosovo | Kosovo | 100.00% | 100.00% |
| Asseco SEE Sh.p.k., Tirana | ASEE Albania | Albania | 100.00% | 100.00% |
| Asseco SEE Teknoloji A.Ş. (Istanbul) | ASEE Turkey | Turkey | 100.00% | 100.00% |
| SC I.T.D Romania s.r.l. | SC I.T.D Romania | Romania | 95.38% | 95.38% |
| Sigma Danışmanlık ve Uygulama Merkezi A.Ş. (Istanbul) | Sigma, Turkey | Turkey | 12.00% | n/a |
| Sigma Danışmanlık ve Uygulama Merkezi A.Ş. (Istanbul) | Sigma, Turkey | Turkey | 86.68% | n/a |
| Asseco SEE d.o.o. (Grosuplje) ¹⁾ | ASEE Slovenia | Slovenia | 100.00% | 50.00% |
| Asseco SEE DOOEL, Skopje ⁴⁾ | ASEE Macedonia | Macedonia | 100.00% | - |
| Asseco SEE d.o.o. (Sarajevo) ^{4,5)} | ASEE B&H (Sarajevo) | Bosnia and Herzegovina | 100.00% | 50.00% |
| Asseco SEE d.o.o., Banja Luka ^{4,5)} | ASEE B&H (Banja Luka) | Bosnia and Herzegovina | - | - |
| Asseco SEE o.o.d., Sofia ²⁾ | ASEE Bulgaria | Bulgaria | - | 100.00% |
| Altius Bulgaria EOOD, (Sofia) ²⁾ | Altius, Bulgaria | Bulgaria | - | 100.00% |
| ITD Polska Sp. z o.o. (Warsaw) ³⁾ | ITD Poland | Poland | - | 100.00% |
| Asseco SEE DOOEL, Skopje | ASEE Macedonia | Macedonia | - | 100.00% |
| Asseco SEE d.o.o. (Sarajevo) | ASEE B&H (Sarajevo) | Bosnia and Herzegovina | - | 50.00% |
| Asseco SEE d.o.o., Banja Luka | ASEE B&H (Banja Luka) | Bosnia and Herzegovina | - | 100.00% |

- 1) On 18 April 2012, ASEE S.A. acquired a 50% stake in ASEE Slovenia from ASEE Serbia. Following this transaction, ASEE S.A. has become a direct owner of 100% of shares in ASEE Slovenia.
- 2) On 10 February 2012, there was registered a merger of ASEE Bulgaria (the taking-over company) with Altius, Bulgaria (the acquired company).
- 3) On 1 June 2012, there was registered a merger of ASEE S.A. (the taking-over company) with ITD Poland (the acquired company).
- 4) As a result of the merger, ASEE S.A. has become a direct owner of 100% of shares in the following companies: ASEE Macedonia, ASEE B&H (Sarajevo), and ASEE B&H (Banja Luka).
- 5) On 19 July 2012, there was registered a merger of ASEE B&H (Sarajevo) (the taking-over company) with ASEE B&H (Banja Luka) (the acquired company).

The parent of Asseco South Eastern Europe S.A. is Asseco Poland S.A. (the higher-level parent company). As at 30 September 2012, Asseco Poland S.A. held a 51.06% stake in the share capital of ASEE S.A.

Within the Group's organizational structure, the company of E-Mon, Montenegro is treated as a jointly controlled company and therefore 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, Serbia under which ASEE Serbia is entitled to buy out the remaining non-controlling interests, the company of Multicard, Serbia is treated as a subsidiary and is subject to full consolidation.

Both as at 30 September 2012 and 31 December 2011, voting interests the Group was entitled to exercise in its subsidiary companies were proportional to the Group's equity interests in these entities.

VI. EFFECTS OF CHANGES IN THE ORGANIZATIONAL STRUCTURE

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

During the period of 3 months ended 30 September 2012, the following changes in the Group composition were observed:

▣ Merger of subsidiary ASEE B&H (Sarajevo) and ASEE B&H (Banja Luka)

On 19 July 2012, there was registered a merger between our two subsidiary companies seated in Bosnia and Herzegovina, namely ASEE B&H (Sarajevo) and ASEE B&H (Banja Luka). The merger was executed by transferring all the assets of ASEE B&H (Banja Luka) to ASEE B&H (Sarajevo). As a consequence of the merger, ASEE B&H (Banja Luka) was deleted from the commercial register and all of its rights and obligations were taken over by ASEE B&H (Sarajevo). This merger had no impact on the consolidated financial statements of the Group.

▣ Acquisition of shares in Sigma Danışmanlık ve Uygulama Merkezi A.Ş., Istanbul

On 14 September 2012, the ASEE Group acquired a 98.68% stake in the company Sigma Danışmanlık ve Uygulama Merkezi A.Ş. seated in Istanbul. The shares in SIGMA were purchased for USD 9.1 million paid in cash; whereas, 86.68% of shares were acquired directly by ASEE S.A. and the remaining 12% stake was purchased by our subsidiary ASEE Turkey. The whole acquisition of Sigma was financed with own funds of the ASEE Group.

SIGMA offers solutions for enterprise asset management, product and asset management at leasing companies and financial institutions, as well as applications supporting process and content management primarily in the areas of financial services, telecommunications and public administration.

VII. 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 financial instruments and assets that are carried at fair value through profit or loss.

The presentation currency of these interim condensed consolidated financial statements is Polish 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 its 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. Significant accounting policies

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 2011, which were published on 23 February 2012 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 2011.

The accounting principles (policy) adopted for drawing up this report are coherent with those applied for preparation of the Group's consolidated financial statements for the year ended 31 December 2011, except for applying the amendments to standards and new interpretations effective for annual periods beginning on or after 1 January 2012.

4. Functional currency and reporting currency

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

Separate and consolidated financial statements of the Group companies are drawn up in the functional currencies of their primary business environments. The functional currencies of direct subsidiaries of ASEE S.A. include the Romanian leu (RON), Croatian kuna (HRK),

Serbian dinar (RDS), Macedonian denar (MKD), euro (EUR), Turkish lira (TRY), Bulgarian lev (BGN), Bosnia and Herzegovina convertible mark (BAM), and Polish zloty (PLN).

5. Changes in estimates

In the period of 3 months ended 30 September 2012, the Company's approach to making estimates was not subject to any substantial changes.

6. Professional judgement

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

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

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

The Group executes a number of contracts for construction and implementation of information technology systems. The contractual cash flows are denominated in foreign currencies. Valuation of IT contracts requires that future operating cash flows are determined in order to arrive at the fair value of income and expenses and to provide the fair value of the embedded currency derivatives, as well as it requires measurement of the progress of contract execution. The percentage of contract completion shall be measured as the 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 September 2012, receivables arising from valuation of IT contracts amounted to PLN 17,680 thousand, while liabilities due to such valuation equalled PLN 3,464 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 2011 and 30 June 2012, the Management Board of the Parent Company performed an impairment test on goodwill arising from the acquisition of subsidiary companies. This task required making estimates of the recoverable value of cash-generating units to which goodwill is allocated. The recoverable value is estimated by determination of the future cash flows expected to be achieved from the cash-generating unit and determination of a discount rate to be subsequently used in order to calculate the net present value of those cash flows.

As at 30 September 2012, the Company verified its assumptions for the impairment test performed on goodwill as at 30 June 2012. In particular we checked whether the assumed financial results to be achieved in 2012 by individual cash-generating units are not materially different from their actual financial performance in the first 9 months of 2012, and whether internal or external factors did not cause a deterioration of the financial forecasts for the next years. Because no indications of impairment were detected in any of the analyzed cases, the Parent Company did not carry out any impairment test as at 30 September 2012. However, impairment testing will be performed as at 31 December 2012, even if there are no indications of impairment.

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

As at 30 September 2012, 30 June 2012, 31 December 2011 and 30 September 2011, the Group recognized liabilities by virtue of future payments to non-controlling shareholders in the company of Multicard, Serbia. As at 30 September 2012, such liabilities equalled PLN 1,145 thousand, as compared with PLN 1,136 thousand as at 30 June 2012, PLN 1,266 thousand as at 31 December 2011, and PLN 1,283 thousand as at 30 September 2011. Additionally, as at 30 September 2012, the Group disclosed liabilities by virtue of future payments for shares acquired in ASEE Bulgaria in the amount of PLN 633 thousand, as compared PLN 1,185 thousand as at 30 June 2012. As at 31 December 2011, liabilities by virtue of future payments for share purchases amounted to: PLN 85 thousand for shares in EST A.Ş. (presently ASEE Turkey), PLN 763 thousand for shares in ASEE Bulgaria, and PLN 355 thousand for shares in Altius, Bulgaria. Whereas, as at 30 September 2011, the Group recognized liabilities by virtue of future payments for shares acquired in the companies of EST A.Ş. amounting to PLN 22 thousand and ASEE Bulgaria amounting to PLN 1,266 thousand. Determination of the amounts payable under such liabilities required making estimates of the companies' financial results.

v. Deferred income tax assets and provisions

As at 30 September 2012, the Group recognized a deferred income tax asset in the amount of PLN 2,029 thousand and a deferred income tax provision of PLN 2,790 thousand. In the period of 9 months ended 30 September 2012, the balance of deferred income tax asset and provision changed by PLN 211 thousand, as compared with PLN -286 thousand in the corresponding period of 2011. In the period of 3 months ended 30 September 2012, the balance of deferred income tax asset and provision changed by PLN 520 thousand, as compared with PLN -398 thousand in the corresponding period of 2011.

The Parent Company did not recognize the entire balance of deferred income tax asset related to the prior years' losses. This deferred income tax asset was recognized to the extent it is probable that future taxable income will enable writing such unutilized losses off. As at 30 September 2012, the Parent Company's tax-deductible losses not accounted for in deferred income tax asset amounted to PLN 92,966 thousand.

Based on the current financial budget and applicable tax regulations, the Group's management believes that future utilization of deferred tax asset recognized on the consolidated financial statements in the amount of PLN 2,029 thousand is very likely.

vi. Fair value of financial assets and liabilities

Changes in the economic situation and business operating conditions, had no significant effect on the fair value of financial assets and financial liabilities of the Group, regardless of whether those assets and liabilities are carried at fair value or amortized cost.

7. Seasonal nature of business

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

8. Changes in the presentation principles applied

The Group has changed its approach to the presentation of some financial assets carried at fair value through profit or loss, which are now classified as assets available for sale. The classification has been changed due to extending the intended period over which such assets will be held. As at the moment of reclassification, the value of such financial assets was PLN 157 thousand. The Group has not implemented any other changes in the classification of financial assets as a result of changing their intended purpose or use.

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

9. Changes in the accounting principles applied

In the period reported the Group did not introduce any changes to the applied principles of accounting, except for adopting the amendments to standards and new interpretations effective for annual periods beginning on or after 1 January 2012.

Likewise, the Group has not changed the method for valuation of financial instruments measured at fair value.

10. Corrections of material errors

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

VIII. 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,
- b) Payment Solutions,
- c) Systems Integration.

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

Banking Solutions

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 provides IT systems enabling secure authentication of bank clients and system users, as well as e-banking solutions available on mobile phones. These solutions are marketed as an integral part of the core and multi-channel banking systems offered by the 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 that make 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.

Payment Solutions

This segment is engaged in the sale and maintenance of ATMs and POS terminals as well as in the provision of related support services. Furthermore, the 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

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.

| For 9 months ended 30 September 2012 and as at 30 September 2012 in PLN thousands (unaudited) | Banking Solutions (I) | Payment Solutions (II) | Total Banking Business (I-II) | Systems Integration (III) | Unallocated | Eliminations / Reconciliations | Total |
|-----------------------------------------------------------------------------------------------------|-----------------------------|------------------------------|-------------------------------------|---------------------------------|--------------|-----------------------------------|----------------|
| Sales revenues: | 96,252 | 83,044 | 179,296 | 164,619 | 4,079 | (22,851) | 325,143 |
| Sales to external customers | 84,414 | 80,852 | 165,266 | 159,877 | - | - | 325,143 |
| Inter/intra segment sales | 11,838 | 2,192 | 14,030 | 4,742 | 4,079 | (22,851) | - |
| Gross profit on sales | 29,949 | 27,361 | 57,310 | 29,929 | - | - | 87,239 |
| Selling expenses | (7,384) | (5,618) | (13,002) | (14,623) | - | - | (27,625) |
| General administrative expenses | (9,934) | (7,174) | (17,108) | (7,204) | - | - | (24,312) |
| Net profit on sales | 12,631 | 14,569 | 27,200 | 8,102 | - | - | 35,302 |
| Segment assets, of which: | 237,827 | 153,445 | 391,272 | 251,976 | 107,742 | - | 750,990 |
| goodwill arising from consolidation | 195,747 | 105,323 | 301,070 | 188,735 | - | - | 489,805 |
| property, plant and equipment | 4,714 | 9,395 | 14,109 | 5,452 | 361 | - | 19,922 |
| intangible assets | 13,577 | 7,403 | 20,980 | 3,403 | 300 | - | 24,683 |
| trade accounts receivable | 9,939 | 21,721 | 31,660 | 36,176 | - | - | 67,836 |
| receivables arising from valuation of IT contracts | 13,410 | - | 13,410 | 4,270 | - | - | 17,680 |
| inventories | 440 | 9,603 | 10,043 | 13,940 | - | - | 23,983 |
| other | - | - | - | - | 107,081 | - | 107,081 |
| Segment expenditures for tangible and intangible assets | (1,962) | (4,086) | (6,048) | (2,156) | (214) | - | (8,418) |

Assets that were not allocated to any operating segment as at 30 September 2012 included the following items: cash (PLN 62,959 thousand), receivables from the State budget (PLN 4,013 thousand) and other receivables (PLN 14,343 thousand), deferred income tax assets (PLN 2,029 thousand), and other assets (PLN 23,737 thousand). The analysis of segments does not include revenues from management services provided by the Parent Company to its subsidiaries (which are eliminated in the consolidation process) nor any of the other operating expenses and income, financial expenses and income, or income taxes.

| For 9 months ended 30 September 2012 in EUR thousands (unaudited) | Banking Solutions (I) | Payment Solutions (II) | Total Banking Business (I-II) | Systems Integration (III) | Unallocated | Eliminations / Reconciliations | Total |
|----------------------------------------------------------------------|-----------------------------|------------------------------|-------------------------------------|---------------------------------|-------------|-----------------------------------|---------------|
| Sales revenues: | 22,945 | 19,797 | 42,742 | 39,244 | 972 | (5,447) | 77,511 |
| Sales to external customers | 20,123 | 19,274 | 39,397 | 38,114 | - | - | 77,511 |
| Inter/intra segment sales | 2,822 | 523 | 3,345 | 1,130 | 972 | (5,447) | - |
| Gross profit on sales | 7,140 | 6,522 | 13,662 | 7,135 | - | - | 20,797 |
| Selling expenses | (1,760) | (1,339) | (3,099) | (3,487) | - | - | (6,586) |
| General administrative expenses | (2,368) | (1,710) | (4,078) | (1,717) | - | - | (5,795) |
| Net profit on sales | 3,012 | 3,473 | 6,485 | 1,931 | - | - | 8,416 |

| For 9 months ended 30 September 2011 and as at 30 September 2011, in PLN thousands (unaudited) | Banking Solutions (I) | Payment Solutions (II) | Total Banking Business (I-II) | Systems Integration (III) | Unallocated | Eliminations / Reconciliations | Total |
|------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------|-------------------------------------|---------------------------------|--------------|-----------------------------------|----------------|
| Sales revenues: | 89,357 | 71,535 | 160,892 | 166,788 | 2,575 | (14,687) | 315,568 |
| Sales to external customers | 81,095 | 70,652 | 151,747 | 163,821 | - | - | 315,568 |
| Inter/intra segment sales | 8,262 | 883 | 9,145 | 2,967 | 2,575 | (14,687) | - |
| Gross profit on sales | 29,463 | 22,312 | 51,775 | 30,275 | - | - | 82,050 |
| Selling expenses | (4,658) | (4,450) | (9,108) | (13,518) | - | - | (22,626) |
| General administrative expenses | (9,237) | (6,068) | (15,305) | (7,708) | - | - | (23,013) |
| Net profit on sales | 15,568 | 11,794 | 27,362 | 9,049 | - | - | 36,411 |
| Segment assets, of which: | 266,692 | 148,036 | 414,728 | 257,888 | 115,761 | - | 788,377 |
| <i>goodwill arising from consolidation</i> | 210,577 | 116,998 | 327,575 | 195,547 | - | - | 523,122 |
| <i>property, plant and equipment</i> | 4,766 | 8,583 | 13,349 | 5,694 | 232 | - | 19,275 |
| <i>intangible assets</i> | 6,936 | 2,375 | 9,311 | 478 | 255 | - | 10,044 |
| <i>trade accounts receivable</i> | 11,861 | 13,881 | 25,742 | 44,615 | - | - | 70,357 |
| <i>receivables arising from valuation of IT contracts</i> | 31,996 | 153 | 32,149 | 2,770 | - | - | 34,919 |
| <i>inventories</i> | 556 | 6,046 | 6,602 | 8,784 | - | - | 15,386 |
| <i>other</i> | - | - | - | - | 115,274 | - | 115,274 |
| Segment expenditures for tangible and intangible assets | (3,393) | (895) | (4,288) | (1,677) | (141) | - | (6,106) |

Assets that were not allocated to any operating segment as at 30 September 2011 included the following items: cash (PLN 83,705 thousand), receivables from the State budget (PLN 1,865 thousand) and other receivables (PLN 9,221 thousand), deferred income tax assets (PLN 1,941 thousand), and other assets (PLN 18,542 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 9 months ended 30 September 2011 in EUR thousands (unaudited) | Banking Solutions (I) | Payment Solutions (II) | Total Banking Business (I-II) | Systems Integration (III) | Unallocated | Eliminations / Reconciliations | Total |
|----------------------------------------------------------------------|-----------------------------|------------------------------|-------------------------------------|---------------------------------|-------------|-----------------------------------|---------------|
| Sales revenues: | 22,111 | 17,701 | 39,812 | 41,271 | 637 | (3,634) | 78,086 |
| Sales to external customers | 20,067 | 17,483 | 37,550 | 40,536 | - | - | 78,086 |
| Inter/intra segment sales | 2,044 | 218 | 2,262 | 735 | 637 | (3,634) | - |
| Gross profit on sales | 7,290 | 5,522 | 12,812 | 7,491 | - | - | 20,303 |
| Selling expenses | (1,153) | (1,101) | (2,254) | (3,345) | - | - | (5,599) |
| General administrative expenses | (2,286) | (1,501) | (3,787) | (1,907) | - | - | (5,694) |
| Net profit on sales | 3,851 | 2,920 | 6,771 | 2,239 | - | - | 9,010 |

| As at 31 December 2011 in PLN thousands (audited) | Banking Solutions (I) | Payment Solutions (II) | Total Banking Business (I-II) | Systems Integration (III) | Unallocated | Eliminations / Reconciliations | Total |
|----------------------------------------------------------------|--------------------------------------|---------------------------------------|----------------------------------------------|------------------------------------------|--------------------|-------------------------------------------|----------------|
| Segment assets, of which: | 266,439 | 154,344 | 420,783 | 260,611 | 139,622 | - | 821,016 |
| <i>goodwill arising from consolidation</i> | 209,686 | 118,141 | 327,827 | 195,322 | - | - | 523,149 |
| <i>property, plant and equipment</i> | 5,138 | 9,105 | 14,243 | 5,859 | 224 | - | 20,326 |
| <i>intangible assets</i> | 7,483 | 3,464 | 10,947 | 829 | 353 | - | 12,129 |
| <i>trade accounts receivable</i> | 20,313 | 15,979 | 36,292 | 49,450 | - | - | 85,742 |
| <i>receivables arising from valuation of IT contracts</i> | 23,370 | 1,433 | 24,803 | 2,743 | - | - | 27,546 |
| <i>inventories</i> | 449 | 6,222 | 6,671 | 6,408 | - | - | 13,079 |
| <i>other</i> | - | - | - | - | 139,045 | - | 139,045 |
| Segment expenditures for tangible and intangible assets | (2,720) | (4,400) | (7,120) | (2,603) | (251) | - | (9,974) |

Assets that were not allocated to any operating segment as at 31 December 2011 included the following items: cash (PLN 103,222 thousand), receivables from the State budget (PLN 2,247 thousand) and other receivables (PLN 7,495 thousand), deferred income tax assets (PLN 2,147 thousand), and other assets (PLN 23,934 thousand).

In the period of 9 months ended 30 September 2012, our **Banking Solutions segment** generated PLN 96,252 thousand in sales revenues, reflecting an 8% increase as compared to the corresponding period of 2011. Hence, the share of this segment in total sales increased by 2 percentage points. Whereas, its net profit on sales decreased by 19%, from PLN 15,568 thousand to PLN 12,631 thousand, basically due to a lower profit on sales of integrated banking systems in Romania as well as authentication and mobile solutions in Croatia.

Sales generated by the **Payment Solutions segment** in the period of 9 months ended 30 September 2012, increased to PLN 83,044 thousand or by 16% from the level of PLN 71,535 thousand reported a year ago. Hence, the sector's contribution to total sales increased by 3 percentage points. Whereas, its net profit on sales increased by 24%, from PLN 11,794 thousand to PLN 14,569 thousand, primarily owing to higher sales of internet payment gateways in Turkey as well as maintenance services for ATMs and POS terminals in Slovenia and Serbia.

In the period of 9 months ended 30 September 2012, our **Systems Integration segment** generated revenues of PLN 164,619 thousand, showing a slight 1% decline from the level of PLN 166,788 thousand reported for the corresponding period last year. The segment's net profit on sales decreased from PLN 9,049 thousand posted for the 3rd quarter of 2011 to PLN 8,102 thousand in the 3rd quarter of 2012, following weaker results in Romania, Croatia and Macedonia, which were partially offset by higher profits on sales in Serbia and Turkey.

Geographical breakdown of sales

During the period of 9 months ended 30 September 2012, the Group generated 28% of its sales revenues in Serbia, 23% in Romania, 13% in Macedonia, 12% in Croatia, and 9% in Turkey. The largest increases, in comparison to the 9-month period ended 30 September 2011, were recorded in Slovenia and Bulgaria, as a result of company acquisitions carried out in late 2011. Whereas, during the first 9 months of 2011, the Group generated 30% of its sales revenues in Romania, 25% in Serbia, 13% in Croatia, 12% in Macedonia, and 8% in Turkey. The above shares in total sales were determined taking into account the countries where particular revenue generating companies are seated.

IX. INFORMATION ON GEOGRAPHICAL STRUCTURE OF FINANCIAL RESULTS

| For 9 months ended 30 September 2012 in PLN thousands | Albania | Bosnia | Bulgaria | Croatia | Montenegro | Kosovo | Macedonia | Poland | Romania | Serbia | Slovenia | Turkey | Total |
|----------------------------------------------------------------------|----------------|---------------|-----------------|----------------|-------------------|---------------|------------------|---------------|----------------|---------------|-----------------|---------------|----------------|
| Sales revenues | 1,980 | 11,793 | 4,851 | 40,105 | 5,154 | 11,237 | 41,602 | 5,766 | 76,177 | 90,458 | 6,938 | 29,082 | 325,143 |
| Cost of sales | (1,404) | (7,613) | (4,194) | (29,372) | (3,545) | (9,700) | (33,611) | (3,892) | (60,706) | (63,455) | (5,205) | (15,207) | (237,904) |
| Gross profit on sales | 576 | 4,180 | 657 | 10,733 | 1,609 | 1,537 | 7,991 | 1,874 | 15,471 | 27,003 | 1,733 | 13,875 | 87,239 |
| Selling expenses | (146) | (490) | (134) | (5,932) | (355) | (651) | (2,178) | (512) | (6,568) | (7,175) | (230) | (3,254) | (27,625) |
| General administrative expenses | (290) | (1,131) | (278) | (3,490) | (216) | (789) | (2,443) | (736) | (4,133) | (6,718) | (491) | (3,597) | (24,312) |
| Net profit on sales | 140 | 2,559 | 245 | 1,311 | 1,038 | 97 | 3,370 | 626 | 4,770 | 13,110 | 1,012 | 7,024 | 35,302 |
| Other operating income | 7 | 229 | 43 | 316 | 5 | 44 | 190 | 1,164 | 11 | 23 | - | 40 | 2,072 |
| Other operating expenses | - | (237) | (9) | (73) | (11) | (54) | (70) | (34) | (130) | (320) | - | (113) | (1,051) |
| Operating profit | 147 | 2,551 | 279 | 1,554 | 1,032 | 87 | 3,490 | 1,756 | 4,651 | 12,813 | 1,012 | 6,951 | 36,323 |
| Financial income | - | 6 | 39 | 42 | 24 | 38 | 838 | 1,836 | 572 | 816 | - | 221 | 4,432 |
| Financial expenses | - | (41) | (37) | (60) | (2) | - | (1) | (1,612) | (321) | (66) | (59) | (473) | (2,672) |
| Pre-tax profit | 147 | 2,516 | 281 | 1,536 | 1,054 | 125 | 4,327 | 1,980 | 4,902 | 13,563 | 953 | 6,699 | 38,083 |
| Corporate income tax (current and deferred tax expense) | - | (250) | (24) | (353) | (95) | (8) | (430) | (215) | (670) | (1,362) | (172) | 104 | (3,475) |
| Net profit for the period reported | 147 | 2,266 | 257 | 1,183 | 959 | 117 | 3,897 | 1,765 | 4,232 | 12,201 | 781 | 6,803 | 34,608 |

| For 9 months ended 30 September 2012 in EUR thousands | Albania | Bosnia | Bulgaria | Croatia | Montenegro | Kosovo | Macedonia | Poland | Romania | Serbia | Slovenia | Turkey | Total |
|----------------------------------------------------------------------|----------------|---------------|-----------------|----------------|-------------------|---------------|------------------|---------------|----------------|---------------|-----------------|---------------|---------------|
| Sales revenues | 472 | 2,811 | 1,156 | 9,561 | 1,229 | 2,679 | 9,918 | 1,375 | 18,160 | 21,563 | 1,654 | 6,933 | 77,511 |
| Cost of sales | (335) | (1,815) | (1,000) | (7,002) | (845) | (2,312) | (8,013) | (928) | (14,472) | (15,126) | (1,241) | (3,625) | (56,714) |
| Gross profit on sales | 137 | 996 | 156 | 2,559 | 384 | 367 | 1,905 | 447 | 3,688 | 6,437 | 413 | 3,308 | 20,797 |
| Selling expenses | (35) | (117) | (32) | (1,414) | (85) | (155) | (519) | (122) | (1,566) | (1,710) | (55) | (776) | (6,586) |
| General administrative expenses | (69) | (270) | (66) | (832) | (52) | (188) | (582) | (175) | (985) | (1,602) | (117) | (857) | (5,795) |
| Net profit on sales | 33 | 609 | 58 | 313 | 247 | 24 | 804 | 150 | 1,137 | 3,125 | 241 | 1,675 | 8,416 |
| Other operating income | 2 | 55 | 10 | 75 | 1 | 11 | 45 | 277 | 3 | 5 | - | 10 | 494 |
| Other operating expenses | - | (56) | (2) | (17) | (3) | (13) | (17) | (8) | (31) | (77) | - | (27) | (251) |
| Operating profit | 35 | 608 | 66 | 371 | 245 | 22 | 832 | 419 | 1,109 | 3,053 | 241 | 1,658 | 8,659 |
| Financial income | - | 1 | 9 | 10 | 6 | 9 | 200 | 438 | 136 | 195 | - | 53 | 1,057 |
| Financial expenses | - | (10) | (9) | (14) | - | - | - | (384) | (77) | (16) | (14) | (113) | (637) |
| Pre-tax profit | 35 | 599 | 66 | 367 | 251 | 31 | 1,032 | 473 | 1,168 | 3,232 | 227 | 1,598 | 9,079 |
| Corporate income tax (current and deferred tax expense) | - | (60) | (6) | (84) | (23) | (2) | (103) | (51) | (160) | (324) | (41) | 25 | (829) |
| Net profit for the period reported | 35 | 539 | 60 | 283 | 228 | 29 | 929 | 422 | 1,008 | 2,908 | 186 | 1,623 | 8,250 |

| For 9 months ended 30 September 2011 | Albania | Bosnia | Bulgaria | Croatia | Montenegro | Kosovo | Macedonia | Poland | Romania | Serbia | Slovenia | Turkey | Total |
|-------------------------------------------------|----------------|---------------|-----------------|----------------|-------------------|---------------|------------------|---------------|----------------|---------------|-----------------|---------------|--------------|
|-------------------------------------------------|----------------|---------------|-----------------|----------------|-------------------|---------------|------------------|---------------|----------------|---------------|-----------------|---------------|--------------|

in PLN thousands

| | | | | | | | | | | | | | |
|---------------------------------------------------------|--------------|---------------|--------------|---------------|--------------|---------------|---------------|--------------|---------------|---------------|--------------|---------------|----------------|
| Sales revenues | 1,396 | 10,521 | 2,195 | 42,492 | 5,200 | 10,039 | 37,677 | 4,909 | 93,406 | 78,083 | 3,760 | 25,890 | 315,568 |
| Cost of sales | (1,075) | (6,761) | (1,374) | (30,794) | (3,919) | (7,894) | (28,474) | (3,025) | (73,896) | (56,646) | (3,283) | (16,377) | (233,518) |
| Gross profit on sales | 321 | 3,760 | 821 | 11,698 | 1,281 | 2,145 | 9,203 | 1,884 | 19,510 | 21,437 | 477 | 9,513 | 82,050 |
| Selling expenses | (172) | (645) | (155) | (3,240) | (14) | (661) | (1,909) | (553) | (6,928) | (5,490) | (51) | (2,808) | (22,626) |
| General administrative expenses | (111) | (1,089) | (179) | (3,492) | (143) | (758) | (2,722) | (589) | (4,401) | (6,438) | (215) | (2,876) | (23,013) |
| Net profit on sales | 38 | 2,026 | 487 | 4,966 | 1,124 | 726 | 4,572 | 742 | 8,181 | 9,509 | 211 | 3,829 | 36,411 |
| Other operating income | - | 58 | 23 | 108 | 4 | 65 | 195 | 2 | 19 | 41 | 2 | 43 | 560 |
| Other operating expenses | - | (93) | - | (104) | (21) | (24) | (159) | (9) | (2) | (214) | - | (235) | (861) |
| Operating profit | 38 | 1,991 | 510 | 4,970 | 1,107 | 767 | 4,608 | 735 | 8,198 | 9,336 | 213 | 3,637 | 36,110 |
| Financial income | 13 | 14 | - | 87 | 28 | 15 | 330 | 5,055 | 917 | 539 | 1 | 527 | 7,526 |
| Financial expenses | - | (26) | (2) | (26) | (9) | - | (67) | (1,038) | (119) | (877) | (1) | (33) | (2,198) |
| Pre-tax profit | 51 | 1,979 | 508 | 5,031 | 1,126 | 782 | 4,871 | 4,752 | 8,996 | 8,998 | 213 | 4,131 | 41,438 |
| Corporate income tax (current and deferred tax expense) | (5) | (138) | (35) | (976) | (101) | (80) | (536) | (167) | (1,497) | (962) | (43) | (553) | (5,093) |
| Net profit for the period reported | 46 | 1,841 | 473 | 4,055 | 1,025 | 702 | 4,335 | 4,585 | 7,499 | 8,036 | 170 | 3,578 | 36,345 |

For 9 months ended
30 September 2011
in EUR thousands

| | Albania | Bosnia | Bulgaria | Croatia | Montenegro | Kosovo | Macedonia | Poland | Romania | Serbia | Slovenia | Turkey | Total |
|---------------------------------------------------------|------------|--------------|------------|---------------|--------------|--------------|--------------|--------------|---------------|---------------|------------|--------------|---------------|
| Sales revenues | 345 | 2,603 | 543 | 10,514 | 1,287 | 2,484 | 9,323 | 1,215 | 23,113 | 19,323 | 930 | 6,406 | 78,086 |
| Cost of sales | (266) | (1,673) | (340) | (7,620) | (970) | (1,953) | (7,046) | (749) | (18,285) | (14,017) | (812) | (4,052) | (57,783) |
| Gross profit on sales | 79 | 930 | 203 | 2,894 | 317 | 531 | 2,277 | 466 | 4,828 | 5,306 | 118 | 2,354 | 20,303 |
| Selling expenses | (43) | (160) | (38) | (802) | (3) | (164) | (472) | (137) | (1,714) | (1,358) | (13) | (695) | (5,599) |
| General administrative expenses | (28) | (269) | (44) | (864) | (35) | (188) | (674) | (146) | (1,089) | (1,592) | (53) | (712) | (5,694) |
| Net profit on sales | 8 | 501 | 121 | 1,228 | 279 | 179 | 1,131 | 183 | 2,025 | 2,356 | 52 | 947 | 9,010 |
| Other operating income | - | 14 | 6 | 27 | 1 | 16 | 48 | - | 5 | 10 | - | 11 | 138 |
| Other operating expenses | - | (23) | - | (26) | (5) | (6) | (39) | (2) | - | (54) | - | (58) | (213) |
| Operating profit | 8 | 492 | 127 | 1,229 | 275 | 189 | 1,140 | 181 | 2,030 | 2,312 | 52 | 900 | 8,935 |
| Financial income | 3 | 3 | - | 22 | 7 | 4 | 82 | 1,251 | 227 | 132 | - | 130 | 1,861 |
| Financial expenses | - | (6) | - | (6) | (2) | - | (17) | (257) | (29) | (217) | - | (8) | (542) |
| Pre-tax profit | 11 | 489 | 127 | 1,245 | 280 | 193 | 1,205 | 1,175 | 2,228 | 2,227 | 52 | 1,022 | 10,254 |
| Corporate income tax (current and deferred tax expense) | (1) | (34) | (9) | (242) | (25) | (20) | (133) | (41) | (370) | (238) | (11) | (137) | (1,261) |
| Net profit for the period reported | 10 | 455 | 118 | 1,003 | 255 | 173 | 1,072 | 1,134 | 1,858 | 1,989 | 41 | 885 | 8,993 |

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

In the 3rd quarter of 2012, sales revenues of the Asseco South Eastern Europe Group amounted to PLN 103,369 thousand and, when compared with the corresponding period last year, they decreased by 11% if stated in PLN or by 10% if restated in EUR.

| Sales revenues by sectors in PLN thousands | 3 months ended 30 Sept. 2012 (unaudited) | 9 months ended 30 Sept. 2012 (unaudited) | 3 months ended 30 Sept. 2011 (unaudited) | 9 months ended 30 Sept. 2011 (unaudited) |
|-----------------------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Banking and finance | 71,924 | 218,818 | 69,979 | 197,722 |
| Enterprises | 22,692 | 65,591 | 26,140 | 80,062 |
| Public Institutions | 8,753 | 40,734 | 20,027 | 37,784 |
| | 103,369 | 325,143 | 116,146 | 315,568 |

| Sales revenues by sectors in % | 3 months ended 30 Sept. 2012 (unaudited) | 9 months ended 30 Sept. 2012 (unaudited) | 3 months ended 30 Sept. 2011 (unaudited) | 9 months ended 30 Sept. 2011 (unaudited) |
|-----------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Banking and finance | 70% | 67% | 60% | 63% |
| Enterprises | 22% | 20% | 23% | 25% |
| Public Institutions | 8% | 13% | 17% | 12% |
| | 100% | 100% | 100% | 100% |

In the 3rd quarter of 2012, the Group's sales to the banking and financial sector reached PLN 71,924 thousand as compared with PLN 69,979 thousand generated in the 3rd quarter of 2011. Concurrently, the share of this sector in total sales increased considerably by 10 percentage points, from 60% in 2011 to 70% in 2012.

In 3rd quarter of 2012, the Group's sales to the enterprises sector amounted to PLN 22,692 thousand, having decreased by PLN 3,448 thousand from the level of PLN 26,140 thousand reported for the corresponding period of 2011. The sector's share in total turnover declined by 1 percentage point, from the level of 23% in 2011 to 22% in 2012.

In the 3rd quarter of 2012, the Group's sales to public institutions were PLN 8,753 thousand as compared with PLN 20,027 thousand achieved in the 3rd quarter of 2011. Hence, the share of this sector in total sales declined by 9 percentage points, from 17% in 2011 to 8% in 2012.

| | 3 months ended 30 Sept. 2012 (unaudited) | 3 months ended 30 Sept. 2011 (unaudited) | Change % | 9 months ended 30 Sept. 2012 (unaudited) | 9 months ended 30 Sept. 2011 (unaudited) | Change % |
|----------------------------------------------------------------------|---------------------------------------------------|------------------------------------------------|-------------|---------------------------------------------------|---------------------------------------------------|-------------|
| Sales revenues | 103,369 | 116,146 | -11% | 325,143 | 315,568 | 3% |
| Gross profit on sales | 27,616 | 30,670 | -10% | 87,239 | 82,050 | 6% |
| Net profit on sales | 10,824 | 15,018 | -28% | 35,302 | 36,411 | -3% |
| Operating profit | 11,857 | 14,955 | -21% | 36,323 | 36,110 | 1% |
| Net profit for the period reported | 10,978 | 13,252 | -17% | 34,608 | 36,345 | -5% |
| Net profit attributable to Shareholders of the Parent Company | 10,965 | 13,260 | -17% | 34,669 | 36,423 | -5% |

| | 3 months ended 30 Sept. 2012 (unaudited) | 9 months ended 30 Sept. 2012 (unaudited) | 3 months ended 30 Sept. 2011 (unaudited) | 9 months ended 30 Sept. 2011 (unaudited) |
|-------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Gross profit margin | 27% | 27% | 26% | 26% |
| EBITDA margin | 14% | 14% | 15% | 13% |
| Operating profit margin | 11% | 11% | 13% | 11% |
| Net profit margin | 11% | 11% | 11% | 12% |
| Return on assets (ROA) | | 7% | | 7% |
| Return on equity (ROE) | | 8% | | 8% |

The above ratios have been computed using the following formulas:

Gross profit margin = gross profit on sales / sales

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

Operating profit margin = operating profit / sales

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

Return on equity (ROE) = net profit for the period of trailing 12 months attributable to Shareholders of the Parent Company / average annual equity attributable to Shareholders of the Parent Company

Return on assets (ROA) = net profit for the period of trailing 12 months attributable to Shareholders of the Parent Company / average annual assets

In the 3rd quarter of 2012, the Group's gross profit on sales reached PLN 27,616 thousand and it decreased by 10% as compared with the 3rd quarter of 2011. Whereas, gross profit margin achieved in 3rd quarter of 2012 equalled 27% and it improved by 1 percentage point from the last year's level.

Net profit attributable to shareholders of the Parent Company amounted to PLN 10,965 thousand in the 3rd quarter of 2012 and, when compared with the level of PLN 13,260 thousand earned in the corresponding period of 2011, it deteriorated by 17%. Concurrently, operating profit declined by PLN 3,098 thousand or by 21% year on year.

| | 30 Sept. 2012 (unaudited) | 30 June 2012 (unaudited) | 31 Dec. 2011 (audited) | 30 Sept. 2011 (unaudited) |
|------------------------------------|------------------------------|-----------------------------|---------------------------|------------------------------|
| Working capital (in PLN thousands) | 122,163 | 143,195 | 150,929 | 138,104 |
| Current liquidity ratio | 2.36 | 2.06 | 2.38 | 2.48 |
| Quick liquidity ratio | 2.0 | 1.8 | 2.21 | 2.24 |
| Absolute liquidity ratio | 0.84 | 0.97 | 0.99 | 0.93 |

The above ratios have been computed using the following formulas:

Working capital = current assets - current liabilities

Current liquidity ratio = current assets / current liabilities

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

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

| | 30 Sept. 2012 (unaudited) | 30 June 2012 (unaudited) | 31 Dec. 2011 (audited) | 30 Sept. 2011 (unaudited) |
|------------------------------|------------------------------|-----------------------------|---------------------------|------------------------------|
| Debt ratio | 0.13 | 0.18 | 0.14 | 0.13 |
| Debt / equity ratio | 0 | 0 | 0 | 0 |
| Debt / (debt + equity) ratio | 0 | 0 | 0 | 0 |

The above ratios have been computed using the following formulas:

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

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

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

XI. EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Breakdown of sales revenues

During the 3rd quarter of 2012 and the corresponding comparative period, operating revenues were as follows:

| Sales revenues by type of products | 3 months ended 30 Sept. 2012 (unaudited) | 9 months ended 30 Sept. 2012 (unaudited) | 3 months ended 30 Sept. 2011 (unaudited) | 9 months ended 30 Sept. 2011 (unaudited) |
|------------------------------------|------------------------------------------------|------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Proprietary software and services | 50,792 | 157,286 | 50,690 | 144,797 |
| Third-party software and services | 17,582 | 58,584 | 15,546 | 61,477 |
| Hardware and infrastructure | 34,995 | 109,273 | 49,910 | 109,294 |
| | 103,369 | 325,143 | 116,146 | 315,568 |

2. Breakdown of operating costs

| | 3 months ended 30 Sept. 2012 (unaudited) | 9 months ended 30 Sept. 2012 (unaudited) | 3 months ended 30 Sept. 2011 (unaudited) | 9 months ended 30 Sept. 2011 (unaudited) |
|-------------------------------------------------------------------------------------|---------------------------------------------------|------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Materials and energy used (-) | (1,158) | (3,552) | (1,133) | (3,135) |
| Third-party work (-) | (12,277) | (36,543) | (10,420) | (32,786) |
| Employee salaries and benefits (-) | (29,941) | (95,856) | (31,476) | (89,266) |
| Depreciation and amortization (-) | (2,658) | (7,736) | (2,204) | (6,273) |
| Taxes and charges (-) | (271) | (1,050) | (396) | (1,136) |
| Business trips (-) | (1,040) | (3,645) | (895) | (3,116) |
| Other (-) | (1,205) | (1,107) | (338) | 612 |
| | (48,550) | (149,489) | (46,862) | (135,100) |
| Cost of sales: | (75,753) | (237,904) | (85,476) | (233,518) |
| <i>production cost (-)</i> | (31,758) | (97,552) | (31,210) | (89,461) |
| <i>value of merchandise, materials and third-party work sold (COGS) (-)</i> | (43,995) | (140,352) | (54,266) | (144,057) |
| Selling expenses (-) | (8,849) | (27,625) | (7,813) | (22,626) |
| General administrative expenses (-) | (7,943) | (24,312) | (7,839) | (23,013) |

3. Financial income and expenses

| Financial income | 3 months ended 30 Sept. 2012 (unaudited) | 9 months ended 30 Sept. 2012 (unaudited) | 3 months ended 30 Sept. 2011 (unaudited) | 9 months ended 30 Sept. 2011 (unaudited) |
|------------------------------------------------------------------------------------|---------------------------------------------------|------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Interest income on loans granted, debt securities and bank deposits | 652 | 2,207 | 576 | 2,147 |
| Gain on revaluation of a conditional payment | 530 | 494 | 127 | 4,150 |
| Gain on change in fair value of derivative instruments | 115 | 492 | - | - |
| Gain on exercise of derivative instruments | 25 | 25 | - | - |
| Gain on disposal of financial assets carried at fair value through profit or loss | - | 128 | - | - |
| Gain on valuation of financial assets carried at fair value through profit or loss | - | - | 85 | 43 |
| Positive foreign exchange differences | - | 1,037 | 732 | 1,186 |
| Other financial income | 48 | 49 | - | - |
| Total financial income | 1,370 | 4,432 | 1,520 | 7,526 |

Financial income achieved from the reversal of liabilities due to the acquisition of shares has been described in explanatory note 13 to these financial statements.

| Financial expenses | 3 months ended 30 Sept. 2012 (unaudited) | 9 months ended 30 Sept. 2012 (unaudited) | 3 months ended 30 Sept. 2011 (unaudited) | 9 months ended 30 Sept. 2011 (unaudited) |
|----------------------------------------------------------|---------------------------------------------------|------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Interest expense on bank loans and borrowings (-) | (10) | (15) | (16) | (84) |
| Other interest expenses (-) | (1) | (10) | (78) | (165) |
| Bank fees and commissions (-) | (15) | (70) | (1) | (94) |
| Negative foreign exchange differences (-) | (1,555) | (2,382) | (139) | (825) |
| Discounting of settlements (-) | - | - | (66) | (202) |
| Interest expenses under finance leases (-) | (9) | (42) | (19) | (60) |
| Loss on change in fair value of currency derivatives (-) | - | - | (768) | (768) |
| Loss on exercise of derivative instruments (-) | (15) | (93) | - | - |
| Other financial expenses (-) | (9) | (60) | - | - |
| Total financial expenses | (1,614) | (2,672) | (1,087) | (2,198) |

4. Earnings per share

| PLN | 3 months ended | 9 months ended | 3 months ended | 9 months ended |
|--------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | 30 Sept. 2012 (unaudited) | 30 Sept. 2012 (unaudited) | 30 Sept. 2011 (unaudited) | 30 Sept. 2011 (unaudited) |
| Consolidated earnings per share for the period reported attributable to Shareholders of ASEE S.A. (in PLN): | | | | |
| Basic consolidated earnings per share from continuing operations for the period reported | 0.21 | 0.67 | 0.26 | 0.71 |
| Diluted consolidated earnings per share from continuing operations for the period reported | 0.21 | 0.67 | 0.26 | 0.71 |

| EUR | 3 months ended | 9 months ended | 3 months ended | 9 months ended |
|--------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | 30 Sept. 2012 (unaudited) | 30 Sept. 2012 (unaudited) | 30 Sept. 2011 (unaudited) | 30 Sept. 2011 (unaudited) |
| Consolidated earnings per share for the period reported attributable to Shareholders of ASEE S.A. (in EUR): | | | | |
| Basic consolidated earnings per share from continuing operations for the period reported | 0.05 | 0.16 | 0.06 | 0.18 |
| Diluted consolidated earnings per share from continuing operations for the period reported | 0.05 | 0.16 | 0.06 | 0.18 |

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 (for the 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 table below presents net profits and numbers of shares used for the calculation of basic and diluted earnings per share:

| | 3 months ended | 9 months ended | 3 months ended | 9 months ended |
|----------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | 30 Sept. 2012 (unaudited) | 30 Sept. 2012 (unaudited) | 30 Sept. 2011 (unaudited) | 30 Sept. 2011 (unaudited) |
| Consolidated net profit for the period reported attributable to Shareholders of the Parent Company | 10,965 | 34,669 | 13,260 | 36,423 |
| Weighted average number of ordinary shares outstanding, used for calculation of basic earnings per share | 51,894,251 | 51,894,251 | 51,894,251 | 51,303,894 |
| Dilution factors | - | - | - | - |
| Adjusted weighted average number of ordinary shares, used for calculation of diluted earnings per share | 51,894,251 | 51,894,251 | 51,894,251 | 51,303,894 |

Both in the period reported and in the prior year's corresponding period, there occurred no events that would result in a dilution of earnings per share.

5. Information on dividends paid out or declared

The Ordinary General Meeting of Shareholders of ASEE 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 12 April 2012, decided that the net profit for the year 2011 amounting to PLN 16,864,396.78 as well as PLN 5,327,810.76 of undistributed net profit for the year 2010, shall be distributed as follows:

- a) the amount of PLN 1,349,151.74 from the net profit for 2011 was allocated to reserve capital pursuant to art. 396 §1 of the PCCC;
- b) the amount of PLN 18,681,930.36 was allocated for distribution among all the Company's shareholders as a dividend of PLN 0.36 per share.

The remaining portion of the net profit for 2011 amounting to PLN 2,161,125.44 has been retained as prior years' earnings.

The Ordinary General Meeting of Shareholders of ASSE S.A. seated in Rzeszów, acting on the basis of art. 348 §3 of the Polish Commercial Companies Code as well as pursuant to §12 sec. 4 item 2) of the Company's Articles of Association, established 2 July 2012 as the dividend right date and 16 July 2012 as the dividend payment date.

6. Property, plant and equipment, and intangible assets

Information about significant purchases or disposals of property, plant and equipment; information about significant liabilities arising from purchases of property, plant and equipment.

Property, plant and equipment

During the period of 9 months ended 30 September 2012, the Group purchased property, plant and equipment worth PLN 7,121 thousand, as compared with PLN 5,336 thousand spent in the 9-month period ended 30 September 2011.

During the period of 3 months ended 30 September 2012, the Group purchased property, plant and equipment worth PLN 1,484 thousand, as compared with PLN 1,186 thousand spent in the 3-month period ended 30 September 2011.

During the period of 9 months ended 30 September 2012, the Group sold or liquidated property, plant and equipment with the net value of PLN 568 thousand; whereas, in the 9-month period ended 30 September 2011 such disposals amounted to PLN 159 thousand.

During the period of 3 months ended 30 September 2012, the Group sold or liquidated property, plant and equipment with the net value of PLN 375 thousand; whereas, in the 3-month period ended 30 September 2011 no such disposals were made.

Intangible assets

During the period of 9 months ended 30 September 2012, the Group purchased intangible assets worth PLN 1,297 thousand, as compared with PLN 770 thousand spent in the 9-month period ended 30 September 2011.

During the period of 3 months ended 30 September 2012, the Group purchased intangible assets worth PLN 276 thousand, as compared with PLN 203 thousand spent in the 3-month period ended 30 September 2011.

During the period of 9 months ended 30 September 2012, the Group capitalized the costs of development projects in progress with a value of PLN 5,447 thousand, as compared with PLN 1,744 thousand capitalized in the 9-month period ended 30 September 2011. The capitalized costs of development work are primarily related to the new product lines of Experience Platform, Experience Branch and Experience Customer Insight being developed in Serbia, as well as InAct solution under construction in Turkey.

During the period of 3 months ended 30 September 2012, the Group capitalized the costs of development projects in progress with a value of PLN 2,374 thousand, as compared with PLN 845 thousand capitalized in the 3-month period ended 30 September 2011.

During the period of 9 months ended 30 September 2012, the Group did not dispose or liquidate any intangible assets. Whereas, in the 9-month period ended 30 September 2011, the net value of disposed or liquidated intangible assets reached PLN 230 thousand.

During the period of 3 months ended 30 September 2012, the Group did not dispose or liquidate any intangible assets. Whereas, in the 3-month period ended 30 September 2011, the net value of disposed or liquidated intangible assets reached PLN 8 thousand.

Liabilities by virtue of purchases of property, plant and equipment and intangible assets amounted to PLN 210 thousand as at 30 September 2012, PLN 146 thousand as at 30 June 2012, PLN 1,402 thousand as at 31 December 2011, and PLN 138 thousand as at 30 September 2011.

7. Goodwill arising from consolidation

| | 30 Sept. 2012 (unaudited) | 30 June 2012 (unaudited) | 31 Dec. 2011 (audited) | 30 Sept. 2011 (unaudited) |
|---------------------|------------------------------|-----------------------------|---------------------------|------------------------------|
| Banking Solutions | 195,747 | 192,709 | 209,686 | 210,577 |
| Payment Solutions | 105,323 | 107,875 | 118,141 | 116,998 |
| Systems Integration | 188,735 | 185,476 | 195,322 | 195,547 |
| | 489,805 | 486,060 | 523,149 | 523,122 |

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

| | 30 Sept. 2012 (unaudited) | 30 June 2012 (unaudited) | 31 Dec. 2011 (audited) | 30 Sept. 2011 (unaudited) |
|--------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|---------------------------|------------------------------|
| Consolidation goodwill at the beginning of the period | 523,149 | 523,149 | 476,399 | 476,399 |
| Banking Solutions | 209,686 | 209,686 | 188,761 | 188,761 |
| Payment Solutions | 118,141 | 118,141 | 107,363 | 107,363 |
| Systems Integration | 195,322 | 195,322 | 180,275 | 180,275 |
| Change in consolidation goodwill due to the acquisition of shares (+/-) | 18,792 | - | 2,455 | - |
| Banking Solutions | 9,396 | - | - | - |
| Payment Solutions | - | - | 2,455 | - |
| Systems Integration | 9,396 | - | - | - |
| Foreign currency differences on translation of goodwill arising from foreign subsidiaries (+/-) | (52,136) | (37,089) | 44,295 | 46,723 |
| Banking Solutions | (23,335) | (16,977) | 20,925 | 21,816 |
| Payment Solutions | (12,818) | (10,266) | 8,323 | 9,635 |
| Systems Integration | (15,983) | (9,846) | 15,047 | 15,272 |
| Total book value at the end of period | 489,805 | 486,060 | 523,149 | 523,122 |

On 14 September 2012, the ASEE Group acquired a 98.68% stake in the company Sigma Danışmanlık ve Uygulama Merkezi A.Ş. seated in Istanbul. The shares in SIGMA were purchased for USD 9.1 million paid in cash; whereas, 86.68% of shares were acquired directly by ASEE S.A. and the remaining 12% stake was purchased by our subsidiary ASEE Turkey. The whole acquisition of Sigma was financed with own funds of the ASEE Group. SIGMA offers solutions for enterprise asset management, product and asset management at leasing companies and financial institutions, as well as applications supporting process and content management primarily in the areas of financial services, telecommunications and public administration.

Goodwill arising from the acquisition of this company was included in goodwill of the segments of Banking Solutions and Systems Integration.

As at 30 September 2012, the Group has not yet completed the process of purchase price allocation. Therefore, goodwill recognized on this acquisition may be subject to change in the period of 12 months from the date of obtaining control over this company. The provisional values of identifiable assets and liabilities of SIGMA as at the acquisition date were as follows:

| SIGMA | Provisional value as at the acquisition date |
|---------------------------------------------------|-------------------------------------------------|
| Non-current assets | 9,913 |
| Property, plant and equipment | 338 |
| Intangible assets | 9,575 |
| Current assets | 4,614 |
| Receivables | 4,449 |
| Short-term deferred expenses | 151 |
| Cash and short-term deposits | 14 |
| TOTAL ASSETS | 14,527 |
| Shareholders' equity | 11,874 |
| Liabilities and provisions | 2,653 |
| Liabilities | 1,617 |
| Provisions | 435 |
| Other | 601 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 14,527 |
| Net assets value | 11,874 |
| Percentage of net assets acquired | 98.68% |
| Value of net assets acquired | 11,717 |
| Purchase price | 28,778 |
| Dividend payment liabilities | 1,731 |
| Goodwill as at the acquisition date | 18,792 |

8. Short-term receivables<0}

| Short-term receivables | 30 Sept. 2012 | 30 June 2012 | 31 Dec. 2011 | 30 Sept. 2011 |
|----------------------------------------------------|----------------------|---------------------|---------------------|----------------------|
| Trade accounts receivable | (unaudited) | (unaudited) | (audited) | (unaudited) |
| Trade accounts receivable, of which: | 70,707 | 72,189 | 88,540 | 73,754 |
| From related companies | 43 | 77 | 119 | 118 |
| From other companies | 70,664 | 72,112 | 88,421 | 73,636 |
| Revaluation write-down on doubtful receivables (-) | (2,871) | (2,745) | (2,798) | (3,397) |
| | 67,836 | 69,444 | 85,742 | 70,357 |

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 September 2012, current receivables in the amount of PLN 685 thousand served as security for bank loans and bank guarantee facilities. As at 30 September 2012, 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 in the amount of PLN 4,163 thousand.

As at 30 June 2012, current receivables in the amount of PLN 957 thousand served as security for bank loans and guarantee facilities. As at 30 June 2012, there were no liabilities under bank loans secured with such assets; however, the Group had off-balance-sheet liabilities due to bank guarantees extended under a bank guarantee facility secured with receivables in the amount of PLN 4,542 thousand.

As at 31 December 2011, current receivables and future receivables in the amount of PLN 522 thousand served as security for bank loans and bank guarantee facilities. As at 31 December 2011, there were no liabilities under bank loans secured with such assets; however, the Group had off-balance-sheet liabilities due to bank guarantees extended under a bank guarantee facility secured with receivables and inventories in the amount of PLN 3,029 thousand.

As at 30 September 2011, current receivables and future receivables in the amount of PLN 2,885 thousand served as security for bank loans and bank guarantee facilities. As at 30 September 2011, there were no liabilities under bank loans secured with such assets; however, the Group recognized off-balance-sheet liabilities due to bank guarantees extended under a bank guarantee facility secured with receivables in the amount of PLN 4,289 thousand.

| Receivables from taxes, import tariffs, social security and other regulatory payments | 30 Sept. 2012 | 30 June 2012 | 31 Dec. 2011 | 30 Sept. 2011 |
|----------------------------------------------------------------------------------------------|----------------------|---------------------|---------------------|----------------------|
| | (unaudited) | (unaudited) | (audited) | (unaudited) |
| Value added tax | 923 | 1,280 | 62 | 93 |
| Corporate income tax (CIT) | 1,653 | 1,462 | 1,451 | 1,254 |
| Withholding income tax | 1,193 | 480 | - | 221 |
| Other | 244 | 300 | 734 | 297 |
| | 4,013 | 3,522 | 2,247 | 1,865 |

| Other receivables | 30 Sept. 2012 (unaudited) | 30 June 2012 (unaudited) | 31 Dec. 2011 (audited) | 30 Sept. 2011 (unaudited) |
|------------------------------------------|---------------------------------|--------------------------------|---------------------------|---------------------------------|
| Receivables from non-invoiced deliveries | 6,476 | 4,889 | 4,643 | 5,079 |
| Advance payments to other suppliers | 3,874 | 7,664 | 1,440 | 2,331 |
| Receivables from employees | 288 | 334 | 115 | 122 |
| Receivables from grants | 136 | 767 | 663 | 753 |
| Receivables from deposits | 108 | 89 | 71 | 152 |
| Other receivables | 3,622 | 3,553 | 733 | 935 |
| Revaluation write-down (-) | (161) | (165) | (170) | (151) |
| 14,343 | 17,131 | 7,495 | 9,221 | |

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.

Advance payments to other suppliers correspond to advances paid to subcontractors on account of the execution of contracts. The high amount of advance payments disclosed as at 30 June 2012 resulted primarily from advances paid to ASEE Serbia on account of their work performed under a contract executed for the Ministry of Justice in Serbia.

Other receivables disclosed as at 30 September 2012, 30 June 2012, 31 December 2011 and 30 September 2011, include among others restricted cash amounting to PLN 2,889 thousand as at 30 September 2012, PLN 3,089 thousand as at 30 June 2012, PLN 225 thousand as at 31 December 2011, and PLN 216 thousand as at 30 September 2011.

Receivables from grants, amounting to PLN 136 thousand as at 30 September 2012, correspond to subsidies that were awarded to ASEE Turkey by *Türkiye Bilimsel ve Teknolojik Araştırma Kurumu* ("TÜBİTAK") over the agency of *Teknoloji İzleme ve Değerlendirme Başkanlığı* ("TİDEB"); the amounts receivable under such grants equalled PLN 767 thousand as at 30 June 2012, PLN 663 thousand as at 31 December 2011, and PLN 753 thousand as at 30 September 2011. TÜBİTAK is a leading institution engaged in the management, financing and organization of research and development work in Turkey.

As at 30 September 2012, restricted cash in the amount of PLN 226 thousand served as security for bank guarantees (of due performance of contracts or tender deposits). Restricted cash in the amount of PLN 2,663 thousand has been transferred to a separate account in respect of one of the contracts performed by the Group.

As at 30 June 2012, restricted cash in the amount of PLN 268 thousand served as security for bank guarantees (of due performance of contracts or tender deposits). Restricted cash in the amount of PLN 2,821 thousand has been transferred to a separate account in respect of one of the contracts performed by the Group.

As at 31 December 2011, restricted cash in the amount of PLN 225 thousand served as security for bank guarantees (of due performance of contracts or tender deposits).

As at 30 September 2011, restricted cash in the amount of PLN 216 thousand served as security for bank guarantees (of due performance of contracts or tender deposits).

9. Financial assets held to maturity

| | 30 Sept. 2012 (unaudited) | 30 June 2012 (unaudited) | 31 Dec. 2011 (audited) | 30 Sept. 2011 (unaudited) |
|-------------------------------------|---------------------------------|-----------------------------|---------------------------|---------------------------------|
| Treasury bonds | 9,443 | 14,350 | 4,317 | 2,847 |
| Cash deposits (3 to 12 months long) | 2,748 | 2,768 | 269 | 266 |
| | 12,191 | 17,118 | 4,586 | 3,113 |

Short-term financial assets held to maturity disclosed as at 30 September 2012, 30 June 2012, 31 December 2011 and 30 September 2011, include mainly treasury bonds held by ASEE Macedonia.

10. Cash and short-term deposits

| | 30 Sept. 2012 (unaudited) | 30 June 2012 (unaudited) | 31 Dec. 2011 (audited) | 30 Sept. 2011 (unaudited) |
|---------------------------------------------------------------------------------------|---------------------------------|--------------------------------|---------------------------|---------------------------------|
| Cash at bank and in hand | 29,988 | 36,736 | 68,391 | 47,600 |
| Short-term bank deposits | 32,613 | 77,402 | 34,743 | 36,044 |
| Cash equivalents | 49 | 93 | 67 | 50 |
| Cash being transferred | 309 | 482 | 21 | 11 |
| | 62,959 | 114,713 | 103,222 | 83,705 |
| <i>Interest accrued on cash and cash equivalents as at the balance sheet date</i> | 7 | 55 | 180 | - |
| Cash and cash equivalents as disclosed in the cash flow statement | 62,952 | 114,658 | 103,042 | 83,705 |

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

Short-term bank deposits did not serve as security for any bank guarantees (of due performance of contracts or tender deposits) as at 30 September 2012, 30 June 2012, 31 December 2011 nor as at 30 September 2011.

11. Deferred expenses

| Short-term | 30 Sept. 2012 (unaudited) | 30 June 2012 (unaudited) | 31 Dec. 2011 (audited) | 30 Sept. 2011 (unaudited) |
|-----------------------------------------------|------------------------------|-----------------------------|---------------------------|------------------------------|
| Prepaid maintenance services and license fees | 6,747 | 7,449 | 4,972 | 5,366 |
| Prepaid insurance policies | 378 | 537 | 235 | 244 |
| Prepaid subscriptions | 14 | 15 | 25 | 135 |
| Prepaid rents | 443 | 384 | 323 | 210 |
| Prepaid consulting services | 70 | 50 | 8 | 244 |
| Other prepaid services | 153 | 390 | 49 | 117 |
| Costs of IT audits | - | - | - | 200 |
| Other | 380 | 152 | 288 | 355 |
| Revaluation charges on deferred expenses | - | - | (13) | (13) |
| | 8,185 | 8,977 | 5,887 | 6,858 |

As at 30 September 2012, 30 June 2012, 31 December 2011 and 30 September 2011, deferred expenses included primarily the costs of maintenance services amounting to PLN 6,747 thousand, PLN 7,449 thousand, PLN 4,972 thousand, and PLN 5,366 thousand, respectively, that will be successively expensed in future periods.

12. Share capital

| Share capital | Series | Par value per share | 30 Sept. 2012 (unaudited) | | 30 June 2012 (unaudited) | | 31 Dec. 2011 (audited) | | 30 Sept. 2011 (unaudited) | |
|----------------------------|--------|---------------------|------------------------------|-----------------|-----------------------------|-----------------|---------------------------|-----------------|------------------------------|-----------------|
| | | | Number of shares | Value of shares | Number of shares | Value of shares | Number of shares | Value of shares | Number of shares | Value of shares |
| Ordinary registered shares | A* | 0.1 | 5,000,000 | 500 | 5,000,000 | 500 | 5,000,000 | 500 | 5,000,000 | 500 |
| Ordinary registered shares | B* | 0.1 | 5,000,000 | 500 | 5,000,000 | 500 | 5,000,000 | 500 | 5,000,000 | 500 |
| Ordinary registered shares | C* | 0.1 | 2,567,000,900 | 256,700 | 2,567,000,900 | 256,700 | 2,567,000,900 | 256,700 | 2,567,000,900 | 256,700 |
| Ordinary registered shares | D | 10 | 25,770,009 | 257,700 | 25,770,009 | 257,700 | 25,770,009 | 257,700 | 25,770,009 | 257,700 |
| Ordinary registered shares | E | 10 | 956,447 | 9,565 | 956,447 | 9,565 | 956,447 | 9,565 | 956,447 | 9,565 |
| Ordinary registered shares | F | 10 | 1,475,509 | 14,755 | 1,475,509 | 14,755 | 1,475,509 | 14,755 | 1,475,509 | 14,755 |
| Ordinary registered shares | G | 10 | 2,708,378 | 27,084 | 2,708,378 | 27,084 | 2,708,378 | 27,084 | 2,708,378 | 27,084 |
| Ordinary registered shares | H | 10 | 1,062,030 | 10,620 | 1,062,030 | 10,620 | 1,062,030 | 10,620 | 1,062,030 | 10,620 |
| Ordinary registered shares | I | 10 | 1,770,609 | 17,706 | 1,770,609 | 17,706 | 1,770,609 | 17,706 | 1,770,609 | 17,706 |
| Ordinary registered shares | J | 10 | 1,714,209 | 17,142 | 1,714,209 | 17,142 | 1,714,209 | 17,142 | 1,714,209 | 17,142 |
| Ordinary registered shares | K | 10 | 4,590,470 | 45,905 | 4,590,470 | 45,905 | 4,590,470 | 45,905 | 4,590,470 | 45,905 |
| Ordinary registered shares | L | 10 | 2,100,000 | 21,000 | 2,100,000 | 21,000 | 2,100,000 | 21,000 | 2,100,000 | 21,000 |
| Ordinary registered shares | M | 10 | 4,810,880 | 48,109 | 4,810,880 | 48,109 | 4,810,880 | 48,109 | 4,810,880 | 48,109 |
| Ordinary registered shares | N | 10 | 1,078,909 | 10,789 | 1,078,909 | 10,789 | 1,078,909 | 10,789 | 1,078,909 | 10,789 |
| Ordinary registered shares | P | 10 | 1,524,269 | 15,242 | 1,524,269 | 15,242 | 1,524,269 | 15,242 | 1,524,269 | 15,242 |
| Ordinary registered shares | R | 10 | 592,941 | 5,929 | 592,941 | 5,929 | 592,941 | 5,929 | 592,941 | 5,929 |
| Ordinary registered shares | S | 10 | 837,472 | 8,375 | 837,472 | 8,375 | 837,472 | 8,375 | 837,472 | 8,375 |
| Ordinary registered shares | T | 10 | 902,119 | 9,021 | 902,119 | 9,021 | 902,119 | 9,021 | 902,119 | 9,021 |
| | | | 51,894,251 | 518,942 | 51,894,251 | 518,942 | 51,894,251 | 518,942 | 51,894,251 | 518,942 |

* Following a reverse stock split of series D shares

13. Long-term and short-term financial liabilities

| Long-term | 30 Sept. 2012 (unaudited) | 30 June 2012 (unaudited) | 31 Dec. 2011 (audited) | 30 Sept. 2011 (unaudited) |
|-----------------------------------------------------------------------------------------------|------------------------------|-----------------------------|---------------------------|------------------------------|
| Liabilities due to the acquisition of non-controlling interests in subsidiaries (put options) | 1,145 | 1,136 | 1,266 | 1,283 |
| Finance lease commitments | 147 | 311 | 428 | 554 |
| | 1,292 | 1,447 | 1,694 | 1,837 |

As at 30 September 2012, 30 June 2012, 31 December 2011 and 30 September 2011, the Group carried a long-term liability under the put options held by non-controlling shareholders in Multicard, Serbia. 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 September 2012, 30 June 2012, 31 December 2011 and 30 September 2011, and as at these dates it amounted to PLN 1,145 thousand, PLN 1,136 thousand, PLN 1,266 thousand and PLN 1,283 thousand, respectively.

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

| Short-term | 30 Sept. 2012 (unaudited) | 30 June 2012 (unaudited) | 31 Dec. 2011 (audited) | 30 Sept. 2011 (unaudited) |
|----------------------------------------------|------------------------------|-----------------------------|---------------------------|------------------------------|
| Dividend payment liabilities | 1,771 | 18,682 | 84 | - |
| Finance lease commitments | 156 | 302 | 361 | 369 |
| Liabilities due to the acquisition of shares | 633 | 1,185 | 1,203 | 1,288 |
| Currency forward contracts | - | 96 | 472 | 655 |
| | 2,560 | 20,265 | 2,120 | 2,312 |

Dividend payment liabilities

As at 30 September 2012, dividend payment liabilities amounted to PLN 1,771 thousand and they comprised dividends payable by the Group to former shareholders of SIGMA on prior years' profits generated by this company.

Dividend payment liabilities reported as at 30 June 2012 comprised dividends payable by ASEE S.A. to its shareholders.

Dividend payment liabilities disclosed as at 31 December 2011 in the amount of PLN 84 thousand corresponded to income tax payable on dividends paid out to shareholders of ASEE S.A.

Liabilities due to the acquisition of shares disclosed as at 30 September 2012 include the outstanding portion of payment for a 49% stake in ASEE Bulgaria acquired in 2010, in the amount of PLN 633 thousand. This liability was settled in October 2012.

Liability for the acquisition of 49% of shares in ASEE Bulgaria, amounting to PLN 763 thousand as at 31 December 2011, was subject to a final measurement in the 3rd quarter of 2012. Following such final measurement, this liability was revised down and the Group recognized PLN 74 thousand in financial income for the period of 9 months ended 30 September 2012, disclosed as 'gain on revaluation of conditional payments', and PLN -56 thousand under 'foreign exchange differences'. The impact of revaluation of this liability on the Group's financial results amounted to PLN 530 thousand only in 3rd quarter of 2012 (recognized as financial income).

In the period of 9 months ended 30 September 2012, the Group also recalculated its outstanding liability for the acquisition of shares in **EST A.Ş. (presently ASEE Turkey)**, amounting to PLN 85 thousand as at 31 December 2011. Following such remeasurement, this liability was reversed and recognized as the Group's financial income for the period of 9 months ended 30 September 2012 (PLN 85 thousand disclosed under 'gain on revaluation of conditional payments').

Furthermore, in the period of 9 months ended 30 September 2012, the Group reversed its liability to pay the second instalment for shares acquired in **Altius Bulgaria**, which amounted to PLN 355 thousand as at 31 December 2011. Such reduction was made as the financial results generated by that acquired company were weaker than originally expected. Hence, the Group recognized a financial income of PLN 335 thousand disclosed under 'gain on revaluation of conditional payments'.

Liabilities due to the acquisition of shares disclosed as at 30 June 2012 include the outstanding portion of payment for a 49% stake in ASEE Bulgaria acquired in 2010, in the amount of PLN 1,185 thousand.

Liabilities due to the acquisition of shares disclosed as at 31 December 2011 included the outstanding portion of payment for shares acquired in EST A.Ş. (presently ASEE Turkey) in the amount of PLN 85 thousand, a liability to pay PLN 763 thousand for a 49% stake in ASEE Bulgaria purchased in 2010, as well as a liability to pay PLN 355 thousand of the second instalment for shares acquired in the Bulgarian company Altius.

Liabilities due to the acquisition of shares disclosed as at 30 September 2011 included the outstanding portion of payment for the acquisition of shares in EST A.Ş. in the amount of PLN 22 thousand. Furthermore, as at 30 September 2011, the Group disclosed a liability of PLN 1,266 thousand payable on the purchase of a 49% stake in Asseco SEE o.o.d. (Sofia) in 2010.

14. Interest-bearing bank loans and borrowings

| Short-term loan facilities | Name of entity | Maximum debt in PLN thousands as at | | | 30 Sept. 2011 | Effective interest rate % | Currency | Repayment date | Amounts drawn as at | | | |
|---------------------------------|-------------------------------|-------------------------------------|--------------|--------------|---------------|-----------------------------------|----------------|----------------|---------------------------|--------------------------|------------------------|---------------------------|
| | | 30 Sept. 2012 | 30 June 2012 | 31 Dec. 2011 | | | | | 30 Sept. 2012 (unaudited) | 30 June 2012 (unaudited) | 31 Dec. 2011 (audited) | 30 Sept. 2011 (unaudited) |
| Bank account overdraft facility | NLB Prishtina sh.a. | 1,646 | 1,705 | 1,767 | n/a | 11% | EUR | 2014-12-28 | - | - | - | - |
| Bank account overdraft facility | NLB Tutunska Banka AD Skopje | 11 | 69 | 73 | n/a | 14% | MKD | 2012-10-01 | 11 | - | 13 | - |
| Bank account overdraft facility | NLB Tutunska Banka AD Skopje | n/a | n/a | 15 | n/a | 15% | MKD | 2011-12-31 | - | - | - | - |
| Bank account overdraft facility | Komercijalna Banka AD Skopje | 17 | 69 | n/a | n/a | 14% | MKD | 2012-10-01 | 17 | - | - | - |
| Bank account overdraft facility | UniCredit Tiriatic Bank | 4,114 | 4,264 | 4,417 | n/a | Euribor (Libor Bubor) 3M; +margin | multi-currency | 2013-06-15 | - | - | - | - |
| Bank account overdraft facility | Alpha Bank Unirii Branch | 2,009 | 1,855 | 3,596 | 6,624 | Euribor (Libor Bubor) 3M; +margin | multi-currency | 2013-05-31 | - | - | - | - |
| Bank account overdraft facility | Akbank, Istanbul Garanti Bank | 168 | n/a | n/a | n/a | 15% | TRY | 2012-12-31 | 168 | - | - | - |
| Bank account overdraft facility | Levent/Istanbul Branch | 75 | n/a | n/a | n/a | 16% | TRY | 2012-12-31 | 75 | - | - | - |
| | | 8,040 | 7,962 | 9,868 | 6,624 | | | | 271 | - | 13 | - |

| Other short-term loans | Name of entity | Maximum debt in PLN thousands as at | | | 30 Sept. 2011 | Effective interest rate % | Currency | Repayment date | Amounts drawn as at | | | |
|-------------------------|-------------------------------------------|-------------------------------------|--------------|--------------|---------------|---------------------------|----------|----------------|---------------------------|--------------------------|------------------------|---------------------------|
| | | 30 Sept. 2012 | 30 June 2012 | 31 Dec. 2011 | | | | | 30 Sept. 2012 (unaudited) | 30 June 2012 (unaudited) | 31 Dec. 2011 (audited) | 30 Sept. 2011 (unaudited) |
| Auto financing loan | Yapi Kredi Bankasi A.Ş. | 29 | n/a | 36 | 42 | 5% | TRY | 2014-03-31 | 29 | - | 36 | 42 |
| Operating loan facility | Komercijalna Banka, Beograd | n/a | n/a | n/a | 181 | 9% | RSD | 2011-10-13 | - | - | - | 181 |
| Loan | Non-controlling shareholders Garanti Bank | 41 | 42 | 44 | 43 | 0% | EUR | 2012-12-31 | 41 | 42 | 44 | 43 |
| Loan | Levent/Istanbul Branch Garanti Bank | n/a | 204 | n/a | n/a | 0% | - | 2012-07-02 | - | 204 | - | - |
| Auto financing loan | Levent/Istanbul Branch | 11 | n/a | n/a | n/a | 15.60% | TRY | 2012-10-27 | 11 | - | - | - |
| Loan | Türkiye Teknoloji Geliştirme Vakfi | n/a | 110 | 278 | 261 | 0% | USD | 2012-07-01 | - | 110 | 278 | 261 |
| Loan | Türkiye Teknoloji Geliştirme Vakfi | n/a | 136 | 219 | 211 | 0% | USD | 2012-07-01 | - | 136 | 219 | 211 |
| | | 81 | 492 | 577 | 738 | | | | 81 | 492 | 577 | 738 |

Interest-bearing bank loans and borrowings (continued)

| Long-term loan facilities | Name of entity | Maximum debt in PLN thousands as at | | | 30 Sept. 2011 | Effective interest rate % | Currency | Repayment date | Amounts drawn as at | | | |
|---------------------------|--------------------------------------------------|-------------------------------------|--------------|--------------|---------------|---------------------------|----------|----------------|---------------------------|--------------------------|------------------------|---------------------------|
| | | 30 Sept. 2012 | 30 June 2012 | 31 Dec. 2011 | | | | | 30 Sept. 2012 (unaudited) | 30 June 2012 (unaudited) | 31 Dec. 2011 (audited) | 30 Sept. 2011 (unaudited) |
| Investment loan facility | European Bank for Reconstruction and Development | n/a | n/a | n/a | 30,878 | 3M EURIBOR + margin | EUR | 2016-01-31 | - | - | - | - |
| Auto financing loan | Yapi Kredi Bankasi A.Ş. | 144 | n/a | 46 | 47 | 5% | TRY | 2014-03-31 | 144 | n/a | 46 | 47 |
| | | 144 | - | 46 | 30,925 | | | | 144 | - | 46 | 47 |

As at 30 September 2012, total liabilities of the Asseco South Eastern Europe Group under all bank loans and borrowings taken out aggregated at PLN 496 thousand. As at 30 June 2012, total liabilities under all bank loans and borrowings taken out aggregated at PLN 492 thousand; whereas, as at 31 December 2011 and 30 September 2011 they amounted to PLN 636 thousand and PLN 785 thousand, respectively.

As at 30 September 2012, total funds available to the Asseco South Eastern Europe Group under bank account overdraft facilities, operating and investment loan facilities, and borrowings reached approx. PLN 8,265 thousand, as compared with PLN 8,454 available as at 30 June 2012, PLN 10,491 as at the end of 2011, and PLN 38,287 thousand as at 30 September 2011 (inclusive of the EBRD financing after making a pledge on shares in subsidiaries). On 30 December 2009, ASSE S.A. signed an agreement with the European Bank for Reconstruction and Development for an investment loan facility in the maximum amount of EUR 7 million. Because the Company did not draw any amounts of this loan facility till the end of 2011, the loan agreement has been terminated as of 31 December 2011.

As at 30 September 2012, the Group has drawn PLN 271 thousand from bank account overdraft facilities. Whereas, as at 30 June 2012 and 30 September 2011, the Group did not utilize any funds available under bank account overdraft facilities, as compared with PLN 13 thousand drawn as at the end of the prior year.

The Group's liabilities under other bank loans and borrowings amounted to PLN 225 thousand as at 30 September 2012, as compared with PLN 492 thousand as at 30 June 2012, PLN 623 thousand as at 31 December 2011 and PLN 785 thousand as at 30 September 2011.

To the best knowledge of the Management Board of ASEE S.A., there was no situation of defaulting on payments under any bank loan or borrowing, or breach of the material provisions under any bank loan or borrowing agreement, that would not be remedied by corrective action till the end of the period reported.

As at 30 September 2012, 30 June 2012, 31 December 2011 and 30 September 2011, property, plant and equipment and intangible assets did not serve as security for any bank loans contracted by the Group.

As at 30 September 2012, 30 June 2012, 31 December 2011 and 30 September 2011, inventories did not serve as security for any bank loans taken out by the Group nor were they used to back up any bank guarantee facilities.

As at 30 September 2012, current receivables and future receivables in the amount of PLN 685 thousand served as security for bank loans and bank guarantee facilities. As at 30 September 2012, 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 in the amount of PLN 4,163 thousand.

As at 30 June 2012, current receivables and future receivables in the amount of PLN 957 thousand served as security for bank loans and bank guarantee facilities. As at 30 June 2012, there were no liabilities under bank loans secured with such assets; however, the Group had off-balance-sheet liabilities due to bank guarantees extended under a bank guarantee facility secured with receivables in the amount of PLN 4,542 thousand.

As at 31 December 2011, current receivables and future receivables in the amount of PLN 522 thousand served as security for bank loans and bank guarantee facilities. As at 31 December 2011, there were no liabilities under bank loans secured with such assets; however, the Group had off-balance-sheet liabilities due to bank guarantees extended under a bank guarantee facility secured with receivables in the amount of PLN 3,029 thousand.

As at 30 September 2011, current receivables and future receivables in the amount of PLN 2,885 thousand served as security for bank loans and bank guarantee facilities. As at 30 September 2011, there were no liabilities under bank loans secured with such assets; however, the Group recognized off-balance-sheet liabilities due to bank guarantees extended under a bank guarantee facility secured with receivables in the amount of PLN 4,289 thousand.

15. Short-term trade accounts payable and other liabilities

| Short-term trade accounts payable | 30 Sept. 2012 (unaudited) | 30 June 2012 (unaudited) | 31 Dec. 2011 (audited) | 30 Sept. 2011 (unaudited) |
|-----------------------------------|---------------------------------|--------------------------------|---------------------------|---------------------------------|
| To related companies | 368 | 334 | 1,938 | 120 |
| To other companies | 25,260 | 46,718 | 35,827 | 26,520 |
| | 25,628 | 47,052 | 37,765 | 26,640 |

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 Sept. 2012 (unaudited) | 30 June 2012 (unaudited) | 31 Dec. 2011 (audited) | 30 Sept. 2011 (unaudited) |
|-------------------------------------------------------------------------------------|------------------------------|-----------------------------|---------------------------|------------------------------|
| Value added tax | 4,244 | 7,050 | 8,648 | 4,595 |
| Corporate income tax (CIT) | 719 | 876 | 736 | 1,030 |
| Personal income tax (PIT) | 749 | 726 | 1,405 | 758 |
| Social security payable | 1,854 | 1,701 | 2,083 | 1,463 |
| Withholding income tax | 26 | - | - | 152 |
| Other | 592 | 176 | 338 | 171 |
| | 8,184 | 10,529 | 13,210 | 8,169 |

| Other current liabilities | 30 Sept. 2012 (unaudited) | 30 June 2012 (unaudited) | 31 Dec. 2011 (audited) | 30 Sept. 2011 (unaudited) |
|-----------------------------------------------------------------------|---------------------------------|--------------------------------|---------------------------|---------------------------------|
| Liabilities to employees relating to salaries and wages | 4,140 | 3,139 | 4,635 | 3,286 |
| Liabilities due to non-invoiced deliveries | 2,655 | 2,520 | 3,435 | 1,145 |
| Trade prepayments received | 14,807 | 22,433 | 16,815 | 20,052 |
| Liabilities due to purchases of tangible assets and intangible assets | 210 | 146 | 1,402 | 138 |
| Other liabilities | 209 | 63 | 400 | 211 |
| | 22,021 | 28,301 | 26,687 | 24,832 |

16. Accrued expenses and deferred income

| Short-term accrued expenses | 30 Sept. 2012 (unaudited) | 30 June 2012 (unaudited) | 31 Dec. 2011 (audited) | 30 Sept. 2011 (unaudited) |
|------------------------------------|------------------------------|-----------------------------|---------------------------|------------------------------|
| Provision for unused annual leaves | 1,079 | 1,349 | 802 | 648 |
| Provision for employee bonuses | 11,167 | 10,239 | 9,765 | 11,348 |
| Provision for non-invoiced costs | 4,155 | 2,442 | 1,181 | 3,960 |
| Provision for auditing expenses | 249 | 356 | 417 | 258 |
| | 16,650 | 14,386 | 12,165 | 16,214 |

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

| Short-term deferred income | 30 Sept. 2012 (unaudited) | 30 June 2012 (unaudited) | 31 Dec. 2011 (audited) | 30 Sept. 2011 (unaudited) |
|-----------------------------|------------------------------|-----------------------------|---------------------------|------------------------------|
| Maintenance services | 5,967 | 8,388 | 6,896 | 6,154 |
| Prepaid consulting services | 373 | 257 | 2,464 | 1,239 |
| Other | 424 | 22 | - | - |
| | 6,764 | 8,667 | 9,360 | 7,393 |

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

17. Changes in provisions and revaluation write-downs on assets

Information about inventory revaluation write-downs to net realizable value and any reversal thereof; information about impairment write-downs on financial assets, property, plant and equipment, intangible assets or other assets, and any reversal thereof; information about establishing, increasing, utilization and reversal of provisions.

| | 3 months ended 30 Sept. 2012 (unaudited) | 9 months ended 30 Sept. 2012 (unaudited) | 3 months ended 30 Sept. 2011 (unaudited) | 9 months ended 30 Sept. 2011 (unaudited) |
|----------------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Provisions | | | | |
| Opening balance | 5,285 | 6,894 | 5,166 | 5,390 |
| Established | 921 | 1,675 | 448 | 1,418 |
| Reversed | (1,429) | (3,429) | (524) | (1,618) |
| Utilized | (317) | (376) | (46) | (127) |
| Foreign exchange differences | 418 | 114 | 435 | 416 |
| Closing balance | 4,878 | 4,878 | 5,479 | 5,479 |
| Trade accounts receivable | | | | |
| Opening balance | (2,745) | (2,798) | (2,866) | (3,152) |
| Established | (758) | (1,526) | (503) | (869) |
| Reversed | 671 | 878 | 224 | 1,097 |
| Utilized | (114) | 413 | 9 | 108 |
| Foreign exchange differences | 75 | 162 | (261) | (581) |
| Closing balance | (2,871) | (2,871) | (3,397) | (3,397) |
| Inventories | | | | |
| Opening balance | (7,495) | (6,975) | (6,644) | (6,451) |
| Established | - | (463) | (211) | (973) |
| Reversed | 43 | 84 | 215 | 640 |
| Utilized | 133 | 133 | 2 | 51 |
| Foreign exchange differences | 117 | 19 | (570) | (475) |
| Closing balance | (7,202) | (7,202) | (7,208) | (7,208) |

During the first 9 months of 2012 and in the corresponding period of 2011, the Group did not establish or reverse any impairment write-downs on its financial assets, property, plant and equipment and intangible assets.

18. Employment

| The Group's average workforce in the period reported | 9 months ended 30 Sept. 2012 (unaudited) | 9 months ended 30 Sept. 2011 (unaudited) |
|------------------------------------------------------|------------------------------------------------|---------------------------------------------------|
| Management Board of the Parent Company* | 7 | 7 |
| Management Boards of the Group companies | 26 | 27 |
| Production departments | 898 | 880 |
| Sales departments | 116 | 106 |
| Administration departments | 153 | 166 |
| Other employees | 12 | 13 |
| | 1,212 | 1,199 |

| The Group's workforce as at | 30 Sept. 2012 (unaudited) | 30 June 2012 (unaudited) | 31 Dec. 2011 (audited) | 30 Sept. 2011 (unaudited) |
|------------------------------------------|---------------------------------|-----------------------------|---------------------------|---------------------------------|
| Management Board of the Parent Company* | 7 | 7 | 7 | 7 |
| Management Boards of the Group companies | 28 | 25 | 26 | 27 |
| Production departments | 977 | 917 | 888 | 887 |
| Sales departments | 120 | 121 | 116 | 112 |
| Administration departments | 164 | 159 | 155 | 159 |
| Other employees | 14 | 13 | 16 | 13 |
| | 1,310 | 1,242 | 1,208 | 1,205 |

* Piotr Jeleński and Rafał Kozłowski (since May 2012) and Marcin Rulnicki (since June 2012) 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 Sept. 2012 (unaudited) | 30 June 2012 (unaudited) | 31 Dec. 2011 (audited) | 30 Sept. 2011 (unaudited) |
|---------------------------------------------------|---------------------------------|--------------------------------|------------------------------|---------------------------------|
| ASEE S.A. | 27 | 26 | 24 | 25 |
| ASEE Romania | 190 | 199 | 186 | 188 |
| ASEE Serbia Group | 467 | 461 | 457 | 460 |
| ASEE Croatia | 171 | 166 | 164 | 162 |
| ASEE Kosovo | 84 | 85 | 82 | 85 |
| ASEE Turkey | 91 | 91 | 84 | 83 |
| ASEE Bulgaria ¹⁾ | 26 | 26 | 28 | 17 |
| ASEE B&H ³⁾ | 41 | 41 | 42 | 44 |
| ASEE Macedonia | 133 | 133 | 129 | 129 |
| ASEE Slovenia ²⁾ | 14 | 14 | 12 | 12 |
| Sigma, Turkey | 66 | n/a | n/a | n/a |
| | 1,310 | 1,242 | 1,208 | 1,205 |

- On 10 February 2012, there was registered a merger of ASEE Bulgaria (the taking-over company) with Altius, Bulgaria (the acquired company). For the sake of comparability, the employment data of both the merged companies as at 31 December 2011 have been presented in aggregate.
- On 13 July 2011, ASEE S.A. acquired a 50% stake in ASEE Slovenia; whereas, on 18 April 2012, it purchased the remaining 50% of shares from ASEE Serbia. Because as at the publication of this report, ASEE S.A. held directly 100% of shares in ASEE Slovenia, the comparative employment data of this company, as at 31 December 2011 and 30 September 2011, have been extracted from ASEE Serbia and presented separately.
- On 19 July 2012, there was registered a merger of ASEE B&H (Sarajevo) (the taking-over company) with ASEE B&H (Banja Luka) (the acquired company). For the sake of comparability, the employment data of both the merged companies as at 30 June 2012, 31 December 2011 and 30 September 2011 have been presented in aggregate.

19. Contingent liabilities and receivables

Within its commercial activities the Asseco South Eastern Europe Group uses bank guarantees, letters of credit, contract performance guarantees as well as tender deposits as forms of securing its business transactions with miscellaneous organizations, companies and administration bodies. The resulting contingent liabilities equalled PLN 22,064 thousand as at 30 September 2012, PLN 20,935 thousand as at 30 June 2012, PLN 12,758 thousand as at 31 December 2011, and PLN 18,652 thousand as at 30 September 2011.

As at 30 September 2012, 30 June 2012, 31 December 2011 and 30 September 2011, inventories did not serve as security for any bank guarantee facilities.

As at 30 September 2012, current and future receivables with a book value of PLN 685 thousand served as security for bank guarantee facilities. As at 30 September 2012, the related contingent liabilities amounted to PLN 4,163 thousand.

As at 30 June 2012, current and future receivables with a book value of PLN 957 thousand served as security for bank guarantee facilities. As at 30 June 2012, the related contingent liabilities amounted to PLN 4,542 thousand.

As at 31 December 2011, current and future receivables with a book value of PLN 522 thousand served as security for bank guarantee facilities. As at 31 December 2011, the related contingent liabilities amounted to PLN 3,029 thousand.

As at 30 September 2011, current and future receivables with a book value of PLN 2,885 thousand served as security for bank guarantee facilities. As at 30 September 2011, the related contingent liabilities amounted to PLN 4,289 thousand.

As at 30 September 2012, restricted cash up to the amount of PLN 226 thousand (disclosed under other short-term receivables) served as security for bank guarantees (of due performance of contracts or tender deposits).

As at 30 June 2012, restricted cash up to the amount of PLN 268 thousand (disclosed under other short-term receivables) served as security for bank guarantees (of due performance of contracts or tender deposits).

As at 31 December 2011, restricted cash up to the amount of PLN 419 thousand (of which PLN 225 thousand was disclosed under other short-term receivables and PLN 194 thousand under other long-term receivables) served as security for bank guarantees (of due performance of contracts or tender deposits).

As at 30 September 2011, restricted cash up to the amount of PLN 598 thousand (of which PLN 216 thousand was disclosed under other short-term receivables and PLN 382 thousand under other long-term receivables) served as security for bank guarantees (of due performance of contracts or tender deposits).

As at 30 September 2012, ASEE Serbia had a liability to purchase equipment and intangible assets for the amount of PLN 4,610 thousand. This liability amounted to PLN 6,620 thousand as at 30 June 2012, PLN 2,628 thousand as at 31 December 2011, and PLN 168 thousand as at 30 September 2011.

As at 30 September 2012 and 30 June 2012, ASEE Serbia held contingent receivables in the form of promissory notes issued by its subcontractors to secure due performance of a contract performed for the European Union Delegation in Serbia; by virtue of this contract ASEE Serbia also has contingent liabilities amounting to PLN 8,318 thousand (or PLN 7,069 thousand as at 30 June 2012) in favour of the project beneficiary. The said contingent receivables amounted to PLN 591 thousand as at 30 September 2012 and PLN 4,222 thousand as at 30 June 2012. Whereas, as at 31 December 2011 and 30 September 2011, the above-mentioned contingent receivables and liabilities were not recognized.

Because the Group companies rent office space, as at 30 September 2012, 30 June 2012, 31 December 2011 and 30 September 2011, 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 leases of space | 30 Sept. 2012 (unaudited) | 30 June 2012 (unaudited) | 31 Dec. 2011 (audited) | 30 Sept. 2011 (unaudited) |
|------------------------------------------|--------------------------------------------|-------------------------------------------|-----------------------------------------|--------------------------------------------|
| In the period up to 1 year | 11,210 | 11,700 | 13,560 | 12,789 |
| In the period from 1 to 5 years | 34,999 | 35,721 | 36,358 | 40,835 |
| | 46,209 | 47,421 | 49,918 | 53,624 |

| Liabilities under operating lease of property, plant and equipment | 30 Sept. 2012 (unaudited) | 30 June 2012 (unaudited) | 31 Dec. 2011 (audited) | 30 Sept. 2011 (unaudited) |
|---------------------------------------------------------------------------|--------------------------------------------|-------------------------------------------|-----------------------------------------|--------------------------------------------|
| In the period up to 1 year | 966 | 601 | 793 | 710 |
| In the period from 1 to 5 years | 1,223 | 201 | 530 | 694 |
| | 2,189 | 802 | 1,323 | 1,404 |

20. Capital expenditures

During the first 9 months of 2012, the Group incurred capital expenditures of PLN 42,808 thousand, of which PLN 8,418 thousand were spent for non-financial fixed assets and PLN 5,447 thousand were spent for development projects in progress.

Whereas, during the first 9 months of 2011, the Group incurred capital expenditures of PLN 14,355 thousand, of which PLN 6,106 thousand were spent for non-financial fixed assets and PLN 1,744 thousand were spent for development projects in progress.

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

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

XII. RELATED PARTY TRANSACTIONS

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

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

Until the date of approval of these interim condensed consolidated financial statements, ASEE 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.

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

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

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

Information on significant settlements resulting from court litigation.

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

To the best knowledge of the Management Board of ASEE S.A., during the period reported the Group made significant settlements resulting from court litigation.

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

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

The Management Board of ASEE S.A. has not published any financial forecasts for the year 2012.

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

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

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

During the 3-month period ended 30 September 2012, neither the Issuer nor any of its subsidiaries granted any bank loan sureties or payment guarantees to any single entity or their subsidiary, where the aggregate value of all the existing sureties or guarantees extended to such entity would equal at least 10% of the Issuer's equity.

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

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

1. Issuer's development policy

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

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

The Payment Solutions unit seeks opportunities for development in broadening its geographical coverage and product portfolio. The unit is engaged in building support centres in five countries including Bulgaria, Kosovo, Slovenia, Romania, and Albania with the objective to enhance its presence on these markets. In 2011, ASEE S.A. took over a company engaged in the provision of POS supply and maintenance services in the Bulgarian market. This made it possible to enter the market segment, where this unit has not been represented so far. Additionally, the Payment Solutions unit continues to look for and test new products and solutions that would match its operating profile.

The Systems Integration unit envisages its development basically by expanding its presence in various countries of the region. Growth shall be achieved through continued

delivery of the latest solutions of the world's leading producers as well as through the promotion of integration services featuring proprietary solutions. Moreover, the Group makes strong endeavours to acquire competence in the implementation of the EU co-financed projects, both in the area of accession programs and structural funds.

2. Factors influencing the Group's financial results

- consistently implemented market strategy of individual operating segments;
- average exchange rates of the functional currencies of the Group subsidiaries applied in translation to the Group's presentation currency, i.e. Polish zloty;
- revaluation of liabilities due to the acquisition of shares in ASEE Bulgaria;
- acquisition of shares in SIGMA;
- conclusion of each of the commercial contracts described in item 5.

3. Non-recurring events with impact on our financial performance

During the 3-month period ended 30 September 2012, apart from the information provided in this report, there occurred no extraordinary events affecting the financial results achieved for that period.

4. Significant events during the period reported

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

5. Significant agreements concluded by the Group

In the period of 3 months ended 30 September 2012, the Group signed the following agreements significant for its business operations:

| Segment | Sector | Country | Product | Contract value |
|----------------------------|-------------|-----------|-------------------------------------------|----------------|
| Banking Solutions | | | | |
| | Banking | Serbia | Implementation of software | € 189,000 |
| | Banking | Serbia | Modification of IT system | € 188,000 |
| | Banking | Serbia | Outsourcing of software | € 185,000 |
| Payment Solutions | | | | |
| | Banking | Croatia | Supply of ATMs | € 755,000 |
| | Banking | Serbia | Supply of ATMs | € 311,000 |
| | Banking | Croatia | Sale of internet payments clearing system | € 255,000 |
| | Banking | Croatia | Maintenance of ATMs | € 239,000 |
| Systems Integration | | | | |
| | Enterprises | Macedonia | Modification of billing systems | € 1,605,000 |
| | Banking | Serbia | Modification of database | € 290,000 |

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

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

In the opinion of the Management Board of Asseco South Eastern Europe S.A., the Group's current financial standing, its production potential and market position pose no threats to continued operations and growth throughout 2012. However, there are numerous factors, both internal and external, which may directly or indirectly affect the Group's financial performance in the next quarters.

External factors affecting the Group's development

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

Internal factors affecting the Group's development

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

XVIII. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

In the period from 30 September 2012 till the date of approval of these interim condensed consolidated financial statements, i.e. till 24 October 2012, there took place no significant events, the disclosure of which might significantly affect the assessment of human resources, assets, and financial position of the Asseco South Eastern Europe Group.

XIX. SIGNIFICANT EVENTS RELATED TO PRIOR YEARS

Until the date of preparing these interim condensed consolidated financial statements, this is until 24 October 2012, there occurred no significant events related to prior years, which have not but should have been included in the accounting books.



**ASSECO SOUTH EASTERN EUROPE S.A.
STANDALONE FINANCIAL DATA
FOR THE 3RD QUARTER OF 2012**

Rzeszów, 24 October 2012

**FINANCIAL HIGHLIGHTS
OF ASSECO SOUTH EASTERN EUROPE S.A.**

| | 9 months ended 30 Sept. 2012 (unaudited) | 9 months ended 30 Sept. 2011 (unaudited) | 9 months ended 30 Sept. 2012 (unaudited) | 9 months ended 30 Sept. 2011 (unaudited) |
|------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| | PLN '000 | PLN '000 | EUR '000 | EUR '000 |
| I. Revenues from holding activities | 49,926 | 23,802 | 11,902 | 5,890 |
| II. Revenues from operating activities | 3,082 | - | 735 | - |
| III. Operating profit | 47,777 | 21,036 | 11,390 | 5,205 |
| IV. Pre-tax profit | 47,878 | 17,457 | 11,414 | 4,320 |
| V. Net profit for the period reported | 47,789 | 17,455 | 11,392 | 4,319 |
| VI. Net cash provided by (used in) operating activities | 13,186 | 16,326 | 3,143 | 4,040 |
| VII. Net cash provided by (used in) investing activities | 10,030 | (5,685) | 2,391 | (1,407) |
| VIII. Net cash provided by (used in) financing activities | (18,796) | (14,027) | (4,481) | (3,471) |
| IX. Cash and cash equivalents at the end of period | 9,345 | 10,273 | 2,272 | 2,329 |
| X. Basic earnings per ordinary share for the period reported (in PLN/EUR) | 0.92 | 0.34 | 0.22 | 0.08 |
| XI. Diluted earnings per ordinary share for the period reported (in PLN/EUR) | 0.92 | 0.34 | 0.22 | 0.08 |

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 EUR 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 2012 to 30 September 2012: EUR 1 = PLN 4.1948
 - for the period from 1 January 2011 to 30 September 2011: EUR 1 = PLN 4.0413
- 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 EUR at the mid exchange rates as published by the National Bank of Poland. These exchange rates were as follows:
 - exchange rate effective on 30 September 2012: EUR 1 = PLN 4.1138
 - exchange rate effective on 30 September 2011: EUR 1 = PLN 4.4112

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

| | 3 months ended 30 Sept. 2012 (unaudited) | 9 months ended 30 Sept. 2012 (unaudited) | 3 months ended 30 Sept. 201 (unaudited) | 9 months ended 30 Sept. 2011 (unaudited) |
|-------------------------------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|--------------------------------------------------|------------------------------------------------------|
| <i>Holding activities</i> | | | | |
| Dividend income | 27,857 | 45,869 | 10,652 | 21,227 |
| Revenues from sales of services | 1,135 | 4,057 | 646 | 2,575 |
| <i>Operating activities</i> | | | | |
| Revenues from sales of IT services and software | 2,218 | 3,082 | - | - |
| Total sales revenues | 31,210 | 53,008 | 11,298 | 23,802 |
| Cost of sales (-) | (2,877) | (5,394) | (351) | (2,280) |
| Gross profit on sales | 28,333 | 47,614 | 10,947 | 21,522 |
| Selling expenses (-) | (519) | (948) | (21) | (63) |
| General administrative expenses (-) | - | - | - | (419) |
| Net profit on sales | 27,814 | 46,666 | 10,926 | 21,040 |
| Other operating income | 1,146 | 1,320 | 58 | 598 |
| Other operating expenses (-) | (10) | (209) | (66) | (602) |
| Operating profit | 28,950 | 47,777 | 10,918 | 21,036 |
| Financial income | 878 | 1,685 | 3,563 | 7,120 |
| Financial expenses (-) | (1,052) | (1,584) | (3,343) | (10,699) |
| Pre-tax profit | 28,776 | 47,878 | 11,138 | 17,457 |
| Corporate income tax (current and deferred tax expense) | 117 | (89) | (190) | (2) |
| Net profit for the period reported | 28,893 | 47,789 | 10,948 | 17,455 |
| Earnings per share for the period reported (in PLN): | | | | |
| Basic earnings per share from continuing operations for the period reported | 0.56 | 0.92 | 0.21 | 0.34 |
| Diluted earnings per share from continuing operations for the period reported | 0.56 | 0.92 | 0.21 | 0.34 |

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

| | 3 months ended 30 Sept. 2012 (unaudited) | 9 months ended 30 Sept. 2012 (unaudited) | 3 months ended 30 Sept. 2011 (unaudited) | 9 months ended 30 Sept. 2011 (unaudited) |
|---------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Net profit for the period reported | 28,893 | 47,789 | 10,948 | 17,455 |
| Other comprehensive income: | | | | |
| Hedges of cash flows | - | - | - | 241 |
| Total other comprehensive income | - | - | - | 241 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD REPORTED | 28,893 | 47,789 | 10,948 | 17,696 |

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

| ASSETS | 30 Sept. 2012 | 30 June 2012 | 31 Dec. 2011 | 30 Sept. 2011 |
|-------------------------------------|----------------------|---------------------|---------------------|----------------------|
| | (unaudited) | (unaudited) | (audited) | (unaudited) |
| Non-current assets | 595,199 | 569,903 | 569,671 | 566,405 |
| Property, plant and equipment | 420 | 448 | 224 | 232 |
| Goodwill arising from a merger | 4,567 | 4,567 | - | - |
| Intangible assets | 316 | 334 | 353 | 255 |
| Investments in subsidiary companies | 588,840 | 563,507 | 567,785 | 564,144 |
| Long-term receivables | 35 | 43 | 578 | 1,094 |
| Deferred income tax assets | 507 | 390 | 731 | 435 |
| Long-term deferred expenses | 514 | 614 | - | 245 |
| Current assets | 21,608 | 40,363 | 18,016 | 21,273 |
| Inventories | 6 | 7 | - | - |
| Deferred expenses | 1,073 | 1,655 | 73 | 468 |
| Trade accounts receivable | 2,055 | 3,001 | 255 | 213 |
| Receivables from the State budget | 1,928 | 526 | 194 | 343 |
| Other receivables | 7,201 | 2,416 | 2,373 | 4,432 |
| Short-term loans | - | 852 | - | - |
| Current financial assets | - | - | 10,171 | 5,544 |
| Cash and short-term deposits | 9,345 | 31,906 | 4,950 | 10,273 |
| TOTAL ASSETS | 616,807 | 610,266 | 587,687 | 587,678 |

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

| SHAREHOLDERS' EQUITY AND LIABILITIES | 30 Sept. 2012 | 30 June 2012 | 31 Dec. 2011 | 30 Sept. 2011 |
|-----------------------------------------------------------------|----------------------|---------------------|---------------------|----------------------|
| | (unaudited) | (unaudited) | (audited) | (unaudited) |
| Shareholders' equity | | | | |
| Share capital | 518,942 | 518,942 | 518,942 | 518,942 |
| Share premium | 38,825 | 38,825 | 38,825 | 38,825 |
| Prior years' retained earnings (deficit) and current net profit | 55,509 | 26,615 | 25,196 | 25,787 |
| Total shareholders' equity | 613,276 | 584,382 | 582,963 | 583,554 |
| Non-current liabilities | 535 | 591 | 6 | 15 |
| Long-term deferred income | 535 | 591 | 6 | 15 |
| Current liabilities | 2,996 | 25,293 | 4,718 | 4,109 |
| Trade accounts payable | 465 | 2,130 | 715 | 140 |
| Liabilities to the State budget | 249 | 232 | 51 | 55 |
| Financial liabilities | 633 | 19,963 | 1,759 | 1,943 |
| Other liabilities | 15 | 72 | 62 | - |
| Provisions | 114 | 1,229 | 1,229 | 1,229 |
| Deferred income | 858 | 1,270 | 35 | 92 |
| Accrued expenses | 662 | 397 | 867 | 650 |
| TOTAL LIABILITIES | 3,531 | 25,884 | 4,724 | 4,124 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 616,807 | 610,266 | 587,687 | 587,678 |

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

For 9 months ended 30 September 2012 and for 9 months ended 30 September 2011

| | Share capital | Share premium | Revaluation capital | Prior years' retained earnings (deficit) and current net profit | Total shareholders' equity |
|-----------------------------------------------------------|----------------|---------------|---------------------|-----------------------------------------------------------------|----------------------------|
| As at 1 January 2012 | 518,942 | 38,825 | - | 25,196 | 582,963 |
| Net profit for the period reported | - | - | - | 47,789 | 47,789 |
| Total comprehensive income for the period reported | - | - | - | 47,789 | 47,789 |
| Recognition of the merger with ITD Poland | - | - | - | 1,206 | 1,206 |
| Dividends | - | - | - | (18,682) | (18,682) |
| As at 30 September 2012 (unaudited) | 518,942 | 38,825 | - | 55,509 | 613,276 |
| As at 1 January 2011 | 509,921 | 38,825 | (241) | 21,590 | 570,095 |
| Net profit for the period reported | - | - | - | 16,864 | 16,864 |
| Other comprehensive income | - | - | 241 | - | 241 |
| Total comprehensive income for the period reported | - | - | 241 | 16,864 | 17,105 |
| Issuance of series T shares | 9,021 | - | - | - | 9,021 |
| Dividends | - | - | - | (13,258) | (13,258) |
| As at 31 December 2011 (audited) | 518,942 | 38,825 | - | 25,196 | 582,963 |
| As at 1 January 2011 | 509,921 | 38,825 | (241) | 21,590 | 570,095 |
| Net profit for the period reported | - | - | - | 17,455 | 17,455 |
| Other comprehensive income | - | - | 241 | - | 241 |
| Total comprehensive income for the period reported | - | - | 241 | 17,455 | 17,696 |
| Issuance of series T shares | 9,021 | - | - | - | 9,021 |
| Dividends | - | - | - | (13,258) | (13,258) |
| As at 30 September 2011 (unaudited) | 518,942 | 38,825 | - | 25,787 | 583,554 |

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

| | 9 months ended 30 Sept. 2012 (unaudited) | 9 months ended 30 Sept. 2011 (unaudited) |
|------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Cash flows - operating activities | | |
| Pre-tax profit | 47,878 | 17,457 |
| Total adjustments: | (34,708) | (1,083) |
| Depreciation and amortization | 139 | 50 |
| Change in inventories | 1 | - |
| Change in receivables | (303) | (1,963) |
| Change in liabilities | (2,550) | (2,926) |
| Change in deferred and accrued expenses | (60) | (96) |
| Change in provisions | (1,113) | - |
| Interest income and expense | 7 | 78 |
| Gain (loss) on foreign exchange differences | 896 | 1,028 |
| Impairment write-down on investments in subsidiary companies | - | 6,033 |
| Gain (loss) on investing activities | (46,461) | (18,974) |
| Other | 74 | 942 |
| Selected operating cash flows | 14,662 | 14,745 |
| Cost of acquisition of shares in subsidiary companies | (26,359) | (6,505) |
| Disposal of shares in subsidiary companies | 1,645 | 2,677 |
| Cash acquired under the merger with ITD Poland Sp. z o.o. | 1,798 | - |
| Dividends received | 37,578 | 18,573 |
| Net cash used in operating activities | 13,170 | 16,374 |
| Corporate income tax paid (recovered) | 16 | (48) |
| Net cash provided by (used in) operating activities | 13,186 | 16,326 |
| Cash flows - investing activities | | |
| Disposal of property, plant and equipment | 6 | - |
| Acquisition of property, plant and equipment and intangible assets | (226) | (141) |
| Disposal of financial assets carried at fair value through profit or loss | 10,299 | - |
| Acquisition of financial assets carried at fair value through profit or loss | - | (5,544) |
| Loans collected (granted) | (35) | - |
| Interest received | 6 | - |
| Other | (20) | - |
| Net cash provided by (used in) investing activities | 10,030 | (5,685) |
| Cash flows - financing activities | | |
| Proceeds from bank loans | 8,217 | 7,717 |
| Repayment of bank loans | (8,310) | (8,350) |
| Dividends paid out to shareholders | (18,682) | (13,258) |
| Interest paid | (21) | (78) |
| Other | - | (58) |
| Net cash provided by (used in) financing activities | (18,796) | (14,027) |
| Net increase (decrease) in cash and cash equivalents | 4,420 | (3,386) |
| Net foreign exchange differences | (25) | 12 |
| Cash and cash equivalents as at 1 January | 4,950 | 13,647 |
| Cash and cash equivalents as at 30 September | 9,345 | 10,273 |