SOUTH EASTERN EUROPE

ANNUAL REPORT
OF ASSECO SOUTH EASTERN EUROPE GROUP
FOR THE YEAR ENDED 31 DECEMBER 2012

Rzeszów, 20 February 2013

PRESIDENT'S LETTER TO SHAREHOLDERS OF ASSECO SOUTH EASTERN EUROPE S.A.

Rzeszów, 20 February 2013

Dear Shareholders,

It is our pleasure to present to you the Annual Report of Asseco South Eastern Europe Group (ASEE) for 2012.

The past year was only the sixth one in the relatively short history of our company. During this time, we have become a regional leader among providers of software and IT services in South Eastern Europe and have also expanded our operations into Turkey. Despite the unfavourable economic situation in the region, last year we managed to generate nearly EUR 111 million in revenues and achieved an operating profit of more than EUR 12.5 million, which confirms our strong market position. When the economy faces hard times, we are trying our best to carry out an internal reorganization of our Group and believe this will stimulate dynamic growth of ASEE in the future.

During 2012, we continued the process of building and development of ASEE, while focusing on the operational integration of our organization. The Group is managed in a matrix environment, which is currently dominated by two dimensions: geographical management which aims at full integration of operations within each country, and business management whose task is to unify the strategies adopted for our key product groups. For some time we have been implementing the third dimension of the organizational matrix – integrated function-oriented management, which involves the centralization and standardization of procedures within the key organizational functions, such as sales, project management, finance, human resources, marketing and public relations.

Last year we focused primarily on the strategic reorganization of our sales process. The management team of ASEE S.A. was joined by a Head of Group Sales responsible for sales in the entire Group. This reorganization also resulted in appointing Sales Directors for our segments of Banking Solutions and Payment Solutions, as well as in creating the position of Solution Sales Specialist (SOS), this is an expert responsible for selling individual strategic solutions. We believe that these changes will facilitate the development of a more coherent sales strategy in our operating segments, as well as enable better coordination of the Group's key customer service, and a clear allocation of responsibility for the sale of certain solutions or products. We also expect that the sales process reorganization is going to boost our sales revenues, especially in New Markets (meaning new markets for our products, irrespective of whether they are located within or outside the existing geographical coverage of the Group's operations).

A top priority of the Management Board of ASEE is to further concentrate on increasing the value of sales in New Markets, both in 2013 and in subsequent years. In 2012, revenues generated in New Markets reached EUR 13 million, improving by more than EUR 4.5 million or 53% as compared to the previous year. In 2013, we would like to achieve a slightly higher rate of growth, among others, by taking advantage of the newly established mechanisms that stimulate mutual sales of proprietary solutions by various companies of ASEE Group (cross-selling).

Another important goal for 2013, and for the next years, is to unify and promote the ASEE Group's product portfolio, with a special emphasis on several solutions demonstrating the highest potential for international growth. These solutions will be supported by an independent product strategy and a dedicated Solution Sales Specialist, whose major role will be to provide assistance in the distribution of a given solution in New Markets. In our opinion, selected products of ASEE Group are able to compete effectively in the emerging markets (also outside the territory of our current operations), which we are planning to enter primarily through collaboration with local partners.

Acquisitions continue to be one of the key pillars of the ASEE Group's development. In 2012, we strengthened our presence in Turkey through the acquisition of Sigma, which specializes in the development of web-based solutions for business. Sigma offers primarily enterprise asset management solutions as well as software solutions dedicated to the leasing industry. Sigma's clients include institutions from the sectors of finance, telecommunication and public administration. IT solutions provided by Sigma are complementary to the ASEE's product portfolio and will be distributed internationally. We hope to conduct further valuable transactions in 2013 in order to expand the existing offering of ASEE Group.

We are also satisfied with the organic growth achieved by ASEE Group in 2012. Last year was particularly favourable for internet payment solutions, including the NestPay Payment Gateway, whose sales surged by 36% when compared to the prior year. Solid financial results generated by our banking solutions confirm that ASEE is a strong player in this segment of the market. During 2012, we implemented several significant contracts, including the implementations of: InACT risk management and anti-money laundering solutions for two banks in Turkey; NestPay online card payment solution for a bank in Turkey; ASEBA Core Banking Intranet system for a bank in Bosnia and Herzegovina; mobile token solution for a bank in Romania; and ASEBA JiMBa m-banking system for a bank in Croatia. Concurrently, our orders backlog for 2013 increased by over 5 percentage points as compared to the corresponding period last year, which justifies some cautious optimism in assessing the ASEE Group's business prospects.

Last year was a period of hard work for all Employees of Asseco South Eastern Europe and its subsidiary companies and therefore, on behalf of the Management Board, I wish to express sincere appreciation for such efforts. I would also like to thank our Clients for the credit of trust they gave us as well as to our Partners for their participation in building our international group of companies and reinforcing our market position both in our region and abroad. We are also grateful to our Shareholders and Investors for their confidence in us and for supporting our initiatives. All of our 2012 accomplishments lay a solid foundation for further development of Asseco South Eastern Europe in the years to come.

Piotr Jeleński

President of the Management Board
Asseco South Eastern Europe S.A.

MANAGEMENT'S REPORT ON BUSINESS OPERATIONS OF ASSECO SOUTH EASTERN EUROPE GROUP FOR THE YEAR ENDED 31 DECEMBER 2012

Rzeszów, 20 February 2013

MANAGEMENT'S REPORT ON BUSINESS OPERATIONS OF ASSECO SOUTH EASTERN EUROPE GROUP FOR THE YEAR ENDED 31 DECEMBER 2012

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1. GENERAL INFORMATION ON THE ISSUER

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

The Parent Company 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. The Company has been listed on the Warsaw Stock Exchange since 28 October 2009.

2. BUSINESS PROFILE OF THE ISSUER AND ITS CAPITAL GROUP

ASEE S.A. is engaged in holding operations which involve investments in new IT sector companies in South Eastern Europe and Turkey, as well as management of companies that have been already incorporated into Asseco South Eastern Europe Group in that region. Since 1 June 2012, this is from the merger with its subsidiary ITD Poland, ASEE S.A. has been also engaged in the sales of services and software for voice automation solutions, payment systems and mobile communication.

Asseco South Eastern Europe Group has identified the following reportable segments reflecting the structure of its business operations:
- Banking Solutions,
- Payment Solutions,
- Systems Integration.

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

Banking Solutions

This 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.
As from 2012, ASEE Group has enriched the product portfolio of its Banking Solutions segment with LeaseFlex, a comprehensive solution enabling leasing companies to manage the lifecycles of leases and assets.

Payment Solutions

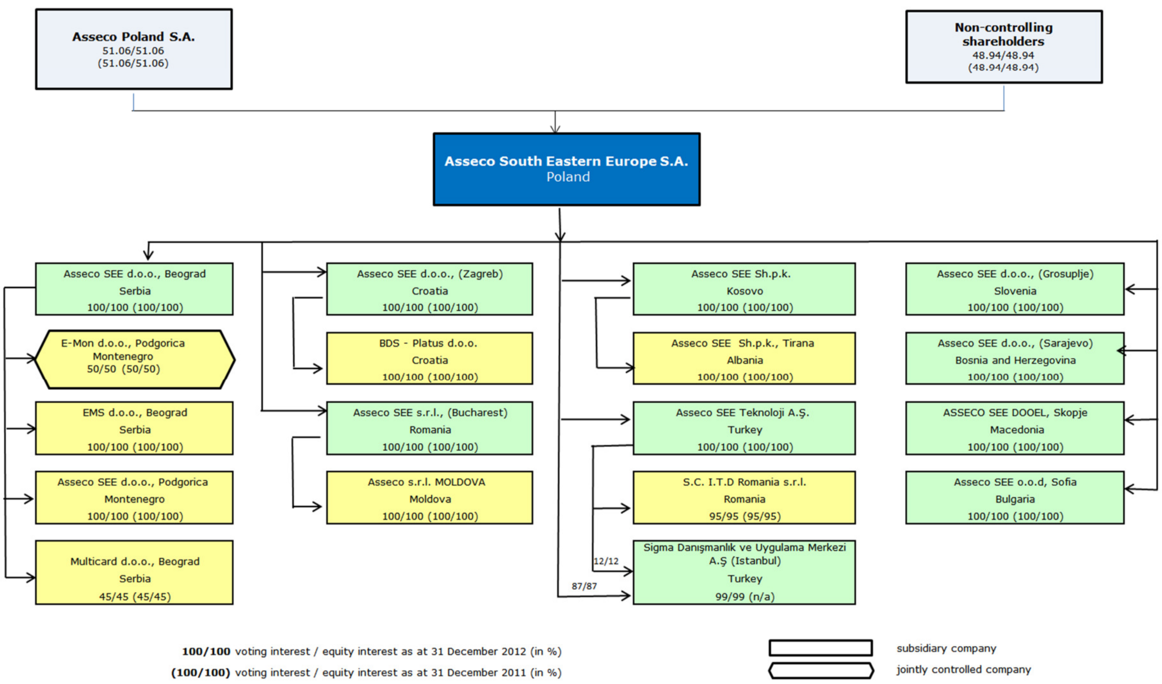
This operating segment offers systems for handling of internet payments made with credit cards as well as for making fast and direct online money transfers, and is also engaged in maintenance services and sales of ATMs and POS terminals as well as in provision of additional related services. Furthermore, 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). ASEE 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. The Systems Integration segment also presents a group of proprietary solutions of ASEE which, due to their profile, have not been classified to our banking or payment solutions. A brand new product offered by the Systems Integration segment is Fidelity, a full-fledged solution for asset lifecycle management, dedicated primarily to large organizations with dispersed organizational structure. This system automates the full lifecycle of asset and spend processes, enabling better control, increased visibility and effective management of all corporate expenditures.

3. ORGANIZATIONAL STRUCTURE OF 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 ASEE Group along with the equity interests and voting interests held at the general meetings of shareholders/partners as at 31 December 2012:

Full name of entity	Short name as used in this report	Country of registration	Equity / Voting interest 31 Dec. 2012	Equity / Voting interest 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 o.o.d., Sofia 2)	**ASEE Bulgaria**	Bulgaria	100.00%	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 4)	ASEE Macedonia	Macedonia	-	100.00%
Asseco SEE d.o.o. (Sarajevo) 4,5)	ASEE B&H (Sarajevo)	Bosnia and Herzegovina	-	50.00%
Asseco SEE d.o.o., Banja Luka 4,5)	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, a merger of ASEE S.A. (the taking-over company) and ITD Poland (the acquired company) was registered.
4) As a result of the merger of ASEE S.A. and ITD Poland, 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 31 December 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 31 December 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.

4. CHANGES IN THE ORGANIZATIONAL STRUCTURE OF THE ISSUER'S GROUP

Description of changes in the organizational structure of the Issuer's capital group and rationale behind them.

During the period of 12 months ended 31 December 2012, the following changes in the Group composition were observed:

❑ *Merger of the companies of ASEE Bulgaria and Altius, Bulgaria*

On 10 February 2012, there was registered a merger between our two subsidiary companies seated in Bulgaria, namely ASEE Bulgaria and Altius, Bulgaria. The merger was executed by transferring all the assets of Altius, Bulgaria to ASEE Bulgaria. As a consequence of the merger, on 10 February 2012, Altius, Bulgaria was deleted from the commercial register and all of its rights and obligations were taken over by ASEE Bulgaria. This merger had no impact on the consolidated financial statements of the Group.

❑ *Merger between ASEE S.A. and ITD Poland*

In its current report dated 1 March 2012, our Management Board informed about the Merger Plan that was agreed upon and signed between the companies of ASEE S.A. and ITD Poland on 29 February 2012. On 1 June 2012 the District Court in Rzeszów, XII Commercial Department of the National Court Register, made an entry in the register of entrepreneurs of the Company's merger with ITD Poland. The merger was conducted pursuant to article 492 § 1 item 1 of the Polish Commercial Companies Code, this is by transferring all the assets of ITD Poland (the Acquired Company) to ASEE S.A. (the Taking-over Company). Following the merger, the company of ITD Poland has been dissolved without going into liquidation. The merger aims at enhancing the business potential of the merging Companies and improving their ability to effectively compete in the local and European markets.

ASEE S.A. obtained control over ITD Poland on 30 July 2010 thanks to the acquisition of shares in the group of ITD A.Ş. (presently ASEE Turkey). At that time ITD Poland was a subsidiary of ITD A.Ş. in Turkey. On 2 November 2010, ITD A.Ş. and ASEE S.A. signed an agreement to sell/buy shares in ITD Poland. Following this transaction, ASEE S.A. became a direct owner of 100% of shares in ITD Poland. On 9 December 2010, the District Court for the Capital City of Warsaw issued a decision on registration of a new amount of ITD Poland’s share capital that reached PLN 125,651,760. This new issuance was acquired entirely by ASEE S.A. in exchange for the non-cash contribution of IPSA BHM Investments d.o.o. seated in Serbia, which held shares in the companies of ASEE Macedonia, ASEE B&H (Sarajevo), and ASEE B&H (Banja Luka). On 31 October 2011, IPSA went into liquidation and subsequently ITD Poland became a direct owner of the above-mentioned shareholdings in Macedonia and in Bosnia and Herzegovina.

❑ *Acquisition of a 50% stake in ASEE Slovenia by ASEE S.A. from ASEE Serbia*

On 18 April 2012, ASEE S.A. was registered as a holder of 100% of shares in ASEE Slovenia. So far the direct shareholding of ASEE S.A. in ASEE Slovenia was 50%; whereas, the remaining 50% of shares were owned by ASEE Serbia.

Following this transaction, ASEE S.A. has become a direct owner of 100% of shares in ASEE Slovenia. This transaction was completed as part of the process of simplifying the Group's organizational structure.

❑ *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).

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

On 14 September 2012, 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 ASEE Group.

Sigma offers solutions for enterprise asset management, leasing 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.

5. GROUP'S DEVELOPMENT POLICY

Three-dimensional management of the Group

Asseco South Eastern Europe Group was created through the acquisition and integration of fifteen IT companies operating in the markets of South-Eastern Europe and Turkey. As a consequence of such process of the Group's creation, the geographical dimension of management was implemented as the first. In practice, this meant obtaining 100 percent control over subsidiaries and total integration of business operations within each country – one company and one management board in each country. We have successfully achieved this goal in all the countries where ASEE is present. Next companies taken over by ASEE are combined into our organizational structures already operating in a given country.

Regardless of its geographical structure, the Group has identified operating segments (Business Units), which are distinguished by different groups of products as described in detail in item 2 of this report. ASEE Group's product portfolio has been divided into: (i) software solutions offered for the banking sector (including core banking systems, mobile solutions and security systems), (ii) payment solutions (including the supply and maintenance of ATMs and POS terminals, as well as provision of online payment solutions), and (iii) integration of IT systems (including the provision of proprietary solutions, services as well as third-party solutions). Product development and sales strategies are formulated within individual operating segments. Chief Officers of the key business areas within operating segments are concurrently members of the Management Board of the parent company, i.e. Asseco South Eastern Europe S.A.

In recent years, the Management of ASEE has intensified efforts in order to implement the third, function-oriented dimension of managing the Group, which shall be independent of our geographical structure or operating segments as described above. Functional management involves the centralization and application of uniform standards in performing certain functions within the organization. The process of implementation of functional management is most advanced in the area of finance and accounting. During the year 2012, the Group accomplished much progress by introducing function-oriented management into the areas of sales, HR, marketing, and PR. In the nearest future, the Group plans to centralize and unify standards used in project management and product development activities.

Sales-oriented organization

As part of implementing the functional dimension of management, in 2012 ASEE began a strategic reorganization of the Group's sales process. In April 2012, the management team of ASEE was joined by a Chief Sales Officer, whose responsibility is to exercise central supervision over the performance of sales functions across the Group.

Sales Directors were also appointed for the segments of Banking Solutions and Payment Solutions. The main objective of each of these officers is to create a coherent sales strategy and uniform procedures within their operating segments, coordination of the sales policy for the key account customers, and supervision over the activities of persons working at the newly-established position of Product Sales Manager (Solution Sales – SOS).

The last-mentioned position was established in order to reorganize our sales process. Hence, for each strategic solution we have appointed an expert, who perfectly knows the product, and whose role is primarily to promote sales of a given solution in New Markets by educating and supporting local vendors during their first meetings with potential clients. Just to remind, the term New Markets means new geographic locations of the Group's business operations as well as newly marketed products in the existing locations.

In recent months, we have deployed one central CRM system for all ASEE Group companies in order to unify their sales processes.

All of the above-mentioned activities are aimed at improving the efficiency of sales processes, creating a more cohesive sales strategy within our operating segments, ensuring better coordination of the Group's key customers service and, above all, at increasing our sales revenues in New Markets.

Focus on strategic products

In the process of further development of ASEE, the Management Board intends to continue to focus on expanding and enhancing the importance of the portfolio of our own products and services. Therefore, it may be necessary to concentrate more on the Group's key competencies, and as a result we may need to resign from offering certain solutions, which are not strategically important for ASEE.

The Management Board plans to build a comprehensive and consistent portfolio of IT solutions in each of the Group's existing operating segments. This will require, among others, the determination of which solutions should be offered locally and which have an international potential.

In the longer term, intellectual property rights to software solutions with international sales potential are meant to be transferred from companies that developed such products to one central entity. Ultimately, the Group will focus on the development and global marketing of several key solutions, in the areas where ASEE's know-how and expertise allow us to compete with the biggest suppliers in the market.

Strategic directions of development

The Management Board of ASEE believes that by reorganizing its sales processes and focusing on the development of strategic products the Group will be able to achieve higher growth in revenues from proprietary solutions than in the past two years. This is a strategic priority of the Group.

One of the ways of achieving higher growth in sales of proprietary solutions is to increase the share of revenues generated in markets outside the current area of ASEE Group's operations (New Markets). In the long run, our Company plans to expand its sales beyond South Eastern Europe and Turkey, in particular by creating a network of partners to collaborate with ASEE. The Group intends to focus on offering its products mainly in the emerging markets.

From among the markets in which the Group is currently present, the largest potential for growth is seen in Turkey and that where ASEE should develop most dynamically in the coming years. Expansion of our Turkish operations should be achieved by continuing organic growth and making further company acquisitions. Turkey remains the priority area where ASEE is looking for potential take-over candidates.

The strategic goal of ASEE is to become one of the three largest and most recognizable players in each of the markets where the Group conducts its business operations.

Plans for the individual operating segments

In the Banking Solutions segment, the nearest plans assume further strengthening of ASEE's position in the Serbian market and restoring our position in the Romanian banking sector, where our results for 2012 were considerably weaker. The value of contracts signed for 2013 justifies the belief that the Company will be able to accomplish its goals in these two markets, which are most crucial for this segment. Concurrently, we observe a growing importance of the Turkish market for our Banking Solutions segment. This is primarily a consequence of qualifying in this segment of two very promising products, namely InAct (a banking internal and external anti-fraud system) and LeaseFlex (a comprehensive leasing management solution). We will also continue to expand the operations of our Banking Solutions segment in Bosnia and Herzegovina, Croatia and Bulgaria. In these countries, we build competence centers in order to provide IT support services for local customers. The Banking Solutions segment also includes the results of operations within mobile banking solutions and authentication systems. These products are marketed in the whole territory of ASEE Group operations. The restructuring of sales force should enhance our selling opportunities in this vertical market. Apart from Croatia, mobile solutions and authentication systems are successfully sold in Bosnia and Herzegovina, which is expected to contribute nearly 15% of total revenues in this segment. Whereas in countries outside the region of ASEE's operations, this division is seeking local business partners in order to offer our software solutions through their distribution networks. At all times the technical support as well as production facilities for mobile solutions and security systems are located in Croatia.

The Payment Solutions segment comprises two main business lines: systems for the settlement of online payments, as well as sales and maintenance of ATMs and POS terminals.

The vertical offering systems for the settlement of online payments focuses on the Turkish NestPay solution, no wonder Turkey is still the largest market for these products. Nonetheless, our internet payment systems are also sold outside of Turkey; in 2012, the second major market for such products was Croatia. In the nearest future, we are going to expand the list of countries where NestPay and complementary products will be distributed. We expect to make such implementations in Albania, Kosovo, Macedonia, Poland, and Serbia. The sales strategy adopted for the group of Payment Gateway products concentrates on selling such solutions in the outsourcing model.

In the area of maintenance and sales of automatic teller machines and point-of-sale terminals, our most important markets are Serbia, Croatia, Bosnia and Herzegovina, Macedonia, and Montenegro. Apart from that ASEE is consistently building its position in the markets of Bulgaria, Slovenia, Romania, Albania, and Kosovo. In 2012 we signed a strategic partnership agreement with Ingenico, which joined our existing strategic partner Hypercom (acquired by VeriFone). Collaboration with Ingenico made it possible to expand the base of our prospective clients. In addition, the vertical of ATMs and POS terminals continues to test new products and solutions in an effort to enhance its value-added services, and consistently transfers its sales into the outsourcing model, which contributes to greater security and predictability of business.

Development of the Systems Integration segment will primarily involve strengthening our presence in the proprietary solutions market of individual countries in the region. Currently, the Systems Integration segment is engaged in the promotion of high sales potential solutions, such as Fidelity (a comprehensive solution for asset lifecycle management) or SKAI (a billing system for small and medium-sized utilities). Moreover, the Group continues to develop its competence in the implementation of projects co-financed by the European Union, both in the area of accession programs and structural funds.

6. KEY PRODUCTS, GOODS FOR RESALE, AND SERVICES

Description of the key products, goods for resale, and services, inclusive of information on the value and volume of sales of particular products, goods for resale, and services (if significant) or their groups, and their share in the Group's total revenue, as well as changes of the above measures during the financial year.

BANKING SOLUTIONS

Core Banking Systems

ASEE Group offers four different core banking systems for the banking sector. Two of them are based on the **Oracle platform** (**ASEBA Banking Intranet** and **ASEBA abSolut**), and the other two on the **Microsoft platform** (**ASEBA PUB2000** and **Experience**). Our key product line among core banking systems is called **Experience**.

On Microsoft platform:
- **ASEBA PUB2000**
- **Experience**

ASEBA PUB2000 is an integrated application for retail and corporate banking. Owing to its integrated Product Factory function it is quite a unique product in the market, which enables our clients to generate new banking products and services, and to define or modify process workflows without altering the application.

Experience (*Experience Platform*, *Experience Branch* and *Experience Customer Insight*) is state-of-the-art banking software featuring distribution channels, core banking systems, as well as payment and Business Intelligence solutions. The currently available modules support full functionality for customer service (front office). These new generation products are developed with an eye to gain competitive advantage in new markets where the Group is still not represented. The new solutions also serve as a platform for the strategic unification of our current banking software lines, which is intended to enable cost savings, bring higher efficiency, and foster the exchange of know-how and resources among our teams. Introduction of a new product line that could be implemented internationally is one of the key priorities in the Group's long-term business strategy. These solutions were launched into the market in 2011.

On Oracle platform:
- **ASEBA Banking Intranet**
- **ASEBA abSolut**

ASEBA Banking Intranet is an integrated core banking system offering numerous front-end functions, optimized for retail and commercial banks conducting operations in Southern and Eastern Europe.

ASEBA abSolut is a suite of applications designed to support finance and banking operations. The system consists of the core module and several additional modules, such as Internet banking, management information system, cards management system, insurance management system. It also includes the *ASEBA abSolut leasing* application which effectively supports operations of leasing companies.

Distribution Channels

e-banking and m-banking systems:
- **ASEBA iBank**
- **ASEBA Bank@You**
- **ASEBA JiMBa (m-banking)**

Distribution systems (including e-banking, m-banking, etc.) are offered together with core banking systems or separately to be integrated with the bank's legacy solutions. Our offer includes multi-channel e-banking systems: **ASEBA iBank** and **ASEBA Bank@You** as well as specialized m-banking system **ASEBA JiMBa** – a mobile banking platform designed both for retail and corporate banking customers. This solution supports all popular mobile platforms.

Other solutions:
- **ASEBA InstantCredit**
- **ASEBA PFM**
- **ASEBA Contact Center®**

ASEBA InstantCredit is an ideal solution for agents wishing to offer their customers a retail loan without the need of a personal visit to a bank.

ASEBA PFM is an advanced online personal finance management solution that enables bank's online banking clients to manage their finances by keeping track and making analysis about personal incomes, through automatic categorization of all transactions, by making plans about spending and incomes and through receiving financial help and recommendations.

Risk management

InACT

InACT presents an all-in-one solution to internal auditors, security departments for alternative distribution channels and compliance officers. **InACT** addresses four different needs:

- Transactional fraud monitoring and prevention
- Internal fraud monitoring and prevention
- Monitoring and prevention of money laundering activities
- Flexible reporting

InACT has a flexible data structure in order to accept data from different sources.

Business Intelligence

- **reporting systems** (data warehouse and reporting module REPOBNR)
- **ASEBA Tezauri™**

The data warehouse and reporting module performs the following functions: reporting to the Central Bank, reporting to Credit Bureaus, reporting to the Financial Intelligence Office, reporting to tax authorities and preparation of data for reporting according to the new capital accord standards (Basel II).

ASEBA Tezauri™ is an integrated Business Intelligence solution for banks, which enables risk management, credit assessment through an integrated scoring system and profitability analysis, monitoring of regulatory compliance as well as implementation related solutions.

Solutions for leasing companies

- **Lease and asset management solution LeaseFlex**

LeaseFlex is a web-based Lease and Asset Management software for equipment and consumer finance. It enables financial service companies to maximize their operational efficiency in business administration and monitoring with a centralized management platform for operational processes and end-to-end management of the lease and asset lifecycle.

Authentication and e-commerce solutions

- **Strong authentication solution: ASEBA S&S**	**ASEBA S&S** is a two-factor authentication server specifically designed to meet the business and regulatory requirements of multi-channel organizations. ASEBA S&S enables simultaneous use of different types of end-user devices and OTP standards.
- Solutions for digital signature and encryption based on PKI SmartCard technology: **ASEBA PKI VAS, ASEBA CMS**	**ASEBA PKI VAS** (Public Key Infrastructure / smartcards): solution for electronic signature. **ASEBA CMS** (Credential Management System) is a flexible solution which has been designed to manage all aspects of the lifecycles of certificates that are stored on the hardware devices (e.g. smart cards or tokens) or in files (software certificate issuance).
- **E-commerce security solution: ASEBA Trides**	**ASEBA Trides** is a complete 3D Secure solution certified according to Verified by VisaTM, MasterCard SecureCodeTM, American Express SafeKeySM and Diners Club ProtectBuySM programs.

PAYMENT SOLUTIONS

PAYMENT GATEWAY NestPay®	ASEE provides turn-key e-payment services, solutions and products as well as after sale support to the leading banks in 13 different countries, in addition to providing 7x24 operational/technical support to more than 24,000 merchants. **NestPay®** solution is a B2B online card payment platform that handles payments between headquarters and a network of dealers. **NestPay®** is designed to enable banks to offer card acquiring services to their web merchants. Financial institutions offering online payment services can get benefit from **NestPay® Payment Gateway** as a service provided by ASEE, using its PCI-DSS certified environment. **NestPay®** technology empowers the banks to enter "Card-Not-Present" (CNP) payment market with full confidence.
MerchantSafe®	**MerchantSafe®** enables merchants to avoid storing credit/debit card data within their software environment and significantly reduces the scope of their PCI-DSS compliance. **MerchantSafe®** offers mass card loading, online card loading, card updating / card cancellation, card group definition (all cards connected to the agent number) functions.
MerchantSafe® Mobile	**MerchantSafe® Mobile** provides merchants with a simple, manageable and cost effective way of taking mobile payments for an almost limitless range of goods and services.
MerchantSafe® Unipay	Merchants will be able to collect payments remotely from various banks by using our **MerchantSafe® Unipay** which is an online payment solution offering a secure, easy and convenient checkout experience for both buyers and merchants, from multiple access points i.e. web, ERP systems, CRM systems and e-mail.
MassPay®	**MassPay®** is developed to enable merchants to realize high volume and scheduled collections from customer credit cards periodically. **MassPay®** ensures that collections are made automatically, fast and free of mistakes. It helps preventing risks caused by manual processing of credit card information, and reducing the workload.
NestCollect	**NestCollect** is an online card payment platform to handle payments between headquarters and their dealers. It helps companies to minimize operational costs and market risk related to notes payable. On the other hand, banks promoting NestCollect can enjoy higher corporate card penetration rate and facilitate cross-selling opportunities for dealers.

ATMs and POS terminals
- installation
- maintenance
- replacement

ASEE provides complete payment industry solutions, for non-financial and financial institutions, supporting card and card-less transactions. We deliver self-service equipment, software, solutions, providing highest maintenance level and support.
ASEE is implementing world latest technology standards in payment industry and actively participating in innovations in our region, creating new, proprietary solutions which are tailored for our client's and our market specific needs.

24/7 Service Support Center
Multivendor solutions for ATMs and POS terminals

Our well positioned service network, counting over 100 service centers, lets us provide best SLA possible. In South Eastern Europe, we are successfully maintaining over 6,500 ATM, ATS and KIOSK terminals as well as 120,000 POS terminals. We are constantly updating and improving functionalities on installed self-service base in this region of Europe, by tracking the latest world trends and significantly investing in R&D (bill payment, recycling, automatic exchange office, top up, mCash, etc.). Outsourcing is one of our priorities, because at ASEE we above all aspire to have long-term agreements with our clients, cutting their operational costs at the same time.

NFC (near-field communication) and mobile payments are also in ASEE's solutions portfolio, together with Loyalty, m-Banking, e-Commerce solutions. The Group has a successful cooperation with over 100 banks and 9 mobile operators in the SEE region, and it is implementing many projects for the public and industrial production sectors.

SYSTEMS INTEGRATION

Full range of integration services

Asseco South Eastern Europe Group is a top player in the market of integration services in Kosovo, Macedonia, Romania and Serbia. The Group serves the financial, industry and public administration sectors with the following **business lines**: development of IT infrastructure, implementations and support, ensuring continuity of business processes, automation of operations, and software development. The Systems Integration segment also presents a group of proprietary solutions of ASEE which, due to their profile, have not been classified to our banking or payment solutions.

ASEBA Business Process Suite

One of our brand new content management solutions is **ASEBA Business Process Suite (BPS)** which delivers sophisticated, end-to-end automated business procedures that centralize, accelerate, and greatly increase the accuracy of finance content management.

IVN® (Interactive Voice Notification)

IVN® is a web based technology solution that performs external call campaigns without customer representative for call / contact centers. Business and marketing departments can easily perform their multiple campaigns with predefined rules with IVN® without support of the IT department.

ASEBA LIVE

ASEBA LIVE is advanced CRM platform supporting multiple communication channels and business processes. It integrates various technologies and modules that are part of a standard Contact Center solution. ASEBA LIVE is a powerful tool for improvement of customer relations and efficient allocation and organization of support resources.

Fidelity

Fidelity is a full-fledged solution for asset lifecycle management, dedicated primarily to large organizations with dispersed organizational structure. It is a unique solution on the market owing to the comprehensiveness of its modules addressing the full set of requirements of Asset and Spend Management, covering the functionalities of Budget Control, Procurement and Spend Analysis, as well as traditional ERP functions such as Inventory Management.

Billing systems	**SKAI** is a billing system for public utilities. This solution enables enterprises to easily handle all of their operations, provide the required level of comprehensive services, and manage their customer relationships efficiently. This system greatly facilitates the management of real estate, distribution network, customer information, and billing processes. Our clients who use these solutions are water supply companies, namely "Hidrodrini" - Prizren and "Hidroregjini Jugor" - Peje, both located in Kosovo.
Invoicing and reporting systems	**Additional systems for telecommunications** sold separately from the billing system (including bespoke systems). Systems for invoicing and reporting cooperating with the Geneva billing system: (i) **Invoicing** – preparation of batches ready for printing or dispatch by electronic or traditional mail; (ii) **Reporting** – production of all the required reports (facilitating the functions of controlling and monitoring of payments, presentation of bills and billed items on web pages, etc.)

7. SELLING MARKETS

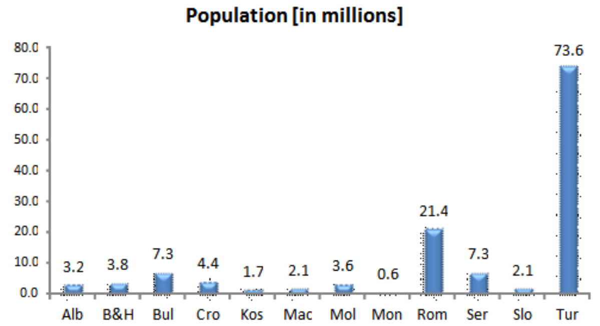
Information on the selling markets, including a division into domestic and international markets as well as information on the sources of supply of materials for production, goods for resale and services, with indication of any dependence upon one or more clients or suppliers, and in the event transactions with a single client or supplier reach at least 10% of total sales revenues – name (corporate name) of such client or supplier, their shares in total sales or deliveries, and their formal relationship with the Issuer.

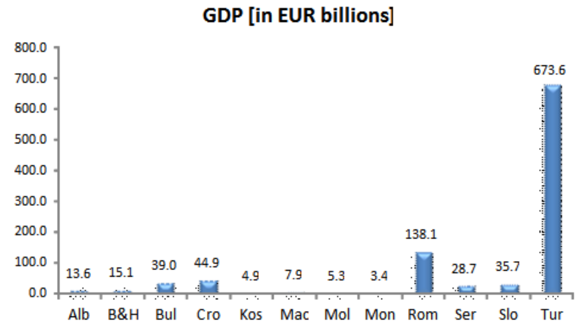
ASEE operates in the region of South Eastern Europe, which includes 11 countries: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Montenegro, Kosovo, Macedonia, Moldova, Romania, Serbia, and Slovenia, as well as in Turkey.

Three of the region's republics, namely Slovenia, Romania and Bulgaria are member states of the European Union. The remaining countries are nowadays at various stages of integration with the European Union, led by Croatia, whose EU accession has been scheduled for 1 July 2013.

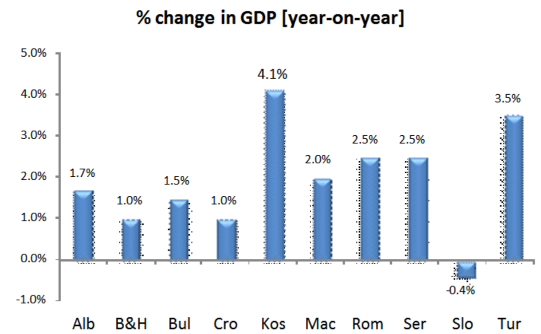
The Group's operations are conducted primarily in the markets of Serbia, Romania, Macedonia, Croatia, and Turkey. We have also managed to develop a significant amount of business in Kosovo and Bosnia and Herzegovina. As far as other markets are concerned, the scale of our operations will be gradually expanded by launching comprehensive offerings of products from all of our operating segments. Apart from the Group's development in South Eastern Europe and Turkey, we continue efforts to increase sales of our products and services outside that region.

The following charts display the size of the markets in which ASEE operates, measured by population and GDP of each country.





The analysis of the population and gross domestic product (GDP) data shows that most of the countries in which ASEE operates are small markets, with a relatively low purchasing power. A positive exception is Turkey, where both the number of inhabitants and GDP are higher than in all the other countries taken together.



Source: International Monetary Fund

The International Monetary Fund's forecasts for GDP changes in the region in 2013 do not indicate a significant improvement in the economic situation in the coming year. The expected GDP growth of 1 to 2.5% will not, in the opinion of ASEE's Management, translate into a significant increase in the demand for products offered by the Group. The most favourable trends are observed in Turkey and Kosovo, whose GDPs are poised to grow by 3.5% and 4.1%, respectively.

The Group operates in the markets of South Eastern Europe and that is where it generated most of its sales revenues during the year ended 31 December 2012. The breakdown of sales revenues by client location is as follows: 26% - Serbia, 21% - Romania, 13% - Croatia, 13% - Macedonia, 9% - Turkey, and 18% - other South-Eastern European states and markets outside this region. During the financial year ended 31 December 2012, sales to any individual client of the Group did not exceed 10% of its total sales revenues.

The Group subsidiaries operating in particular countries have their own suppliers; therefore, the Group is not substantially dependent upon any single supplier.

Given the weak economic situation, which has prevailed in the region for several years without any positive outlook for the near future, the Group's Management sees business development opportunities in the intensification of cross-selling activities, expansion into New Markets, and offering of our products outside the region of South Eastern Europe in collaboration with local partners. From among the markets in which the Group currently operates, Turkey appears the most attractive and that is primarily where the Management of ASEE intends to concentrate its efforts and expand business operations through further organic growth and new company acquisitions.

8. SIGNIFICANT AGREEMENTS CONCLUDED BY THE GROUP

Information on agreements significant for the Group's operations, inclusive of those concluded by its shareholders, insurance contracts, and cooperation agreements.

The following table summarizes the most significant contracts concluded by ASEE in 2012:

Segment	Sector	Country	Product	Contract value EUR '000
Banking Solutions	Banking	Croatia	Core Banking System	3,718
	Banking	Romania	Core Banking System	2,300
	Banking	Serbia	Core Banking System	1,688
	Banking	Turkey	Solution for monitoring and prevention of internal money laundering at banks and transactional frauds	587
	Leases	Romania	Solution for the leasing sector	325
	Banking	Bosnia and Herzegovina	Core Banking System	206
Payment Solutions	Banking	Turkey	e-Commerce Secure Payment Platform	269
	Banking	Bulgaria	Maintenance of ATM network	32
Systems Integration	Banking	Turkey	Call Center	1,184
	Administration	Macedonia	ERP system and supply of hardware	1,107
	Administration	Serbia	Training on development, maintenance and use of a cross border control information system	838
	Administration	Macedonia	ERP system and supply of hardware	372

9. INFORMATION ON OPERATING SEGMENTS

Banking Solutions	3 months ended 31 Dec. 2012	3 months ended 31 Dec. 2011	Change	12 months ended 31 Dec. 2012	12 months ended 31 Dec. 2011	Change %
Sales revenues	32,713	38,214	-14.00%	117,127	119,309	-2.00%
Gross profit on sales	12,352	13,540	-9.00%	42,301	43,003	-2.00%
Net profit on sales	6,165	7,383	-16.00%	18,796	22,951	-18.00%

Payment Solutions	3 months ended 31 Dec. 2012	3 months ended 31 Dec. 2011	Change	12 months ended 31 Dec. 2012	12 months ended 31 Dec. 2011	Change %
Sales revenues	31,384	37,577	-16.00%	112,236	108,229	4.00%
Gross profit on sales	9,565	10,114	-5.00%	36,926	32,426	14.00%
Net profit on sales	4,787	4,928	-3.00%	19,356	16,722	16.00%

Systems Integration	3 months ended 31 Dec. 2012	3 months ended 31 Dec. 2011	Change	12 months ended 31 Dec. 2012	12 months ended 31 Dec. 2011	Change %
Sales revenues	73,214	70,508	4.00%	233,091	234,329	-1.00%
Gross profit on sales	15,401	15,956	-3.00%	45,330	46,231	-2.00%
Net profit on sales	5,672	6,659	-15.00%	13,774	15,708	-12.00%

10. INFORMATION ON GEOGRAPHICAL STRUCTURE OF FINANCIAL RESULTS

For 12 months ended 31 December 2012 in PLN thousands	Albania	Bosnia	Bulgaria	Croatia	Montenegro	Kosovo	Macedonia	Poland	Romania	Serbia	Slovenia	Turkey	Total
Sales revenues	**3,205**	**15,338**	**7,433**	**58,606**	**6,592**	**16,315**	**64,292**	**7,214**	**100,255**	**128,258**	**10,374**	**44,572**	**462,454**
Cost of sales	(2,360)	(9,975)	(6,410)	(41,140)	(4,586)	(13,432)	(49,770)	(5,152)	(79,205)	(93,168)	(8,086)	(24,613)	(337,897)
Gross profit on sales	**845**	**5,363**	**1,023**	**17,466**	**2,006**	**2,883**	**14,522**	**2,062**	**21,050**	**35,090**	**2,288**	**19,959**	**124,557**
Selling expenses (-)	(194)	(859)	(165)	(8,173)	(424)	(895)	(3,188)	(1,254)	(9,075)	(10,205)	(380)	(4,365)	**(39,177)**
General administrative expenses (-)	(399)	(1,398)	(371)	(4,989)	(292)	(1,189)	(3,728)	(238)	(5,644)	(9,167)	(844)	(5,195)	**(33,454)**
Net profit on sales	**252**	**3,106**	**487**	**4,304**	**1,290**	**799**	**7,606**	**570**	**6,331**	**15,718**	**1,064**	**10,399**	**51,926**
Other operating income	9	274	55	278	23	100	270	1,271	12	22	-	83	**2,397**
Other operating expenses (-)	(11)	(235)	(7)	(104)	(38)	(89)	(93)	(62)	(302)	(523)	(42)	(223)	**(1,729)**
Operating profit	**250**	**3,145**	**535**	**4,478**	**1,275**	**810**	**7,783**	**1,779**	**6,041**	**15,217**	**1,022**	**10,259**	**52,594**
Financial income	2	6	49	98	39	48	887	2,029	715	857	-	249	**4,979**
Financial expenses (-)	-	(26)	(39)	(74)	(2)	-	(1)	(1,660)	(351)	(70)	(21)	(691)	**(2,935)**
Pre-tax profit	**252**	**3,125**	**545**	**4,502**	**1,312**	**858**	**8,669**	**2,148**	**6,405**	**16,004**	**1,001**	**9,817**	**54,638**
Corporate income tax (current and deferred tax expense)	(40)	(314)	(38)	(791)	(123)	(94)	(867)	448	(866)	(1,847)	(146)	(373)	**(5,051)**
Net profit for the reporting period	**212**	**2,811**	**507**	**3,711**	**1,189**	**764**	**7,802**	**2,596**	**5,539**	**14,157**	**855**	**9,444**	**49,587**

For 12 months ended 31 December 2012 in EUR thousands	Albania	Bosnia	Bulgaria	Croatia	Montenegro	Kosovo	Macedonia	Poland	Romania	Serbia	Slovenia	Turkey	Total
Sales revenues	**768**	**3,675**	**1,781**	**14,042**	**1,579**	**3,909**	**15,404**	**1,728**	**24,021**	**30,732**	**2,486**	**10,680**	**110,805**
Cost of sales	(565)	(2,390)	(1,536)	(9,857)	(1,099)	(3,218)	(11,925)	(1,234)	(18,978)	(22,325)	(1,937)	(5,897)	(80,961)
Gross profit on sales	**203**	**1,285**	**245**	**4,185**	**480**	**691**	**3,479**	**494**	**5,043**	**8,407**	**549**	**4,783**	**29,844**
Selling expenses (-)	(47)	(206)	(40)	(1,958)	(102)	(214)	(764)	(300)	(2,174)	(2,445)	(91)	(1,046)	**(9,387)**
General administrative expenses (-)	(96)	(335)	(89)	(1,195)	(70)	(285)	(893)	(57)	(1,352)	(2,196)	(202)	(1,245)	**(8,015)**
Net profit on sales	**60**	**744**	**116**	**1,032**	**308**	**192**	**1,822**	**137**	**1,517**	**3,766**	**256**	**2,492**	**12,442**
Other operating income	2	66	13	67	6	24	65	305	3	3	-	20	**574**
Other operating expenses (-)	(3)	(56)	(2)	(25)	(9)	(21)	(22)	(15)	(72)	(126)	(10)	(53)	**(414)**
Operating profit	**59**	**754**	**127**	**1,074**	**305**	**195**	**1,865**	**427**	**1,448**	**3,643**	**246**	**2,459**	**12,602**
Financial income	-	1	12	23	9	12	213	486	171	206	-	60	**1,193**
Financial expenses (-)	-	(6)	(9)	(18)	-	-	-	(398)	(84)	(18)	(5)	(166)	**(704)**
Pre-tax profit	**59**	**749**	**130**	**1,079**	**314**	**207**	**2,078**	**515**	**1,535**	**3,831**	**241**	**2,353**	**13,091**
Corporate income tax (current and deferred tax expense)	(9)	(75)	(9)	(190)	(30)	(23)	(208)	107	(207)	(442)	(35)	(89)	**(1,210)**
Net profit for the reporting period	**50**	**674**	**121**	**889**	**284**	**184**	**1,870**	**622**	**1,328**	**3,389**	**206**	**2,264**	**11,881**

For 12 months ended 31 December 2011 in PLN thousands	**Albania**	**Bosnia**	**Bulgaria**	**Croatia**	**Montenegro**	**Kosovo**	**Macedonia**	**Poland**	**Romania**	**Serbia**	**Slovenia**	**Turkey**	**Total**
Sales revenues	**2,106**	**14,354**	**3,748**	**62,210**	**6,758**	**17,068**	**55,022**	**6,978**	**133,641**	**116,019**	**8,638**	**35,325**	**461,867**
Cost of sales	(1,521)	(9,162)	(2,543)	(44,409)	(5,071)	(12,937)	(40,549)	(5,364)	(104,167)	(85,242)	(7,331)	(21,911)	(340,207)
Gross profit on sales	**585**	**5,192**	**1,205**	**17,801**	**1,687**	**4,131**	**14,473**	**1,614**	**29,474**	**30,777**	**1,307**	**13,414**	**121,660**
Selling expenses (-)	(238)	(839)	(352)	(4,978)	(52)	(958)	(2,841)	(751)	(9,966)	(7,890)	(74)	(3,844)	**(32,783)**
General administrative expenses (-)	(204)	(1,734)	(344)	(5,008)	(236)	(1,131)	(3,856)	(553)	(6,361)	(9,017)	(592)	(4,460)	**(33,496)**
Net profit on sales	**143**	**2,619**	**509**	**7,815**	**1,399**	**2,042**	**7,776**	**310**	**13,147**	**13,870**	**641**	**5,110**	**55,381**
Other operating income	-	97	118	184	3	95	238	2	14	52	2	89	**894**
Other operating expenses (-)	-	(129)	-	(297)	-	(49)	(207)	(22)	(23)	(479)	-	(167)	**(1,373)**
Operating profit	**143**	**2,587**	**627**	**7,702**	**1,402**	**2,088**	**7,807**	**290**	**13,138**	**13,443**	**643**	**5,032**	**54,902**
Financial income	24	15	2	108	19	22	418	6,077	1,118	821	2	851	**9,477**
Financial expenses (-)	-	(29)	(8)	(25)	(11)	-	(132)	(1,495)	(140)	(388)	(9)	(43)	**(2,280)**
Pre-tax profit	**167**	**2,573**	**621**	**7,785**	**1,410**	**2,110**	**8,093**	**4,872**	**14,116**	**13,876**	**636**	**5,840**	**62,099**
Corporate income tax (current and deferred tax expense)	(17)	(91)	(36)	(1,502)	(127)	(257)	(1,050)	(13)	(2,191)	(1,453)	(104)	(605)	**(7,446)**
Net profit for the reporting period	**150**	**2,482**	**585**	**6,283**	**1,283**	**1,853**	**7,043**	**4,859**	**11,925**	**12,423**	**532**	**5,235**	**54,653**

For 12 months ended 31 December 2011 in EUR thousands	**Albania**	**Bosnia**	**Bulgaria**	**Croatia**	**Montenegro**	**Kosovo**	**Macedonia**	**Poland**	**Romania**	**Serbia**	**Slovenia**	**Turkey**	**Total**
Sales revenues	**509**	**3,467**	**905**	**15,026**	**1,632**	**4,123**	**13,290**	**1,685**	**32,280**	**28,024**	**2,086**	**8,532**	**111,559**
Cost of sales	(367)	(2,213)	(614)	(10,727)	(1,225)	(3,125)	(9,794)	(1,296)	(25,161)	(20,589)	(1,771)	(5,292)	(82,174)
Gross profit on sales	**142**	**1,254**	**291**	**4,299**	**407**	**998**	**3,496**	**389**	**7,119**	**7,436**	**315**	**3,240**	**29,386**
Selling expenses (-)	(57)	(203)	(85)	(1,202)	(12)	(231)	(686)	(181)	(2,407)	(1,908)	(18)	(928)	**(7,918)**
General administrative expenses (-)	(49)	(419)	(83)	(1,210)	(57)	(273)	(931)	(134)	(1,536)	(2,179)	(143)	(1,077)	**(8,091)**
Net profit on sales	**36**	**632**	**123**	**1,887**	**338**	**494**	**1,879**	**74**	**3,176**	**3,349**	**154**	**1,235**	**13,377**
Other operating income	-	23	29	44	1	23	57	-	3	15	-	21	**216**
Other operating expenses (-)	-	(31)	-	(72)	-	(12)	(50)	(5)	(6)	(116)	-	(40)	**(332)**
Operating profit	**36**	**624**	**152**	**1,859**	**339**	**505**	**1,886**	**69**	**3,173**	**3,248**	**154**	**1,216**	**13,261**
Financial income	6	4	-	26	5	5	101	1,468	270	198	-	206	**2,289**
Financial expenses (-)	-	(7)	(2)	(6)	(3)	-	(32)	(361)	(34)	(94)	(2)	(10)	**(551)**
Pre-tax profit	**42**	**621**	**150**	**1,879**	**341**	**510**	**1,955**	**1,176**	**3,409**	**3,352**	**152**	**1,412**	**14,999**
Corporate income tax (current and deferred tax expense)	(4)	(22)	(9)	(363)	(31)	(62)	(254)	(3)	(529)	(351)	(25)	(146)	**(1,799)**
Net profit for the reporting period	**38**	**599**	**141**	**1,516**	**310**	**448**	**1,701**	**1,173**	**2,880**	**3,002**	**127**	**1,266**	**13,201**

11. KEY ECONOMIC AND FINANCIAL FIGURES AND SIGNIFICANT EVENTS WITH IMPACT ON BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

Discussion of the key economic and financial figures disclosed in the annual financial statements, including in particular a description of factors and events with material impact on the Group's business operations, profits or losses reported for the financial year, as well as discussion of the Group's business development outlook at least for the next financial year.
Significant events with material impact on the Group's business operations and financial performance during the financial year or with such potential impact in the following years.

a) Financial performance of the Group in 2012

CONSOLIDATED FINANCIAL RESULTS OF ASEE GROUP FOR 2012

	3 months ended 31 Dec. 2012	3 months ended 31 Dec. 2011	Change	12 months ended 31 Dec. 2012	12 months ended 31 Dec. 2011	Change
	PLN '000	PLN '000	%	PLN '000	PLN '000	%
Sales revenues	137,311	146,299	-6%	462,454	461,867	0%
Gross profit on sales	37,318	39,610	-6%	124,557	121,660	2%
Net profit on sales	16,624	18,970	-12%	51,926	55,381	-6%
Operating profit	16,271	18,792	-13%	52,594	54,902	-4%
Net profit for the reporting period	14,979	18,308	-18%	49,587	54,653	-9%
Net profit attributable to Shareholders of the Parent Company	**14,957**	**18,341**	**-18%**	**49,626**	**54,764**	**-9%**
Normalized profit for the reporting period	12,679	17,438	-27%	46,894	49,460	-5%

	3 months ended 31 Dec. 2012	3 months ended 31 Dec. 2011	Change	12 months ended 31 Dec. 2012	12 months ended 31 Dec. 2011	Change
	EUR '000	EUR '000	%	EUR '000	EUR '000	%
Sales revenues	33,294	33,474	-1%	110,805	111,559	-1%
Gross profit on sales	9,047	9,083	0%	29,844	29,386	2%
Net profit on sales	4,026	4,367	-8%	12,442	13,377	-7%
Operating profit	3,943	4,326	-9%	12,602	13,261	-5%
Net profit for the reporting period	3,631	4,207	-14%	11,881	13,201	-10%
Net profit attributable to Shareholders of the Parent Company	**3,626**	**4,215**	**-14%**	**11,890**	**13,228**	**-10%**
Normalized profit for the reporting period	3,080	3,997	-23%	11,236	11,946	-6%

Normalized profit for the reporting period is calculated as "Net profit for the reporting period" adjusted for gains on non-recurring transactions recognized as financial income.
In 2011, gains on one-off transactions totalled PLN 1.25 million and resulted from decreased deferred payments for the acquisition of shares in the companies of EST and ASEE Bulgaria, reduced estimated liabilities to pay out dividends to former shareholders of BDS (presently ASEE Croatia), as well as fair-value measurement of a 50% stake held in ASEE Slovenia performed as part of accounting for obtaining control of that company.

In 2012, one-off transactions resulted from a revaluation of deferred payments for the acquisition of shares in the companies of EST, ASEE Bulgaria, and Altius, Bulgaria, adding up to a total income of EUR 0.09 million, as well as from recognition of a deferred tax asset arising from tax losses in the amount of EUR 0.55 million. In addition, operating profit for 2012 includes income recognized on reversal of a provision for potential tax liabilities of the holding company.

In 2012, sales revenues presented in PLN remained at a comparable level, increasing by only a symbolic amount as compared to the last year. Revenues restated in EUR were slightly lower (-1%) due to the weakening of the zloty against the euro. Despite virtually stable revenues, we managed to achieve a higher gross profit on sales, primarily by changing our sales structure towards a greater share of revenues generated from our own services and software solutions. This is described below, in the item on Key indicators analyzed by the Group's Management Board.

Despite a growing gross profit on sales, in 2012 ASEE Group recorded a slight decrease both in net profit on sales (-6%) and in operating profit (-4%). The level of net profit on sales was lower primarily due to problems experienced by ASEE's subsidiaries based in Romania and Croatia, which were to a large extent offset by better financial performance in other countries of the region.

Our operating profit will be additionally supported by investing in the development of the functional management of the Group, including in particular organization of the Group's common sales, HR and marketing activities, as well as expansion of our sales network in new markets. In 2012, we spent a total amount of EUR 1.1 million for such actions.

Adverse events encountered in 2012 and additional costs associated with our investments have been largely offset by better financial performance of some of ASEE Group companies. In many countries of the region, especially in Serbia, Turkey, Macedonia and Bosnia and Herzegovina, our subsidiaries reported revenue growth and realized higher margins. At this point, it is really worth to mention Turkey, where our revenues from internet payment solutions, presented within the Payment Solutions segment, surged by 34% which translated into a 60% increase in operating profit in this business.

Our financial performance in 2012 was also favourably influenced by company acquisitions carried out both in 2012 (Sigma) and in the second half of 2011 (Altius Bulgaria and the purchase of 50% of shares in ASEE Slovenia). The acquisition of Sigma had the most significant impact as it contributed almost EUR 0.5 million to the Group's consolidated operating profit. This amount was recognized mostly in the Banking Solutions segment (LeaseFlex solution).

The above-mentioned problems of our Croatian subsidiary were mainly related to the Systems Integration segment and resulted from a decision to invest in new business lines, while the market situation turned out unfavourable. In the fourth quarter of 2012, ASEE's operations in Croatia underwent a restructuring process. The implemented changes are expected to improve operating profit of our Systems Integration segment by more than EUR 0.2 million in 2013. The Management Board of ASEE does not preclude seeking further savings if the market situation justifies doing so. Financial results of our Croatian subsidiary were additionally affected by investing in the development of new markets, including those outside the SEE region. In 2012, such expenditures totalled EUR 0.5 million and were associated basically with mobile and authentication solutions, which are presented within our Banking Solutions segment. The Management Board of ASEE believes that investments in the development of new markets will boost our sales in the coming years.

Whereas, the difficulties of our Romanian subsidiary are caused by the very poor condition of the local economy and unstable political situation. Another important factor were intensifying competitive pressures, also from former owners of the companies incorporated within ASEE Romania, who tried to take over ASEE Group's customers and resources. This had a considerable impact on the Banking Solutions and Systems Integration segments, where operating profits decreased respectively by 64% and 30% in comparison to 2011. The Management Board of ASEE believes that the situation in the Banking Solutions segment has been already stabilized, and the orders backlog for 2013 allows for improvement of financial results in this segment. Whereas, in the Systems Integration segment, intensive sales activities are conducted in order to expand its orders backlog for the year 2013. It is also expected that the political environment in Romania will be much more stable in 2013, which should contribute to the implementation of IT projects for the public administration, and thereby better utilization of EU funds.

Both in the case of Croatia and Romania, our existing human resources make it possible to generate higher sales without increasing production costs, and thus to improve our EBIT margin.

Net profit decreased more than operating profit primarily due to the positive effect of non-recurring transactions recognized in 2011. Net profit adjusted for those one-off transactions is presented in the above table, in the line called "Normalized profit for the reporting period", and in 2012 it declined by 5% which is comparable to the change in operating profit. In addition, it should be taken into account that net profit was charged with withholding tax on dividends paid by subsidiaries to the holding company in the amount of EUR 274 thousand, which grew by EUR 30 thousand in comparison to the previous year. An increase in withholding tax resulted from the higher amount of dividends paid out by our subsidiaries in 2012 as well as from different geographical breakdown of such money transfers.

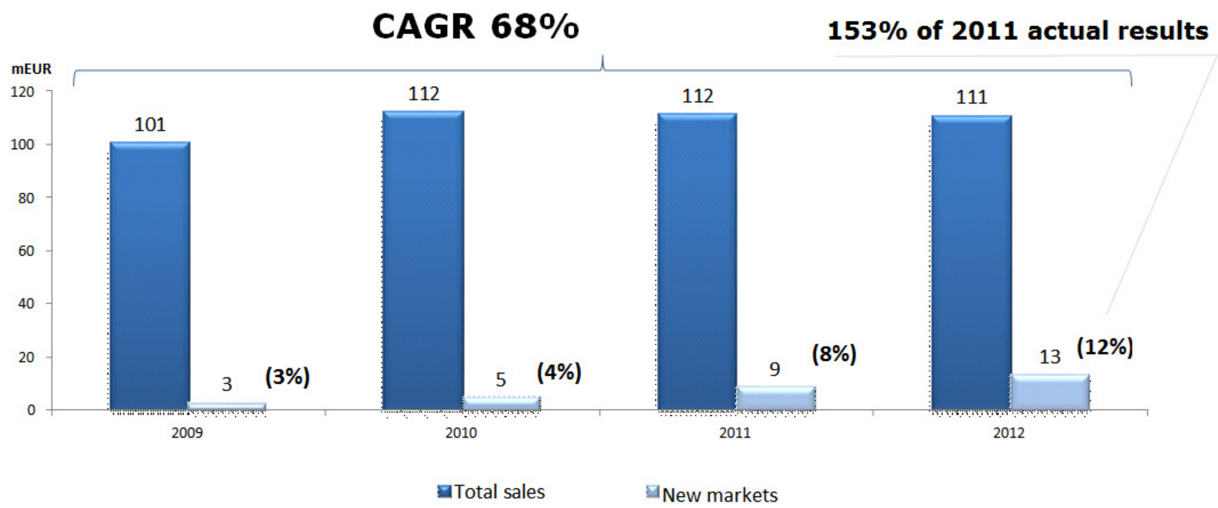
Key indicators analyzed by the Management Board

This section presents an analysis of the consolidated financial results of ASEE Group for the recent years, in the layout used by the Management Board. In particular, we have disclosed the key figures that are monitored and analyzed by the Management Board in order to set the Group's future goals and assess the degree of their completion.

Because the Group operates in many markets and uses various local currencies, we have adopted the euro as a common currency for our managerial purposes. All analyses, targets and budgets prepared within ASEE Group are denominated in EUR, and therefore the following key indicators as analyzed by the Management Board have been also presented in their original amounts expressed in EUR.

Types of revenues measured and analyzed by the Group's Management

Revenues generated in New Markets



Due to the weak economic situation in the markets where ASEE Group operates, we have limited opportunities to expand the scale of our operations on the back of economic recovery. In response to such circumstances, the Management Board of ASEE is continuously looking for factors that could stimulate the Group's development in spite of the unfavourable macroeconomic situation. Our Management believes that one of the strategic ways to achieve this goal is to increase the value of sales in New Markets. Revenues generated in New Markets are understood as sales in new geographic locations, as well as sales of newly marketed products in the existing locations. The structure of sales as at the beginning of 2009 was adopted as the starting point for the analysis of New Markets.

As presented in the chart above, ASEE Group managed to achieve a strong revenue growth in New Markets; however, the value of such sales still accounts for only 12% of the Group's total revenues (as compared with 8% share in 2011).

Within our Banking Solutions segment, the New Market generating the highest revenues in 2012 was Croatia (where ASEBA PUB and Experience Front Office solutions are sold), followed by Bosnia and Herzegovina.

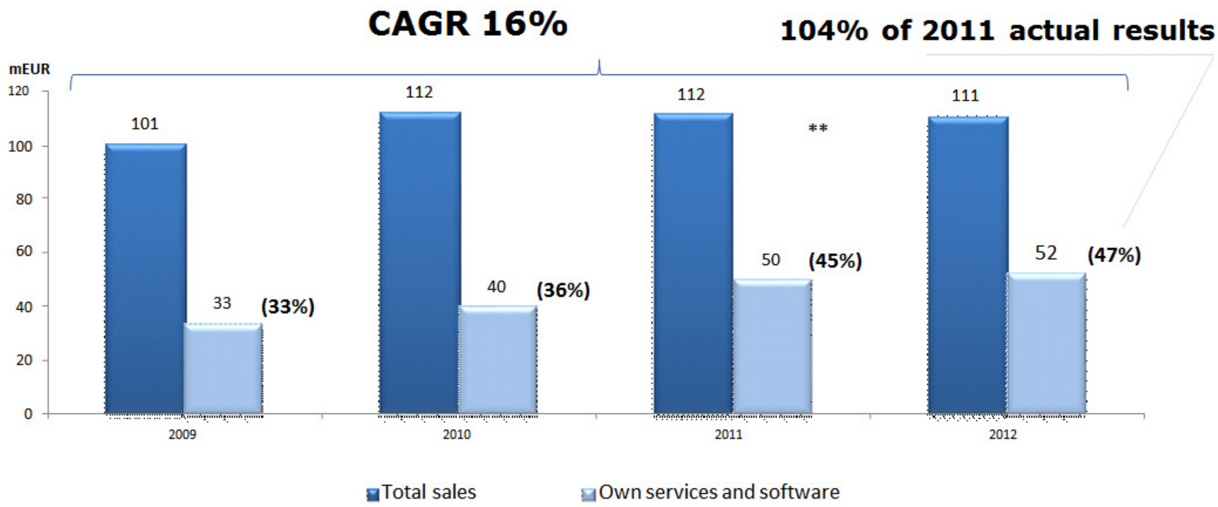
In the segment of Payment Solutions, the key revenue drivers among New Markets included Bulgaria (sales of POS and ATM solutions) and Croatia (POS solutions and online payment gateway). Furthermore, it is strategically important for the Group to sell its internet payment solutions, provided mainly in the outsourcing model, also to customers from countries other than Turkey, including those from outside the region of South Eastern Europe.

Within the Systems Integration segment, the largest New Markets were Serbia (proprietary solutions) and Turkey (basically sales of the InAct solution, which was disclosed in this segment in 2012).

The growing value of sales in New Markets in 2011-2012 helped us maintain a comparable level of revenues during this period, despite the unfavourable economic conditions in the regional markets. The Management of ASEE assumes that additional instruments undertaken to support sales in New Markets, including in particular a bonus scheme rewarding sales representatives for such transactions, will result in even greater growth of revenues from New Markets, and thus higher sales of the entire Group.

In the next few years, the Management Board of ASEE intends to significantly increase sales in markets outside the SEE region. In the first place, ASEE plans to offer its products in the emerging markets, primarily through collaboration with a network of local partners.

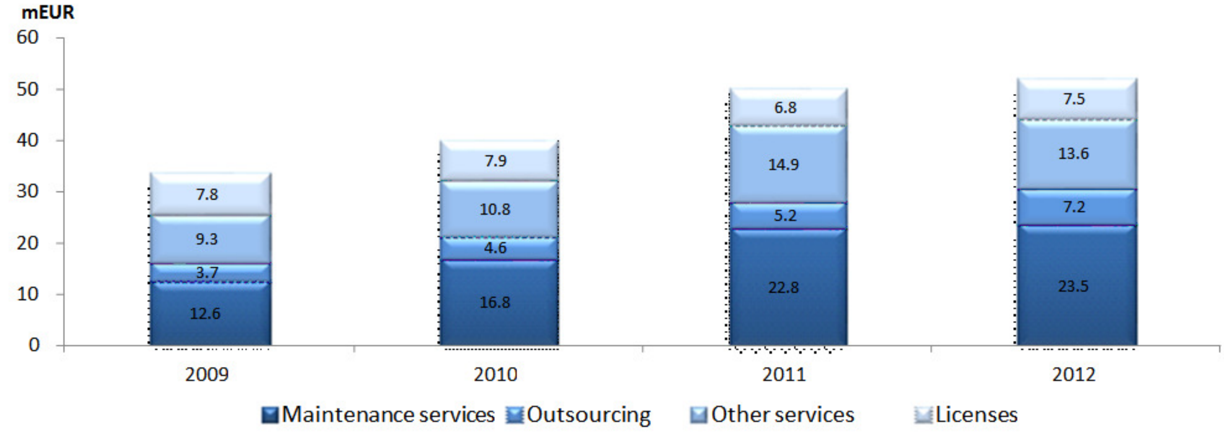
Own services and software



It is the Management's objective to focus on the provision of the Group's own services and software solutions and continually improve revenues generated therefrom. In recent years, we have proven to be quite successful in achieving this goal. Our revenues from proprietary software and services grow not only in absolute terms, but also continue to increase as a share of the Group's total turnover (last year sales of proprietary software and services improved by EUR 2 million, accounting for 47% of our total revenues, up from 45% a year before).

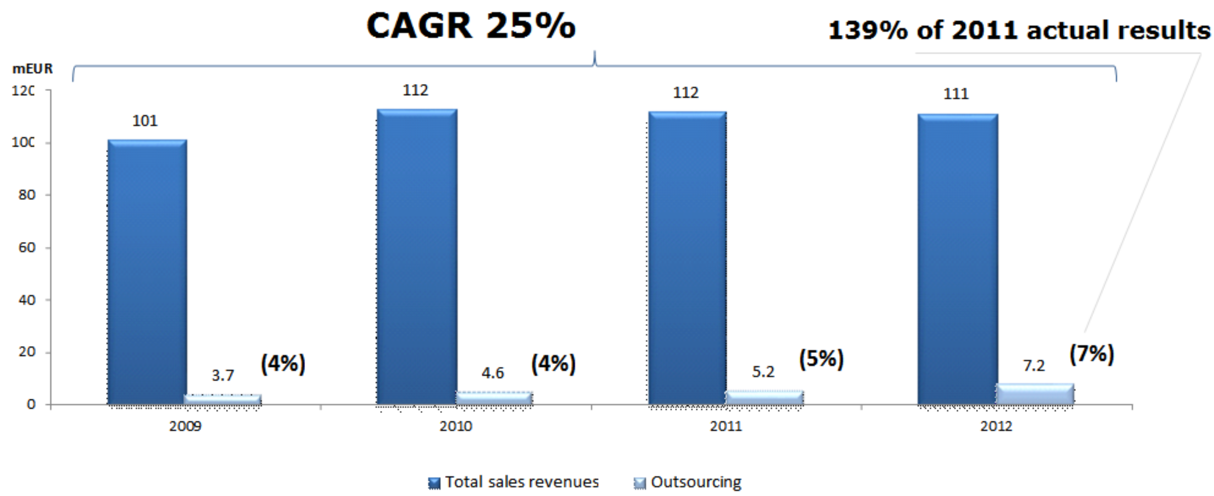
Sales broken down by business activity

Revenues from own services and software are analyzed by the Management Board in a division into business activities, including sales of proprietary licenses, own maintenance services, own outsourcing services, and other own services (implementations and modifications). The chart below represents an analysis of the most significant items of revenues from our own services and software in a breakdown to individual business activities.



In recent years, the Group has implemented its strategy to boost revenues from maintenance and outsourcing services, which has a positive impact on the security and recurring nature of our business. Unfortunately, up until now, we have not managed to create a sustainable growth trend in revenues from proprietary licenses, as presented in more detail on one of the following charts.

Outsourcing

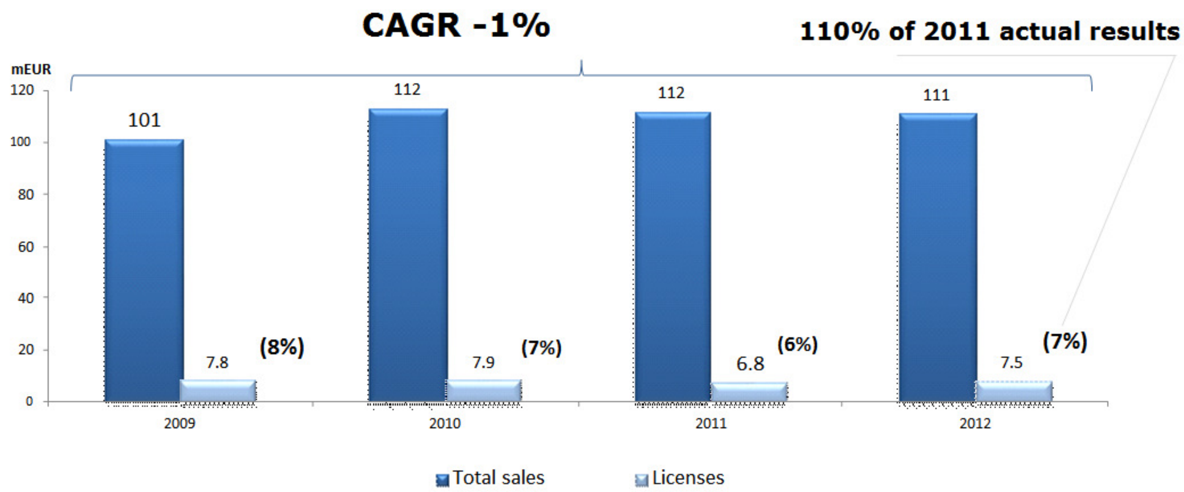


In recent years, ASEE Group's revenues from outsourcing services increased on average by 25% annually. Outsourcing services are sold chiefly within two operating segments of the Group.

The Payment Solutions segment includes primarily online payment settlement services (NestPay system) as well as rental of POS terminals and ATMs. During the past two years, the compound annual growth rate (CAGR) of outsourcing revenues recognized by the Payment Solutions segment reached as much as 156%.

Outsourcing services are also sold by our Banking Solutions segment, primarily in Serbia and Montenegro, where comprehensive e-banking services are provided both for individual and corporate clients, using a system deployed on the Group's own hardware. In the last four years, revenues from such services remained at a relatively stable level. The compound annual growth rate (CAGR) of revenues from outsourcing services for banking was 5% during the last three years.

Proprietary licenses

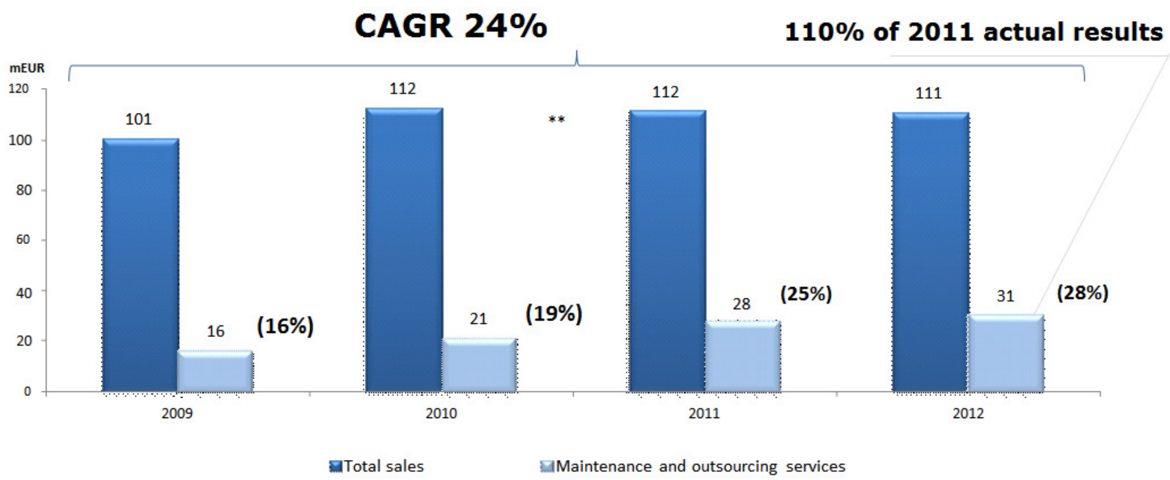


Over the past three years, the compound annual growth rate (CAGR) in revenues from the sale of proprietary licenses was -1%. In 2012, we managed to stop this decline and even achieve some growth in our license revenues, yet we were not quite able to climb back to the level of sales generated in 2009 and 2010.

In 2012, revenues from proprietary licenses deteriorated mainly due to weaker sales of integrated banking systems in Romania and Serbia, which decreased by EUR 1 million and EUR 0.5 million, respectively. These declines were nevertheless offset by higher sales of integrated banking systems in other countries, which increased by EUR 0.3 million, and higher licensing revenues in the Systems Integration segment. Such revenue growth was achieved on the sale of the Turkish banking fraud detection system InAct (which was presented in the Systems Integration segment in 2012, but in 2013 has been already included in the Banking Solutions segment), as well as owing to the last year's acquisition of Turkey-based Sigma, which markets its Fidelity solution.

The Group makes efforts in order to boost revenues generated by its proprietary licenses in 2013 and in subsequent years. But at the same time, ASEE puts emphasis on increasing its sales of software deployed in the SaaS (Software as a Service) model, which are disclosed as Outsourcing revenues and, naturally, reduce our licensing revenues.

Outsourcing and maintenance services



	2009	2010	2011	2012
Coverage of own costs	53%	53%	60%	62%

The above chart shows the cumulative changes in revenues from outsourcing and maintenance services, which are treated together as recurring revenues. Revenues generated from both outsourcing and maintenance services grow year by year and they continue to cover an increasingly higher portion of own costs, which positively affects the stability and security of our business. The ratio of recurring revenues to own costs rose from 53% in 2009 to 62% in 2012 and the Management of ASEE intends to achieve further improvement in the coming years.

b) Structure of the consolidated statement of financial position

	31 Dec. 2012 PLN '000	31 Dec. 2011 PLN '000	31 Dec. 2012 %	31 Dec. 2011 %
Non-current assets	**540,203**	**560,893**	**71%**	**68%**
Property, plant and equipment, and intangible assets	47,970	33,349	6%	4%
Goodwill	487,111	523,149	64%	64%
Other	5,122	4,395	1%	0%
Current assets	**218,717**	**260,123**	**29%**	**32%**
Inventories	16,331	13,079	2%	2%
Trade receivables and prepayments	81,103	91,629	11%	11%
Receivables from valuation of IT contracts	12,480	27,546	2%	3%
Financial assets held to maturity	21,071	4,586	2%	1%
Cash and cash deposits	74,153	103,222	10%	13%
Other	13,579	20,061	2%	2%
TOTAL ASSETS	**758,920**	**821,016**	**100%**	**100%**

Goodwill is the main component of assets of Asseco South Eastern Europe Group. A decrease in goodwill reported in 2012 is attributable to the appreciation of the Polish zloty against foreign currencies in which individual items of goodwill are denominated (e.g. depreciation of the Serbian dinar by 15% and the Romanian leu by 10%). Such decrease caused by the stronger zloty was partially offset by recognizing PLN 20 million of goodwill on the acquisition of Turkish company Sigma.

Property, plant and equipment and intangible assets grew by a total of PLN 14.5 million primarily due to increases in the value of development work completed during the year (PLN 6.5 million) and development work in progress (PLN 8 million). Change in the carrying amount of completed development projects (by PLN 6.5 million) was influenced mostly by the acquisition of Sigma, Turkey (PLN 7.3 million). Whereas, the value of development projects in progress changed chiefly as a result of capitalizing expenditures incurred in the development of the ASEBA and Experience software products in Serbia (in the amount of PLN 3.4 million), development of mobile solutions in Croatia (PLN 1.5 million), and development of NestPay, InAct, Fidelity and LeaseFlex solutions in Turkey (PLN 3.2 million).

The value of the Group's inventories rose basically in the wake of inventory increases for the purposes of contracts executed by our subsidiaries in Serbia and Romania. This is a temporary increase associated with the stage of contract implementation.

The amount of cash and cash deposits decreased as a result of payment of the dividend for 2011 (PLN 18.6 million) and expenditures for the acquisition of Sigma and non-controlling interests in other companies of the Group (PLN 29.5 million), which have not been entirely covered by cash generated from our operating activities during the year 2012. Additionally, we recorded a PLN 16 million increase in the value of financial assets held to maturity (treasury bonds and 3 to 12-month cash deposits), which are one of the forms of investing spare cash held by the Group.

Trade receivables as well as receivables arising from valuation of IT contracts decreased substantially, partly as a result of changes in the exchange rates of foreign currencies used for financial reporting by the Group's subsidiaries.

Whereas, other components of assets measured as portion of total assets as at 31 December 2012 remained at the levels comparable to those observed at the end of 2011.

	31 Dec. 2012	31 Dec. 2011	31 Dec. 2012	31 Dec. 2011
	PLN '000	**PLN '000**	**%**	**%**
Shareholders' equity	**664,853**	**705,811**	**88%**	**86%**
Non-current liabilities	**5,838**	**6,011**	**1%**	**1%**
Current liabilities	**88,229**	**109,194**	**11%**	**13%**
Interest-bearing bank loans	489	590	0%	0%
Trade payables and accruals	45,519	49,930	6%	6%
Deferred income	8,502	9,360	1%	1%
Liabilities arising from IT contracts	2,966	1,049	0%	0%
Financial liabilities	1,974	2,120	0%	0%
Other current liabilities	28,779	46,145	4%	6%
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**758,920**	**821,016**	**100%**	**100%**

In 2012, the Group relied more on equity financing than debt financing. As at 31 December 2012, shareholders' equity accounted for 88% of total equity and liabilities, rising from 86% as at 31 December 2011. Whereas, the portion represented by current liabilities decreased following a considerable decline in other current liabilities from PLN 46,145 thousand as at 31 December 2011 to PLN 28,779 thousand as at 31 December 2012. This was achieved owing to a decrease in liabilities by virtue of received prepayments by PLN 10 million, as well as lower amounts of salaries payable and liabilities due to uninvoiced deliveries.

c) Structure of the consolidated statement of cash flows

	12 months ended 31 Dec. 2012	12 months ended 31 Dec. 2011
	PLN '000	PLN '000
Net cash provided by (used in) operating activities	54,213	43,829
Net cash provided by (used in) investing activities	(54,911)	(30,965)
Net cash provided by (used in) financing activities	(19,659)	(19,274)
Net decrease in cash and cash equivalents	(20,357)	(6,410)

Cash provided by operating activities in 2012 amounted to PLN 54,213 thousand, growing by over PLN 10 million as compared with the previous year. Higher operating inflows were achieved primarily through better working capital management, and especially owing to a decrease in receivables arising from valuation of IT contracts and in trade receivables.

Investing activity outflows increased mainly due to higher spending on the acquisitions of new companies. The acquisition of the Turkish company Sigma together with buy-outs of non-controlling interests in other subsidiaries of the Group consumed PLN 29.5 million in 2012; whereas, all the company acquisitions conducted during 2011 aggregated at PLN 8.4 million.

Cash flows from financing activities remained at a similar level both in 2011 and 2012. The largest amounts of outflows correspond to dividends paid out to shareholders of Asseco South Eastern Europe S.A. (PLN 13.3 million in 2011 and PLN 18.6 million in 2012).

d) Analysis of financial ratios

Profitability ratios

	3 months ended 31 Dec. 2012	12 months ended 31 Dec. 2012	3 months ended 31 Dec. 2011	12 months ended 31 Dec. 2011
Gross profit margin	27%	27%	27%	26%
EBITDA margin	14%	14%	15%	14%
Operating profit margin	12%	11%	13%	12%
Net profit margin	11%	11%	13%	12%
Return on equity (ROE)		7%		8%
Return on assets (ROA)		6%		7%

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

Gross profit margin for the reporting period increased by 1 percentage point, while operating profit margin decreased by 1 pp, both in comparison to 2011. Net profit margin for the reporting period dropped by 1 pp basically due to one-off transactions that were recognized in 2011 as described in item 11 a) of this report. It was similar in the case of return on equity which equalled 7% or 1 pp less than a year ago, and return on assets which equalled 6% and was also 1 pp lower than in 2011. Having excluded the effects of non-recurring financial transactions recognized in 2011, both ROE and ROA ratios reached comparable levels in both the years.

Liquidity ratios

	31 Dec. 2012	31 Dec. 2011
Working capital (in PLN thousands)	130,488	150,929
Current liquidity ratio	2.48	2.38
Quick liquidity ratio	2.22	2.21
Absolute liquidity ratio	1.08	0.99

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

All the liquidity ratios remained at the levels similar to those observed in 2011. Working capital decreased due the acquisition of Sigma carried out during 2012 (an expenditure of PLN 29.5 million) and a higher amount of dividend payment (PLN 18.6 million).

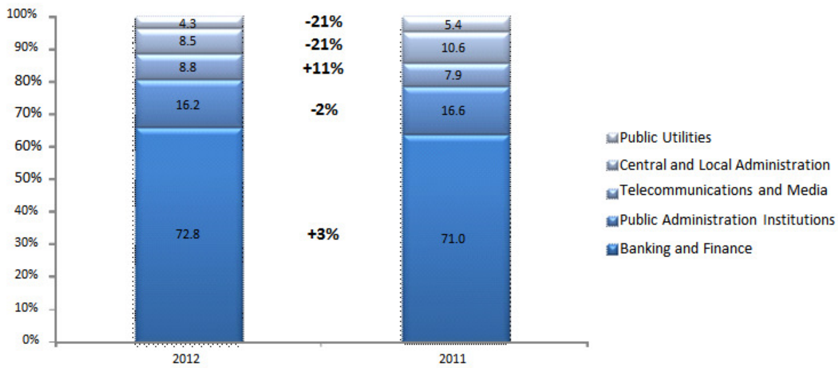
Debt ratios

	31 Dec. 2012	31 Dec. 2011
Debt ratio	12.39%	14.03%

The above ratio has been computed using the following formula:
Debt ratio = (long-term liabilities + short-term liabilities) / assets

The debt ratio dropped by 1.6 percentage points as compared to the level of 2011, chiefly as a result of a higher proportion of equity financing and a lower share of short-term liabilities in the balance sheet structure (which decreased from 13% as at 31 December 2011 to 11% as at 31 December 2012).

e) Breakdown of sales by sectors



In 2012, the Group's consolidated revenues from the Banking and Finance sector increased by 3%. This sector remains the Group's key revenue driver that accounted for 66% of total turnover in 2012, having increased by additional 2 pp compared to the year-ago level. The said 3% growth in revenues from the Banking and Finance sector may be considered a very good result taking into account the Romanian difficulties and lower sales in the Banking Solutions segment, which has been described in item 11 a). Fortunately, the Romanian decline was entirely offset by higher revenues achieved in Serbia, Bosnia and Herzegovina, and Turkey.

In 2012, the Group's revenues from the sectors of Public Utilities and Central and Local Administration deteriorated in terms of their share in total sales as well as in absolute amounts. This is again attributable to lower sales achieved in Romania, which was caused by the very poor condition of the local economy and unstable political situation, as described in item a) above. Much smaller declines observed in Kosovo and Macedonia were fully compensated by higher revenues generated in this sector both in Serbia and Croatia.

An increase in revenues from the sector of Telecommunications and Media was basically achieved by our Macedonian subsidiary.

12. EXTERNAL AND INTERNAL FACTORS SIGNIFICANT FOR THE GROUP'S DEVELOPMENT

Characteristics of the external and internal factors significant for the development of the Issuer's enterprise and description of the Issuer's business development outlook at least till the end of the financial year following the financial year reported in the financial statements accompanying this annual report, taking into consideration elements of the Issuer's market strategy.

External factors affecting the Group's development

- economic growth in the region of Southeastern Europe, given a possible recession and actions currently undertaken by individual countries in order to overcome the crisis, and with a view to the future economic conditions and eventual return to sustainable 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 SEE countries;
- 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, Bulgaria and Croatia, as well as pre-accession funds in 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 debt financing for customers;
- opportunities and risks resulting from relatively rapid technological changes and innovations in the IT market.

Internal factors affecting the Group's development

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

13. SIGNIFICANT RISK FACTORS AND THREATS

Description of significant risk factors, with indication of the Group's exposure to such risks.

a) Material risk factors involved in the Group's business environment

Risk related to general macroeconomic situation in South Eastern Europe

The Group runs operations in the countries of South Eastern Europe. The Group's strategy anticipates further expansion in this region as well as in other emerging markets. As a consequence of the planned growth, the Group's business operations may be influenced by factors depending on the economic and political stability of the region. As part of our expansion we will need to cope with new competitors, new markets and new legal regulations. Development of the IT services sector is closely correlated to the overall economic situation of South-Eastern European countries where our Group operates. Our financial results are to a large extent driven by the pace of GDP growth, level of capital expenditures made by enterprises, and the inflation rate.

Risk associated with political instability in the region of South Eastern Europe

Potential changes in the governments of South-Eastern European countries may initiate periods of political instability, which may result in a reduction of public spending. The budget spending restrictions imposed by the European Union on Romania and Bulgaria may also force their governments to allocate available funds to the ongoing projects and cut their spending in other segments of economy, inclusive of the IT industry.

Risk related to intensified competition in South Eastern Europe

Information technology infrastructure and services become a more and more competitive marketplace in South Eastern Europe. With a variety of services and products in our portfolio, we are tough competition to large consulting firms, multinational technological giants, IT outsourcing companies as well as software houses, inclusive of internal IT departments of large corporations operating in the region. The IT industry undergoes rapid changes resulting from new investments made by large technology companies and acquisitions of local companies by international players. Furthermore, the largest global players, which have been so far active only in the large companies market, expand their offering with the solutions and implementation methodology dedicated to medium-sized companies.

Risk of potential legal disputes concerning copyrights

Development of the Group's operations in the market of IT products depends to a large degree on ownership of intellectual property rights, and especially copyrights to computer programs. Because of a variety of legal regulations pertaining to the protection of intellectual property applicable in the countries where our subsidiaries operate, there is a risk that in some circumstances there may be doubts as to the effectiveness of assignment of copyrights in software codes compiled by employees in favour of their employers.

Foreign currency exposure risk

The Group runs operations in many South Eastern European markets. Contracts concluded by the Group companies are denominated in miscellaneous currencies, also in currencies that are foreign to the countries where the Group operates, including the euro, American dollar, Romanian leu, Croatian kuna, Serbian dinar, Macedonian denar, and Turkish lira. Temporary fluctuations in the currency exchange rates as well as long-term trends in the currency market may impact the financial results of the Group.

b) Material risk factors involved in the Group's business operations

Risk of fluctuations in revenues and expenditures

Due to the project-driven nature of the IT business, sales revenues generated by the Group may be subject to considerable fluctuations from period to period. It is possible that in the future our operating results will fall short of the market expectations because of the impact of unfavourable factors. Moreover, due to technological changes, the Group's existing technology and products may become obsolete and will require making sizeable new investments.

Risk of non-performance or improper performance of projects and losing the clients' trust

In each area of our business, the provision of services by the Group depends on the clients' trust and the quality of our products and services. Adequate implementation of an IT project, which has critical importance for the operating activities of our client, in most cases results in signing a long-term contract. The quality of solutions and customer service provided to our clients determines their confidence in our Group.

Risk associated with fixed-price contracts

Some contracts for provision of IT services or products concluded by the Group determine a fixed remuneration and therefore they are not settled on the time-and-material basis. If we misevaluate the resources and time required for the project performance, future salary increases, inflation or foreign exchange rates, or if we fail to perform our contractual obligations within the agreed deadline, this may have an adverse impact on the Group's financial results and cash flows.

Risk associated with gaining new IT contracts

Some of the Group's sales revenues are generated from projects won in tendering procedures organized by state institutions and companies as well as by large private enterprises. Most of such tenders are attended by leading IT companies in the region and major foreign companies, which results in a fairly high competition. Our business depends on the availability of reliable information about future investment plans, in the public and private sectors, with regard to information and telecommunications technology. Access to such information, in particular regarding the state sector, is very limited. Additionally, the lack of procedures and experience in obtaining the EU structural funds in Romania and Bulgaria may hinder our ability to achieve the expected level of growth.

Risk of becoming dependent on the key customers

The Group's business is to a great extent based on the execution of long-term projects which require a large work effort. Implementation of the key account contracts will heavily impact the level of our sales revenues in the coming years.

Risk of becoming dependent on the key suppliers

The Group's business is characterized by close cooperation with big international companies. There is a risk that the key suppliers to our Group may change their strategies for cooperation with local partners or may want to tighten their cooperation with one partner of their choice. Furthermore, they may start to offer the implementation services for their products themselves or else increase the prices of the products supplied. Cooperation with such firms as Microsoft or Oracle is exposed to this specific risk.

Risk related to the banking sector

The provision of IT solutions and services to banks and other financial institutions is one of our core businesses. The lack of stability observed in the financial sector may prompt financial institutions to decrease their investments and implement cost reductions, which may have an adverse impact on the Group's operations. Due to our particular emphasis on the financial sector, any reduction in spending on new information solutions and IT services, or limitation of promotional activities for the existing products and services on the part of our key clients would be certainly unfavourable for the Group's business. The banking sector around the world, and especially in the South Eastern European countries, undergoes intensive processes of consolidation with much attention paid to the standardization of solutions and optimization of costs at the corporate level. If headquarters of a bank group choose other global participants of the IT market as their preferred suppliers of IT technologies, this may have adverse effects for the Group's operations.

Risk related to the provision of integration services

In some of the markets where the Group operates, the providers of integration services generate higher margins of profit than in mature economies. Hence it may be expected that such margins will be squeezed once these markets become saturated.

Risk related to insolvency or misconduct of our subcontractors

In certain cases, we provide our clients with the solutions developed and completed by our subcontractors. Just as any other entrepreneurs, our subcontractors may face business or financial difficulties and become unable to fulfil their obligations towards us or our clients.

Risk related to technological changes in the industry and development of new products and services

The IT sector is characterized by rapid development of solutions and technologies. Hence, the product lifecycles in such a market are relatively short. In order to maintain a competitive advantage in this market, it is necessary to undertake research work and invest in new products. There is a risk that new solutions will be launched to the market, causing the products and services offered by the Group to become less attractive and eventually not as profitable as expected.

Risk involved in strategic investments in complementary industries, technologies, services or products as well as in strategic alliances with third parties

While implementing the Group's development strategy, we may engage in strategic investments, establish companies, undertake joint ventures and make acquisitions related to complementary industries, technologies, services or products. Despite exercising due care when selecting our business partners, we may be unable to identify a suitable partner or to manage such a venture or acquisition appropriately. As a consequence we may be exposed to typical risks involved in mergers and acquisitions.

Risk of becoming dependent on the key management personnel

Just as in majority of companies developing IT systems, highly qualified personnel and managerial staff are the main pillars of success achieved both by the Company and its Group. We operate in the information technology industry which is characterized by a high rotation of personnel. It is probable that the Group will be unable to retain its present employees or to recruit new, equally highly qualified employees in the future.
In most cases, key members of the management staff are concurrently the founders of our subsidiary companies. Acquisition of new investments often depends on the business contacts obtained by the key personnel. Losing some of the key management members would have a negative impact on the Group's operations, financial position and results as well as on its future development outlook.

Risk involved in integration of the Group

The Group is exposed to a risk associated with effective integration of Asseco South Eastern Europe S.A. and its subsidiaries, especially as the Group's companies operate in various markets and in various countries. It is our strategy to integrate the subsidiary undertakings with Asseco South Eastern Europe S.A. and to make further company acquisitions in South Eastern Europe. Nonetheless, we cannot entirely exclude the risks of delays, partial completion or failure to complete the intended integration process. Apart from that, even our subsidiaries and further potentially acquired entities are successfully integrated with the Group, we may still be unable to fully integrate the products and services portfolios of particular companies, or to continue the development processes in line with our present corporate practices.

Risk related to dividends

Our potential investors should be aware of the fact that distribution of any dividends will depend on a number of factors, such as the Group's operating results, its financial standing as well as the current and anticipated demand for cash. It is the Management Board intention to allocate a portion of our net earnings to dividends; however, the Company is not in the position to guarantee that such plans will be actually executed nor to determine the amounts of future dividend payments. Furthermore, under the Shareholders Agreement concluded on 28 August 2008 between Asseco South Eastern Europe S.A., Asseco Poland S.A. and former owners of subsidiary companies, ASEE S.A. made a commitment to distribute at least 30% of its net profits in the form of dividends.

Risk related to the influence exerted by the Company's majority shareholder

As at the date of publication of this report, Asseco Poland S.A., our majority shareholder, holds 51.06% of shares in our Company. We expect that Asseco Poland S.A. will maintain its position as a majority shareholder and retain significant influence on our Company's business operations. Asseco Poland S.A. is entitled to exercise broad rights with respect to its shareholding in our Company and it must be taken into account that in the present situation Asseco Poland S.A. has a decisive impact on the Company's strategic decisions.

14. KEY FEATURES OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

Description of key features of the internal control and risk management systems applied by the Group in relation to the process of preparing separate and consolidated financial statements.

Both separate and consolidated financial statements are prepared in compliance with the International Accounting Standards ("IAS") as well as the International Financial Reporting Standards ("IFRS"). Responsibilities under the internal control and risk management systems, as adopted by Asseco South Eastern Europe S.A. in the process of preparing its financial statements, are performed by the Management Board, Supervisory Board, Audit Committee and other employees acting in accordance with the applicable internal procedures and regulations (such as dispositions, bylaws, instructions, job descriptions of respective employees) and other regulations. Key personnel is responsible for design, implementation and monitoring of an effective and efficient internal control system as well as for identification and review of any risk exposures. The main elements of the Company's internal control system, whose objective is to eliminate the risks involved in the preparation of financial statements, are as follows:

- ongoing controls undertaken at all the levels and organizational units of the Company as well as in its subsidiaries, which shall ensure compliance with guidelines issued by the Management Board and enable identification and appropriate response to any significant risks;

- efficient and reliable information flow system, which shall enable collection and verification of data provided by the Group companies as well as prompt response in case any deviations from the budget are detected;
- annual and semi-annual audits of separate and consolidated financial statements by an entity authorized to audit financial statements;
- audit of the annual financial statements of the Group companies by the "Big Four" audit firms;
- internal regulations specifying the duties, rights and responsibilities of individual organizational units, with particular emphasis on the staff directly engaged in the preparation of financial statements;
- protection of the Company's important information and prevention against their unauthorized disclosure;
- regular monitoring of financial directors and other staff responsible for the preparation of financial statements at the companies incorporated within Asseco South Eastern Europe Group, with the aim to maintain control, identify any risks and threats, and to determine the required preventive actions.

Both separate and consolidated financial statements are drawn up by the Head of Group Reporting; whereas, their final content is subject to approval by the Company's Management Board which oversees all the business operations and processes.

15. MAJOR CAPITAL INVESTMENTS

Description of the structure of main capital deposits or capital investments made by the Issuer's capital group during the financial year.

In 2012, we acquired shares in a Turkish company, namely Sigma Danışmanlık ve Uygulama Merkezi A.Ş. The investment has been described in item 4 of this report.

16. ORGANIZATIONAL AND EQUITY RELATIONSHIPS OF THE ISSUER

Information on the Issuer's organizational and equity relationships with other entities and identification of the Issuer's major domestic and foreign investments (in securities, financial instruments, intangibles, and real estate) inclusive of capital investments in unrelated entities as well as description of the methods of financing of such investments.

Asseco South Eastern Europe S.A. is the parent of Asseco South Eastern Europe Group and concurrently a subsidiary of the higher-level parent company Asseco Poland S.A. The Issuer's position as well as organizational and equity relationships are presented in the chart of organizational structure of Asseco South Eastern Europe Group included in item 3 of this Management's report on business operations of the Group.

17. RELATED PARTY TRANSACTIONS

Information on significant transactions concluded by the Issuer or its subsidiaries with their related parties that were carried out not on an arm's length basis, including a specification of the value and nature of such transactions – this obligation shall be considered fulfilled by making a reference to such information included in the financial statements.

In the period of 12 months ended 31 December 2012, Asseco South Eastern Europe S.A. or its subsidiaries did not conduct any transactions with their related parties other than on an arm's length basis.

Information on related party transactions carried out in the period of 12 months ended 31 December 2012 has been presented in explanatory note 29 to the annual consolidated financial statements of Asseco South Eastern Europe Group.

18. AGREEMENTS FOR BANK LOANS AND BORROWINGS

Information on the agreements for bank loans and borrowings contracted or terminated during the financial year, specifying at least their amount, type and interest rate, currency and maturity.

On 10 September 2012, ASEE S.A. concluded an agreement with ASEE Romania to take a loan of EUR 1,000 thousand. The loan interest rate equalled 3M EURIBOR + margin. The entire amount of the loan was paid back by ASEE S.A. on 21 September 2012.

On 10 September 2012, ASEE S.A. also entered into a loan agreement with ASEE Croatia for the amount of HRK 7,448 thousand (being equivalent of EUR 1,000 thousand). The loan interest rate equalled 7%. ASEE S.A. repaid this loan entirely on 20 September 2012.

Other information on liabilities of Asseco South Eastern Europe Group under bank loans and borrowings contracted as at 31 December 2012 and 31 December 2011 has been presented in explanatory note 22 to the Group's annual consolidated financial statements for the year 2012.

19. LOANS GRANTED DURING THE FINANCIAL YEAR

Information on loans granted during the financial year, with special regard to loans granted to the Issuer's related entities, specifying at least their amount, type and interest rate, currency and maturity.

On 29 June 2012, Asseco South Eastern Europe S.A. granted a loan of EUR 200 thousand to its subsidiary ASEE Bulgaria. The loan interest rate equalled 2M EURIBOR + margin. All the amounts due under this loan were repaid in third quarter of 2012.

20. SURETIES AND GUARANTIES

Information on sureties and guaranties granted or obtained during the financial year, with special regard to sureties and guaranties extended in favour of the Issuer's related entities.

During the 12-month period ended 31 December 2012, Asseco South Eastern Europe S.A. did not grant or obtain any sureties or guaranties.

Off-balance-sheet liabilities under sureties and guaranties granted by ASEE Group are described in item 33 of this Management's report on business operations of the Group.

21. UTILIZATION OF PROCEEDS FROM THE ISSUANCE

In the event of an issuance of securities conducted during the period reported, the Issuer shall describe how the proceeds from such issuance were utilized until the time of preparing the report on business operations.

During the reporting period ended 31 December 2012, we did not issue any new shares.

22. EXPLANATION OF DIFFERENCES BETWEEN THE FINANCIAL RESULTS DISCLOSED IN THE ANNUAL REPORT AND PREVIOUS FINANCIAL FORECASTS FOR THE YEAR

Asseco South Eastern Europe S.A. did not publish any financial forecasts for the year reported.

23. ASSESSMENT OF THE FINANCIAL RESOURCES MANAGEMENT

The assessment (including its justification) of financial resources management, with special regard to the ability to pay off liabilities incurred, and identification of potential threats and actions which the Issuer took or intends to take in order to counteract such threats.

During the 12-month period ended 31 December 2012, ASEE S.A. had no problems with timely settlement of its trade payables, payment of regulatory state charges, nor with fulfilling its investment commitments.

24. FEASIBILITY OF INVESTMENT PLANS

Assessment of the ability to execute the intended investment projects, inclusive of capital investments, bearing in mind the amount of funds held and taking into account the possible changes in the structure of financing.

Referring to our business strategy described in item 5, the Group's investment plans include both capital investments in new entities as well as organic growth, this is expenditures for research and development in order to enhance innovation of our product portfolio or expand our operations into new geographic markets.

Investment expenditures are financed from the Group's own funds. It is also probable that the planned company acquisitions will be financed from external sources.

Furthermore, the Group may choose to finance its investment expenditures through the issuance of new shares.

25. CHANGES IN THE POLICIES OF COMPANY AND GROUP MANAGEMENT

Changes in the Group's management policies, which were introduced in 2012, and further plans for the direction of such changes have been described in item 5 of this report.

26. AGREEMENTS CONCLUDED BETWEEN THE ISSUER AND ITS MANAGEMENT AND SUPERVISORY PERSONNEL

Any agreements concluded between the Issuer and its key management personnel which provide for payment of compensation in the event such persons resign from their position, or are dismissed without substantial cause, or are dismissed as a result of the Issuer's company merger by acquisition.

ASEE S.A. did not sign any agreements of such nature.

27. REMUNERATION DUE TO THE ISSUER'S MANAGEMENT AND SUPERVISORY PERSONNEL

The amounts of salaries, bonuses or other benefits, including those resulting from any incentive or bonus programs based on the Issuer's equity, privileged bonds, convertible bonds, subscription warrants (made in cash, in kind, or in any other form), that were paid, are payable or potentially payable, separately to each member of the Issuer's management and supervisory personnel, regardless of whether such payments were expensed or resulted from a profit distribution; in the event the Issuer is a parent company, partner in a jointly-controlled subsidiary or a major investor, it should also provide separate information on the amount of remuneration and bonuses received for performance of duties in the governing bodies of subsidiary companies – this obligation shall be considered fulfilled by providing relevant information in the financial statements and making a reference thereto.

Information on remuneration due to the Issuer's management and supervisory personnel has been disclosed in explanatory note 31 to the annual consolidated financial statements of Asseco South Eastern Europe Group for the year 2012.

28. SHAREHOLDERS STRUCTURE

According to the best knowledge of the Management Board of Asseco South Eastern Europe S.A., the shareholders who as at 20 February 2013 as well as at 31 December 2012 and 31 December 2011, either directly or through their subsidiaries, held at least a 5% voting interest 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%**

Both as at 31 December 2012 and 31 December 2011, the share capital of Asseco South Eastern Europe 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.

29. SHARES HELD BY MANAGEMENT AND SUPERVISORY PERSONNEL

Disclosure of the total number and par value of shares held in the Issuer's company and in its related companies by the Issuer's management and supervisory personnel (separately for each person).

Changes in the numbers of Asseco South Eastern Europe's shares held by the Company's management and supervisory staff.

Supervisory Board Members	Number of shares held as at			
	20 February 2013	31 Dec. 2012	24 October 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 Board Members	Number of shares held as at			
	20 February 2013	31 Dec. 2012	24 October 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	-	-	-	n/a
Rafał Kozłowski [5)]	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 31 December 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 Liatris d.o.o. which in turn is a shareholder in ASEE S.A.; as at 31 December 2012, Liatris 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 31 December 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 31 December 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.

30. AGREEMENTS WHICH MAY RESULT IN CHANGES OF THE EQUITY INTERESTS HELD

Information on the agreements known to the Issuer (inclusive of those concluded after the balance sheet date) which may result in future changes to the equity interests held by the existing shareholders and bondholders.

According to the best knowledge of the Management Board of Asseco South Eastern Europe S.A., there are no agreements under which the equity interests held by the Company's existing shareholders would change in the future.

Information concerning any restrictions on disposal of shares, which may result in changes of the equity interests held by existing shareholders, is presented in item 7 of the Asseco South Eastern Europe's Declaration of compliance with the corporate standards.

31. AGREEMENT WITH THE ENTITY AUTHORIZED TO AUDIT FINANCIAL STATEMENTS

Information on the date of concluding an agreement with the entity authorized to audit financial statements, with the subject to carry out an audit or review of the Issuer's separate or consolidated financial statements, including of the effective term of such agreement.

The agreement with the entity authorized to audit financial statements, namely Ernst & Young Audit Sp. z o.o., to carry out audits of the separate and consolidated financial statements of ASEE S.A. drawn up for the period of 12 months ended 31 December 2012 was signed on 24 July 2012.

32. REMUNERATION PAID OR PAYABLE TO THE ENTITY AUTHORIZED TO AUDIT FINANCIAL STATEMENTS

Information on remuneration due to the entity authorized to audit financial statements has been presented in explanatory note 32 to the annual consolidated financial statements of Asseco South Eastern Europe Group for 2012.

33. SIGNIFICANT OFF-BALANCE-SHEET ITEMS

Description of significant off-balance-sheet items by nature, purpose and value.

Within its commercial activities Asseco South Eastern Europe Group uses bank guarantees, letters of credit, contract performance guarantees as well as tender deposits as forms of securing its business transactions with miscellaneous organizations, companies and administration bodies. As at 31 December 2012, the related contingent liabilities equalled PLN 20,450 thousand, while as at 31 December 2011 they amounted to PLN 12,758 thousand.

As at 31 December 2012, ASEE Serbia had a liability to purchase equipment and intangible assets for the amount of PLN 1,154 thousand. As at 31 December 2011, this liability amounted to PLN 2,628 thousand.

As the Group companies rent office space, both as at 31 December 2012 and 31 December 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	**31 Dec. 2012 (audited)**	**31 Dec. 2011 (audited)**
In the period up to 1 year	12,253	13,560
In the period from 1 to 5 years	33,340	36,358
	45,593	**49,918**

Liabilities under operating lease of property, plant and equipment	**31 Dec. 2012 (audited)**	**31 Dec. 2011 (audited)**
In the period up to 1 year	871	793
In the period from 1 to 5 years	1,073	530
	1,944	**1,323**

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

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

a) legal proceeding related to liabilities or receivables of the issuer or its subsidiary amounting to at least 10% of the issuer's equity, including a specification of the subject of such proceeding, value in dispute, date when the proceeding was initiated, parties to the proceeding, and the issuer's standpoint on the matter,

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

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

35. INFORMATION ON THE ISSUER

Information on the issuer as required under § 92 sect. 4 of the Regulation of the Minister of Finance of 19 February 2009 regarding current and periodic information to be published by issuers of securities and conditions for recognizing as equivalent the information required by laws of non-EU member states (Journal of Laws of 2009 No. 33, item 259) is included in the declaration of compliance with the corporate governance standards.

Signatures of all Members of the Management Board of Asseco South Eastern Europe S.A. under the Management's Report on Business Operations of Asseco South Eastern Europe Group for the year ended 31 December 2012.

MANAGEMENT BOARD OF ASSECO SOUTH EASTERN EUROPE S.A.:

Piotr Jeleński	President of the Management Board
Hatice Ayas	Member of the Management Board
Calin Barseti	Member of the Management Board
Miljan Mališ	Member of the Management Board
Miodrag Mirčetić	Member of the Management Board
Dražen Pehar	Member of the Management Board
Marcin Rulnicki	Member of the Management Board

Rzeszów, 20 February 2013

Pursuant to the requirements under the Regulation of the Minister of Finance of 19 February 2009 regarding current and periodic information to be published by issuers of securities, the Management Board of Asseco South Eastern Europe S.A. hereby declares that:

- to the best of its knowledge, the annual consolidated financial statements of Asseco South Eastern Europe Group for the year ended 31 December 2012, and the comparative data contained therein, were prepared in compliance with the International Financial Reporting Standards adopted by the European Union, issued and effective as at the date of preparation of these financial statements, and furthermore the presented data give a true, reliable and fair view of the property, financial position and financial results of Asseco South Eastern Europe Group. The report on business operations of Asseco South Eastern Europe Group provides a fair description of the development, achievements and economic position of Asseco South Eastern Europe Group, inclusive of major risks and threats to its operations.

- Ernst & Young Audit Sp. z o.o., the entity authorized to audit financial statements which audited the annual consolidated financial statements of Asseco South Eastern Europe Group for the year ended 31 December 2012, was chosen in accordance with the provisions of the law in force, and furthermore this entity and certified auditors, who carried out the said audit, both satisfied the conditions for expressing an impartial and independent opinion on such audit, in line with applicable regulations and professional standards.

MANAGEMENT BOARD OF ASSECO SOUTH EASTERN EUROPE S.A.:

Piotr Jeleński	President of the Management Board
Hatice Ayas	Member of the Management Board
Calin Barseti	Member of the Management Board
Miljan Mališ	Member of the Management Board
Miodrag Mirčetić	Member of the Management Board
Dražen Pehar	Member of the Management Board
Marcin Rulnicki	Member of the Management Board

Rzeszów, 20 February 2013