



**SEMI-ANNUAL REPORT  
OF THE ASSECO SOUTH EASTERN EUROPE GROUP  
FOR THE PERIOD OF 6 MONTHS  
ENDED 30 JUNE 2012**

**Rzeszów, 10 August 2012**



**FINANCIAL HIGHLIGHTS  
OF THE ASSECO SOUTH EASTERN EUROPE GROUP  
FOR THE PERIOD OF 6 MONTHS  
ENDED 30 JUNE 2012**

**FINANCIAL HIGHLIGHTS OF THE ASSECO SOUTH EASTERN EUROPE GROUP**

	<b>6 months ended 30 June 2012 (unaudited)</b>	<b>6 months ended 30 June 2011 (unaudited)</b>	<b>6 months ended 30 June 2012 (unaudited)</b>	<b>6 months ended 30 June 2011 (unaudited)</b>
	<b>PLN '000</b>	<b>PLN '000</b>	<b>EUR '000</b>	<b>EUR '000</b>
I. Sales revenues	221,774	199,422	52,496	50,266
II. Operating profit	24,466	21,155	5,791	5,332
III. Pre-tax profit	26,470	26,050	6,266	6,566
IV. Net profit for the period reported	23,630	23,093	5,593	5,821
V. Net profit attributable to Shareholders of the Parent Company	<b>23,704</b>	<b>23,163</b>	<b>5,611</b>	<b>5,838</b>
VI. Net cash provided by (used in) operating activities	29,931	15,274	7,085	3,850
VII. Net cash provided by (used in) investing activities	(12,179)	(10,476)	(2,883)	(2,641)
VIII. Net cash provided by (used in) financing activities	(481)	(2,468)	(114)	(622)
IX. Cash and cash equivalents at the end of period	114,658	103,449	26,907	25,949
X. Basic earnings per ordinary share for the period reported attributable to Shareholders of the Parent Company (in PLN/EUR)	0.46	0.45	0.11	0.11
XI. Diluted earnings per ordinary share for the period reported attributable to Shareholders of the Parent Company (in PLN/EUR)	0.46	0.45	0.11	0.11

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

- items of the interim condensed consolidated profit and loss account and statement of cash flows were translated into EUR at the arithmetic average of mid exchange rates as published by the National Bank of Poland and in effect on the last day of each month. These exchange rates were as follows:
  - for the period from 1 January 2012 to 30 June 2012: EUR 1 = PLN 4.2246
  - for the period from 1 January 2011 to 30 June 2011: EUR 1 = PLN 3.9673
- the Group's cash and cash equivalents as at the end of period reported and the corresponding period of the previous year have been translated into EUR at the mid exchange rates as published by the National Bank of Poland. These exchange rates were as follows:
  - exchange rate effective on 30 June 2012: EUR 1 = PLN 4.2613
  - exchange rate effective on 30 June 2011: EUR 1 = PLN 3.9866



**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
OF THE ASSECO SOUTH EASTERN EUROPE GROUP  
FOR THE PERIOD OF 6 MONTHS  
ENDED 30 JUNE 2012  
INCLUDING THE REPORT OF  
INDEPENDENT CERTIFIED AUDITORS**

**Rzeszów, 10 August 2012**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
OF THE ASSECO SOUTH EASTERN EUROPE GROUP  
INCLUDING THE REPORT OF INDEPENDENT CERTIFIED AUDITORS  
FOR THE PERIOD OF 6 MONTHS ENDED 30 JUNE 2012**

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**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
OF THE ASSECO SOUTH EASTERN EUROPE GROUP  
INCLUDING THE REPORT OF INDEPENDENT CERTIFIED AUDITORS  
FOR THE PERIOD OF 6 MONTHS ENDED 30 JUNE 2012**

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

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

Piotr Jeleński President of the Management Board

Hatrice 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

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

	Note	3 months ended 30 June 2012 (unaudited)	6 months ended 30 June 2012 (unaudited)	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)
<b>Sales revenues</b>	<u>1</u>	<b>116,496</b>	<b>221,774</b>	<b>101,446</b>	<b>199,422</b>
<b>Cost of sales (-)</b>	<u>2</u>	<b>(85,068)</b>	<b>(162,151)</b>	<b>(76,006)</b>	<b>(148,042)</b>
<b>Gross profit on sales</b>		<b>31,428</b>	<b>59,623</b>	<b>25,440</b>	<b>51,380</b>
Selling expenses (-)	<u>2</u>	(10,421)	(18,776)	(7,590)	(14,813)
General administrative expenses (-)	<u>2</u>	(8,851)	(16,369)	(7,670)	(15,174)
<b>Net profit on sales</b>		<b>12,156</b>	<b>24,478</b>	<b>10,180</b>	<b>21,393</b>
Other operating income	<u>3</u>	396	610	202	398
Other operating expenses (-)	<u>3</u>	(434)	(622)	(346)	(636)
<b>Operating profit</b>		<b>12,118</b>	<b>24,466</b>	<b>10,036</b>	<b>21,155</b>
Financial income	<u>4</u>	1,669	3,767	3,239	6,175
Financial expenses (-)	<u>4</u>	(1,171)	(1,763)	(619)	(1,280)
<b>Pre-tax profit</b>		<b>12,616</b>	<b>26,470</b>	<b>12,656</b>	<b>26,050</b>
Corporate income tax (current and deferred tax expense)	<u>5</u>	(1,640)	(2,840)	(1,640)	(2,957)
<b>Net profit for the period reported</b>		<b>10,976</b>	<b>23,630</b>	<b>11,016</b>	<b>23,093</b>
Attributable to:					
<b>Shareholders of the Parent Company</b>		<b>10,996</b>	<b>23,704</b>	<b>11,048</b>	<b>23,163</b>
Non-controlling shareholders		(20)	(74)	(32)	(70)

**Consolidated earnings per share for the period reported attributable to Shareholders of ASEE S.A.  
(in PLN):**

Basic consolidated earnings per share from continuing operations for the period reported	<u>6</u>	0.21	0.46	0.22	0.45
Diluted consolidated earnings per share from continuing operations for the period reported	<u>6</u>	0.21	0.46	0.22	0.45

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

	<b>3 months ended 30 June 2012 (unaudited)</b>	<b>6 months ended 30 June 2012 (unaudited)</b>	<b>3 months ended 30 June 2011 (unaudited)</b>	<b>6 months ended 30 June 2011 (unaudited)</b>
<b>Net profit for the period reported</b>	<b>10,976</b>	<b>23,630</b>	<b>11,016</b>	<b>23,093</b>
<b>Other comprehensive income:</b>				
Cash flow hedges	-	-	47	241
Foreign currency translation differences on subsidiary companies	6,659	(48,453)	(7,393)	3,830
Other	-	-	(5)	-
<b>Total other comprehensive income</b>	<b>6,659</b>	<b>(48,453)</b>	<b>(7,351)</b>	<b>4,071</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD REPORTED</b>	<b>17,635</b>	<b>(24,823)</b>	<b>3,665</b>	<b>27,164</b>
<b>Attributable to:</b>				
<i>Shareholders of the Parent Company</i>	17,654	(24,752)	3,697	27,234
<i>Non-controlling shareholders</i>	(19)	(71)	(32)	(70)



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

<b>ASSETS</b>	<b>Note</b>	<b>30 June 2012</b>	<b>31 December 2011</b>
		<b>(unaudited)</b>	<b>(audited)</b>
<b>Non-current assets</b>		<b>524,751</b>	<b>560,893</b>
Property, plant and equipment	8	20,899	20,326
Investment property		833	894
Intangible assets	8	13,526	12,129
Goodwill arising from consolidation	9	486,060	523,149
Investments in subsidiary companies		10	12
Financial assets available for sale		124	43
Long-term loans		253	462
Long-term receivables		392	420
Deferred income tax assets		1,981	2,147
Long-term deferred expenses		673	1,311
<b>Current assets</b>		<b>278,828</b>	<b>260,123</b>
Inventories		25,476	13,079
Deferred expenses	10	8,977	5,887
Trade accounts receivable	11	69,444	85,742
Corporate income tax recoverable	11	1,462	1,451
Other receivables from the State budget	11	2,060	796
Receivables arising from valuation of IT contracts		22,226	27,546
Other receivables	11	17,131	7,495
Financial assets available for sale		26	28
Financial assets held to maturity	12	17,118	4,586
Financial assets carried at fair value through profit or loss	13	168	10,263
Short-term loans		27	28
Cash and short-term deposits	14	114,713	103,222
<b>TOTAL ASSETS</b>		<b>803,579</b>	<b>821,016</b>

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

<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>30 June 2012</b>	<b>31 Dec. 2011</b>
		<b>(unaudited)</b>	<b>(audited)</b>
<b>Shareholders' equity (attributable to Shareholders of the Parent Company)</b>		<b>662,377</b>	<b>705,811</b>
Share capital	<u>15</u>	518,942	518,942
Share premium		38,825	38,825
Foreign currency translation differences on subsidiary companies		(39,877)	8,579
Prior years' retained earnings (deficit) and current net profit		144,487	139,465
<b>Non-controlling interests</b>		<b>-</b>	<b>-</b>
<b>Total shareholders' equity</b>		<b>662,377</b>	<b>705,811</b>
<b>Non-current liabilities</b>		<b>5,569</b>	<b>6,011</b>
Interest-bearing bank loans and borrowings	<u>17</u>	-	46
Deferred income tax provisions		3,078	3,052
Long-term provisions		368	646
Long-term financial liabilities	<u>16</u>	1,447	1,694
Long-term deferred income		591	534
Other long-term liabilities		85	39
<b>Current liabilities</b>		<b>135,633</b>	<b>109,194</b>
Interest-bearing bank loans and borrowings	<u>17</u>	492	590
Trade accounts payable	<u>18</u>	47,052	37,765
Corporate income tax payable	<u>18</u>	876	736
Other liabilities to the State budget	<u>18</u>	9,653	12,474
Financial liabilities	<u>16</u>	20,265	2,120
Liabilities arising from valuation of IT contracts		1,024	1,049
Other liabilities	<u>18</u>	28,301	26,687
Short-term provisions		4,917	6,248
Deferred income	<u>19</u>	8,667	9,360
Accrued expenses	<u>19</u>	14,386	12,165
<b>TOTAL LIABILITIES</b>		<b>141,202</b>	<b>115,205</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>803,579</b>	<b>821,016</b>

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

for the period of 6 months ended 30 June 2012

	Note	Share capital	Share premium	Revaluation capital	Foreign currency translation differences on subsidiary companies	Prior years' retained earnings (deficit) and current net profit	Shareholders' equity attributable to Shareholders of the Parent Company	Non-controlling interests	Total shareholders' equity
<b>As at 1 January 2012</b>		<b>518,942</b>	<b>38,825</b>	-	<b>8,579</b>	<b>139,465</b>	<b>705,811</b>	-	<b>705,811</b>
Net profit (loss) for the period reported		-	-	-	-	23,704	<b>23,704</b>	<b>(74)</b>	<b>23,630</b>
Other comprehensive income		-	-	-	(48,456)	-	<b>(48,456)</b>	3	<b>(48,453)</b>
<b>Total comprehensive income for the period reported</b>		-	-	-	<b>(48,456)</b>	<b>23,704</b>	<b>(24,752)</b>	<b>(71)</b>	<b>(24,823)</b>
Recognition of profit attributable to non-controlling interests		-	-	-	-	-	-	71	<b>71</b>
Dividend		-	-	-	-	(18,682)	<b>(18,682)</b>	-	<b>(18,682)</b>
<b>As at 30 June 2012 (unaudited)</b>	<b>15</b>	<b>518,942</b>	<b>38,825</b>	-	<b>(39,877)</b>	<b>144,487</b>	<b>662,377</b>	-	<b>662,377</b>

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

for the period of 6 months ended 30 June 2011

	Note	Share capital	Share premium	Revaluation capital	Foreign currency translation differences on subsidiary companies	Prior years' retained earnings (deficit) and current net profit	Shareholders' equity attributable to Shareholders of the Parent Company	Non-controlling interests	Total shareholders' equity
<b>As at 1 January 2011</b>		<b>509,921</b>	<b>38,825</b>	<b>(241)</b>	<b>(49,285)</b>	<b>98,044</b>	<b>597,264</b>	-	<b>597,264</b>
Net profit (loss) for the period reported		-	-	-	-	23,163	<b>23,163</b>	(70)	<b>23,093</b>
Other comprehensive income		-	-	241	3,830	-	<b>4,071</b>	-	<b>4,071</b>
<b>Total comprehensive income for the period reported</b>		-	-	<b>241</b>	<b>3,830</b>	<b>23,163</b>	<b>27,234</b>	<b>(70)</b>	<b>27,164</b>
<b>Changes in the Group structure, of which:</b>		-	-	-	-	<b>(81)</b>	<b>(81)</b>	-	<b>(81)</b>
<i>Acquisition of non-controlling interests</i>		-	-	-	-	<i>(81)</i>	<i>(81)</i>	-	<i>(81)</i>
Recognition of profit attributable to non-controlling interests		-	-	-	-	-	-	70	<b>70</b>
Issuance of series T shares		9,021	-	-	-	-	<b>9,021</b>	-	<b>9,021</b>
Dividend		-	-	-	-	(13,258)	<b>(13,258)</b>	-	<b>(13,258)</b>
<b>As at 30 June 2011 (unaudited)</b>		<b>518,942</b>	<b>38,825</b>	-	<b>(45,455)</b>	<b>107,868</b>	<b>620,180</b>	-	<b>620,180</b>

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

for the period of 12 months ended 31 December 2011

	Note	Share capital	Share premium	Revaluation capital	Foreign currency translation differences on subsidiary companies	Prior years' retained earnings (deficit) and current net profit	Shareholders' equity attributable to Shareholders of the Parent Company	Non-controlling interests	Total shareholders' equity
<b>As at 1 January 2011</b>		<b>509,921</b>	<b>38,825</b>	<b>(241)</b>	<b>(49,285)</b>	<b>98,044</b>	<b>597,264</b>	-	<b>597,264</b>
Net profit (loss) for the period reported		-	-	-	-	54,764	<b>54,764</b>	(111)	<b>54,653</b>
Other comprehensive income		-	-	241	57,864	-	<b>58,105</b>	-	<b>58,105</b>
<b>Total comprehensive income for the period reported</b>		-	-	<b>241</b>	<b>57,864</b>	<b>54,764</b>	<b>112,869</b>	<b>(111)</b>	<b>112,758</b>
<b>Changes in the Group structure, of which:</b>		-	-	-	-	<b>(85)</b>	<b>(85)</b>	-	<b>(85)</b>
<i>Acquisition of non-controlling interests</i>		-	-	-	-	<i>(85)</i>	<i>(85)</i>	-	<i>(85)</i>
Recognition of profit attributable to non-controlling interests		-	-	-	-	-	-	111	<b>111</b>
Issuance of series T shares		9,021	-	-	-	-	<b>9,021</b>	-	<b>9,021</b>
Dividend		-	-	-	-	(13,258)	<b>(13,258)</b>	-	<b>(13,258)</b>
<b>As at 31 December 2011 (audited)</b>	<b>15</b>	<b>518,942</b>	<b>38,825</b>	-	<b>8,579</b>	<b>139,465</b>	<b>705,811</b>	-	<b>705,811</b>

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

	Note	6 months ended 30 June 2012 (unaudited)	6 months ended 30 June 2011 (unaudited)
<b>Cash flows - operating activities</b>			
Pre-tax profit from continuing operations		26,470	26,050
<b>Total adjustments:</b>		<b>5,978</b>	<b>(7,689)</b>
Depreciation and amortization		5,078	4,069
Change in inventories		(13,738)	(1,655)
Change in receivables		10,949	5,531
Change in liabilities		9,057	(13,362)
Change in deferred and accrued expenses		(2,981)	(1,833)
Change in provisions		(1,294)	(237)
Interest income and expense		(897)	(1,156)
Gain on foreign exchange differences		(30)	1,096
Gain (loss) on investing activities		(507)	(113)
Other		341	(29)
<b>Net cash generated from operating activities</b>		<b>32,448</b>	<b>18,361</b>
Corporate income tax paid		(2,517)	(3,087)
<b>Net cash provided by (used in) operating activities</b>		<b>29,931</b>	<b>15,274</b>
<b>Cash flows - investing activities</b>			
Disposal of property, plant and equipment and intangible assets		126	892
Acquisition of property, plant and equipment and intangible assets		(7,789)	(5,168)
Expenditures for development projects		(3,053)	(1,599)
Acquisition of subsidiary companies		-	(5,635)
Disposal of financial assets carried at fair value through profit or loss	<u>13</u>	10,299	-
Acquisition of financial assets carried at fair value through profit or loss	<u>13</u>	(163)	-
Disposal of financial assets held to maturity	<u>12</u>	4,090	-
Acquisition of financial assets held to maturity	<u>12</u>	(16,816)	-
Loans granted		(294)	(419)
Loans collected		488	35
Interest received		955	1,368
Other		(22)	50
<b>Net cash provided by (used in) investing activities</b>		<b>(12,179)</b>	<b>(10,476)</b>

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

	Note	6 months ended 30 June 2012 (unaudited)	6 months ended 30 June 2011 (unaudited)
<b>Cash flows - financing activities</b>			
Proceeds from bank loans and borrowings		134	-
Repayment of bank loans and borrowings		(267)	(1,127)
Finance lease commitments paid		(250)	(201)
Interest paid		(98)	(212)
Acquisition of non-controlling interests		-	(870)
Other		-	(58)
<b>Net cash provided by (used in) financing activities</b>		<b>(481)</b>	<b>(2,468)</b>
Net increase (decrease) in cash and cash equivalents		17,271	2,330
Net foreign exchange differences		(5,655)	143
Cash and cash equivalents as at 1 January		103,042	100,976
<b>Cash and cash equivalents as at 30 June</b>	<b><u>14</u></b>	<b>114,658</b>	<b>103,449</b>

## **SUPPLEMENTARY INFORMATION AND EXPLANATORY NOTES**

### **I. GENERAL INFORMATION**

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

The parent Asseco South Eastern Europe S.A. seated at 14 Olchowa St., Rzeszów, Poland, was established on 10 April 2007 as a joint stock company called Asseco Adria S.A. On 11 July 2007, the Company was entered in the register of entrepreneurs maintained by the District Court in Rzeszów, XII Commercial Department of the National Court Register, under the number 0000284571. The Parent Company has been assigned the statistical number REGON 180248803. On 11 February 2008, the Parent Company's corporate name was changed from Asseco Adria S.A. to Asseco South Eastern Europe S.A.

ASEE S.A. is the parent of the Asseco South Eastern Europe Group.

The time of duration of both the Parent Company and the entities incorporated in the Group is indefinite.

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

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

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

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

These interim condensed consolidated financial statements cover the period of 6 months ended 30 June 2012 and contain comparative data for the period of 6 months ended 30 June 2011 in case of the statement of comprehensive income, statement of changes in equity and statement of cash flows; and comparative data as at 31 December 2011 in case of the balance sheet. The profit and loss account as well as notes to the profit and loss account cover the period of 3 months ended 30 June 2012 and contain comparative data for the period of 3 months ended 30 June 2011; these data were not subject to a review by certified auditors.

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

These interim condensed consolidated financial statements for the period of 6 months ended 30 June 2012 were approved for publication by the Management Board on 10 August 2012.



## II. COMPOSITION OF THE ASECO SOUTH EASTERN EUROPE GROUP

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

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

Full name of entity	Short name as used in this report	Country of registration	Equity / Voting interest	
			30 June 2012	31 December 2011
<b>Asseco South Eastern Europe S.A.</b>	<b>ASEE S.A.</b>	Poland		
<b>Asseco SEE s.r.l. (Bucharest)</b>	<b>ASEE Romania</b>	Romania	100.00%	100.00%
Asseco s.r.l. MOLDOVA	ASEE Moldova	Moldova	100.00%	100.00%
<b>Asseco SEE d.o.o., Beograd</b>	<b>ASEE Serbia</b>	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) <sup>1)</sup>	ASEE Slovenia	Slovenia	-	50.00%
Multicard d.o.o., Beograd	Multicard, Serbia	Serbia	45.00%	45.00%
<b>Asseco SEE d.o.o. (Zagreb)</b>	<b>ASEE Croatia</b>	Croatia	100.00%	100.00%
BDS-Platus d.o.o.	BDS-Platus, Croatia	Croatia	100.00%	100.00%
<b>Asseco SEE Sh.p.k. (Pristina)</b>	<b>ASEE Kosovo</b>	Kosovo	100.00%	100.00%
Asseco SEE Sh.p.k., Tirana	ASEE Albania	Albania	100.00%	100.00%
<b>Asseco SEE Teknoloji A.Ş. (Istanbul)</b>	<b>ASEE Turkey</b>	Turkey	100.00%	100.00%
SC I.T.D Romania s.r.l.	SC I.T.D Romania	Romania	95.38%	95.38%
<b>Asseco SEE d.o.o. (Grosuplje) <sup>1)</sup></b>	<b>ASEE Slovenia</b>	Slovenia	100.00%	50.00%
<b>Asseco SEE DOOEL, Skopje <sup>4)</sup></b>	<b>ASEE Macedonia</b>	Macedonia	100.00%	-
<b>Asseco SEE d.o.o. (Sarajevo) <sup>4)</sup></b>	<b>ASEE B&amp;H (Sarajevo)</b>	Bosnia and Herzegovina	100.00%	50.00%
<b>Asseco SEE d.o.o., Banja Luka <sup>4)</sup></b>	<b>ASEE B&amp;H (Banja Luka)</b>	Bosnia and Herzegovina	100.00%	-
<b>Asseco SEE o.o.d., Sofia <sup>2)</sup></b>	<b>ASEE Bulgaria</b>	Bulgaria	100.00%	100.00%
<b>Altius Bulgaria EOOD, (Sofia) <sup>2)</sup></b>	<b>Altius, Bulgaria</b>	Bulgaria	-	100.00%
<b>ITD Polska Sp. z o.o. (Warsaw) <sup>3)</sup></b>	<b>ITD Poland</b>	Poland	-	100.00%
Asseco SEE DOOEL, Skopje	ASEE Macedonia	Macedonia	-	100.00%
Asseco SEE d.o.o. (Sarajevo)	ASEE B&H (Sarajevo)	Bosnia and Herzegovina	-	50.00%
Asseco SEE d.o.o., Banja Luka	ASEE B&H (Banja Luka)	Bosnia and Herzegovina	-	100.00%

1) On 18 April 2012, ASEE S.A. acquired a 50% stake in ASEE Slovenia from ASEE Serbia. Following this transaction, ASEE S.A. has become a direct owner of 100% of shares in ASEE Slovenia.

2) On 10 February 2012, there was registered a merger of ASEE Bulgaria (the taking-over company) with Altius, Bulgaria (the acquired company).

3) On 1 June 2012, there was registered a merger of ASEE S.A. (the taking-over company) with ITD Poland (the acquired company).

4) As a result of the merger, ASEE S.A. has become a direct owner of 100% of shares in the following companies: ASEE Macedonia, ASEE B&H (Sarajevo), and ASEE B&H (Banja Luka).

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

Within the Group's organizational structure, the company of E-Mon, Montenegro is treated as a jointly controlled company and therefore consolidated under the proportionate method. The remaining companies incorporated within the Group are treated as subsidiaries and are subject to full consolidation.

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

Both as at 30 June 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.

### **III. CHANGES IN THE GROUP STRUCTURE**

During the period of 6 months ended 30 June 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. Because ASEE S.A., acting as the Taking-over Company, held all the shares in the Acquired Company, thereby being the sole shareholder in ITD Poland, the merger was executed according to art. 515 § 1 of the Polish Commercial Companies Code, this is without increasing the share capital of the Taking-over Company, as well as pursuant to art. 516 § 5-6 of the PCCC regulating the simplified business combination procedure. 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. It is also expected that the merger will contribute significantly to the financial stability of business operations and, in a longer run, to the creation of higher value for shareholders of our Company.

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.

The merger of ASEE S.A. and ITD Poland had no impact on the consolidated financial statements of the Asseco South Eastern Europe Group.

***▣ 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 Group's restructuring process intended to "flatten" and simplify its organizational structure. The said transaction had no impact on the consolidated financial statements of the Group.

## IV. ACCOUNTING PRINCIPLES APPLIED WHEN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Basis for preparation of interim condensed consolidated financial statements

These interim condensed consolidated financial statements were prepared in accordance with the historical cost principle, except for derivative financial instruments and assets that are carried at fair value through profit or loss.

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

These interim condensed consolidated financial statements were prepared on a going-concern basis, assuming the Group, Parent Company as well as its subsidiary companies will continue their business activities in the foreseeable future.

Till the date of approving these financial statements, there were observed no indications of a threat to the Company and the Group companies' ability to continue as going concerns in the period of at least 12 months following the balance sheet date.

### 2. Compliance statement

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

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

Some of the Group companies maintain their accounting books in accordance with the accounting policy (principles) set forth in their respective local regulations. The interim condensed consolidated financial statements include adjustments not disclosed in the accounting books of the Group's entities, which were introduced to adjust the financial statements of those entities to the IFRS.

### 3. Significant accounting policies

The major accounting principles adopted by the Asseco South Eastern Europe Group have been described in the consolidated financial statements for the year ended 31 December 2011, which were published on 23 February 2012 and are available at the Issuer's website: <http://www.asseco-see.com/pl>. These interim condensed consolidated financial statements do not include all the information and disclosures required for annual consolidated financial statements and therefore they should be read together with the Group's consolidated financial statements for the year ended 31 December 2011.

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

- Amendments to IFRS 7 *Financial Instruments: Disclosures: Transfers of Financial Assets* – effective for annual periods beginning on or after 1 July 2011.

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

#### 4. Functional currency and reporting currency

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

Separate and consolidated financial statements of the Group companies are drawn up in the functional currencies of their primary business environments. The functional currencies of direct subsidiaries of ASEE S.A. include the Romanian leu (RON), Croatian kuna (HRK), Serbian dinar (RDS), Macedonian denar (MKD), euro (EUR), Turkish lira (TRY), Bulgarian lev (BGN), Bosnia and Herzegovina convertible mark (BAM), and Polish zloty (PLN).

#### 5. Changes in estimates

In the period of 6 months ended 30 June 2012, no substantial changes were introduced to the way of making estimates.

#### 6. Professional judgement

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

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

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

The Group executes a number of contracts for construction and implementation of information technology systems. The contractual cash flows are denominated in foreign currencies. Valuation of IT contracts requires that future operating cash flows are determined in order to arrive at the fair value of income and expenses and to provide the fair value of the embedded currency derivatives, as well as it requires measurement of the progress of contract execution. The percentage of contract completion shall be measured as the relation of costs already incurred (provided such costs contribute to the progress of work) to the total costs planned, or as a portion of man-days worked out of the total work-effort required. As at 30 June 2012, receivables arising from valuation of IT contracts amounted to PLN 22,226 thousand, while liabilities due to such valuation equalled PLN 1,024 thousand.

##### ***ii. Rates of depreciation and amortization***

The level of depreciation and amortization rates is determined on the basis of anticipated period of useful economic life of the components of tangible and intangible assets. The Group verifies the adopted periods of useful life on an annual basis, taking into account the current estimates.

##### ***iii. Goodwill – impairment test***

As at 30 June 2012, the Management Board of the Parent Company performed an impairment test on goodwill arising from the acquisition of subsidiary companies. This task required making estimates of the recoverable value of cash-generating units to which goodwill is allocated. The recoverable value is estimated by determination of the future cash flows expected to be achieved from the cash-generating unit and determination of a discount rate to be subsequently used in order to calculate the net present value of those cash flows.

As at 30 June 2012, goodwill arising from the acquisition of subsidiary companies amounted to PLN 486,060 thousand as compared with PLN 523,149 thousand reported as

at 31 December 2011. The goodwill impairment tests have been described in more detail in explanatory note 9 to these interim consolidated financial statements.

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

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

**v. Deferred income tax assets**

In the period of 6 months ended 30 June 2012, the Group recognized a deferred income tax asset (net of deferred income tax provision). The Parent Company did not recognize the entire balance of deferred income tax assets related to the prior years' losses. Such deferred income tax assets were recognized to the extent it is probable that future taxable income will enable writing such unutilized losses off. As at 30 June 2012, the Parent Company's tax-deductible losses not accounted for in deferred income tax assets amounted to PLN 93,636 thousand.

Based on the current financial budget and applicable tax regulations, the Group's management believes that future utilization of deferred tax assets recognized in the consolidated financial statements in the amount of PLN 1,981 thousand is very likely.

**7. Seasonal nature of business**

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

**8. Changes in the applied principles of presentation**

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

**9. Changes in the accounting principles applied**

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

**10. Corrections of material errors**

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

**V. INFORMATION ON OPERATING SEGMENTS**

The Asseco South Eastern Europe Group has identified the following reportable segments reflecting the structure of its business operations:

- a) Banking Solutions,
- b) Payment Solutions,
- c) Systems Integration.

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

*Banking Solutions*

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

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

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

*Payment Solutions*

This segment is engaged in the sale and maintenance of ATMs and POS terminals as well as in the provision of related support services. Furthermore, the segment provides 'top-up' services, i.e. distribution of services offered by third-party vendors based on proprietary IT solutions, using the network of ATMs and POS terminals (e.g. phone card recharging, bill payments). This operating segment also provides systems for settlement of internet payments made with credit cards as well as for fast and direct internet money transfers. The Asseco South Eastern Europe Group offers systems based on its proprietary IT solutions, both in the form of outsourcing or implementation of software within the client's infrastructure.

*Systems Integration*

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



<b>For 6 months ended 30 June 2012 and as at 30 June 2012 in PLN thousands (unaudited)</b>	<b>Banking Solutions (I)</b>	<b>Payment Solutions (II)</b>	<b>Total Banking Business (I-II)</b>	<b>Systems Integration (III)</b>	<b>Unallocated</b>	<b>Eliminations / Reconciliations</b>	<b>Total</b>
<b>Sales revenues:</b>	<b>54,347</b>	<b>66,230</b>	<b>120,577</b>	<b>114,324</b>	<b>2,927</b>	<b>(16,054)</b>	<b>221,774</b>
Sales to external customers	46,752	64,282	111,034	110,740	-	-	221,774
Inter/intra segment sales	7,595	1,948	9,543	3,584	2,927	(16,054)	-
<b>Gross profit on sales</b>	<b>18,585</b>	<b>21,067</b>	<b>39,652</b>	<b>19,971</b>	-	-	<b>59,623</b>
Selling expenses	(3,532)	(5,733)	(9,265)	(9,511)	-	-	(18,776)
General administrative expenses	(6,047)	(5,551)	(11,598)	(4,771)	-	-	(16,369)
<b>Net profit on sales</b>	<b>9,006</b>	<b>9,783</b>	<b>18,789</b>	<b>5,689</b>	-	-	<b>24,478</b>
Segment assets, of which:	193,335	194,188	387,523	249,412	166,644	-	803,579
goodwill arising from consolidation	154,530	146,054	300,584	185,476	-	-	486,060
property, plant and equipment	4,175	9,970	14,145	6,375	379	-	20,899
intangible assets	6,729	4,424	11,153	2,056	317	-	13,526
trade accounts receivable	10,841	19,744	30,585	38,859	-	-	69,444
receivables arising from valuation of IT contracts	16,816	3,209	20,025	2,201	-	-	22,226
inventories	244	10,787	11,031	14,445	-	-	25,476
other	-	-	-	-	165,948	-	165,948
<b>Segment expenditures for tangible and intangible assets</b>	<b>(1,225)</b>	<b>(3,213)</b>	<b>(4,438)</b>	<b>(2,015)</b>	<b>(205)</b>	-	<b>(6,658)</b>

Assets that were not allocated to any operating segment as at 30 June 2012 included the following items: cash (PLN 114,713 thousand), receivables from the State budget (PLN 3,522 thousand) and other receivables (PLN 17,131 thousand), deferred income tax assets (PLN 1,981 thousand), and other assets (PLN 28,601 thousand). The analysis of segments does not include revenues from management services provided by the Parent Company to its subsidiaries (which are eliminated in the consolidation process) nor any of the other operating expenses and income, financial expenses and income, or income taxes.

<b>For 6 months ended 30 June 2012 in EUR thousands (unaudited)</b>	<b>Banking Solutions (I)</b>	<b>Payment Solutions (II)</b>	<b>Total Banking Business (I-II)</b>	<b>Systems Integration (III)</b>	<b>Unallocated</b>	<b>Eliminations / Reconciliations</b>	<b>Total</b>
<b>Sales revenues:</b>	<b>12,865</b>	<b>15,677</b>	<b>28,542</b>	<b>27,061</b>	<b>693</b>	<b>(3,800)</b>	<b>52,496</b>
Sales to external customers	11,067	15,216	26,283	26,213	-	-	52,496
Inter/intra segment sales	1,798	461	2,259	848	693	(3,800)	-
<b>Gross profit on sales</b>	<b>4,399</b>	<b>4,987</b>	<b>9,386</b>	<b>4,727</b>	-	-	<b>14,113</b>
Selling expenses	(836)	(1,357)	(2,193)	(2,251)	-	-	(4,444)
General administrative expenses	(1,431)	(1,314)	(2,745)	(1,129)	-	-	(3,874)
<b>Net profit on sales</b>	<b>2,132</b>	<b>2,316</b>	<b>4,448</b>	<b>1,347</b>	-	-	<b>5,795</b>



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

Assets that were not allocated to any operating segment as at 30 June 2011 included the following items: cash (PLN 103,666 thousand), receivables from the State budget (PLN 1,846 thousand) and other receivables (PLN 7,513 thousand), deferred income tax assets (PLN 1,998 thousand), and other assets (PLN 8,984 thousand). The analysis of segments does not include revenues from management services provided by the Parent Company to its subsidiaries (which are eliminated in the consolidation process) nor any of the other operating expenses and income, financial expenses and income, or income taxes.

<b>For 6 months ended 30 June 2011 in EUR thousands (unaudited)</b>	<b>Banking Solutions (I)</b>	<b>Payment Solutions (II)</b>	<b>Total Banking Business (I-II)</b>	<b>Systems Integration (III)</b>	<b>Unallocated</b>	<b>Eliminations / Reconciliations</b>	<b>Total</b>
<b>Sales revenues:</b>	<b>14,220</b>	<b>10,970</b>	<b>25,190</b>	<b>26,922</b>	<b>486</b>	<b>(2,332)</b>	<b>50,266</b>
Sales to external customers	12,993	10,833	23,826	26,440	-	-	50,266
Inter/intra segment sales	1,227	137	1,364	482	486	(2,332)	-
<b>Gross profit on sales</b>	<b>4,518</b>	<b>3,484</b>	<b>8,002</b>	<b>4,949</b>	-	-	<b>12,951</b>
Selling expenses	(776)	(747)	(1,523)	(2,211)	-	-	(3,734)
General administrative expenses	(1,530)	(958)	(2,488)	(1,337)	-	-	(3,825)
<b>Net profit on sales</b>	<b>2,212</b>	<b>1,779</b>	<b>3,991</b>	<b>1,401</b>	-	-	<b>5,392</b>

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

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

In the period of 6 months ended 30 June 2012, our **Banking Solutions segment** generated PLN 54,336 thousand in sales revenues, suffering a 4% decline as compared to the corresponding period of 2011. Hence, the share of this segment in the total sales decreased by 3 percentage points. Whereas, its net profit on sales improved by 3%, from PLN 8,777 thousand to PLN 9,006 thousand.

In the period of 6 months ended 30 June 2012, sales generated by the **Payment Solutions segment** increased to PLN 66,230 thousand or by 52% from the level of PLN 43,522 thousand reported a year ago. Hence, the sector's contribution to the total sales increased by 8 percentage points.

In the period of 6 months ended 30 June 2012, revenues generated by the **Systems Integration segment** amounted to PLN 114,284 thousand, reflecting a 7% improvement over the level of PLN 106,808 thousand achieved in the corresponding period last year. The segment's net profit on sales for the first half of 2012 increased to PLN 5,689 thousand from PLN 5,560 thousand reported in the first half of 2011.

#### *Geographical breakdown of sales*

During the first 6 months of 2012, the Group generated 28% of its sales revenues in Serbia, 26% in Romania, 12% in Croatia, 12% in Macedonia, and 8% in Turkey. The above shares in total sales were determined taking into account the countries where particular revenue generating companies are seated.

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

**VI. INFORMATION ON GEOGRAPHICAL STRUCTURE OF FINANCIAL RESULTS**

<b>For 6 months ended 30 June 2012 in PLN thousands</b>	<b>Albania</b>	<b>Bosnia</b>	<b>Bulgaria</b>	<b>Croatia</b>	<b>Montenegro</b>	<b>Kosovo</b>	<b>Macedonia</b>	<b>Poland</b>	<b>Romania</b>	<b>Serbia</b>	<b>Slovenia</b>	<b>Turkey</b>	<b>Total</b>
<b>Sales revenues</b>	<b>1,293</b>	<b>8,270</b>	<b>3,255</b>	<b>27,424</b>	<b>3,743</b>	<b>6,927</b>	<b>25,614</b>	<b>3,776</b>	<b>56,622</b>	<b>62,288</b>	<b>4,501</b>	<b>18,061</b>	<b>221,774</b>
Cost of sales	(912)	(5,292)	(2,926)	(20,337)	(2,701)	(5,651)	(20,676)	(2,341)	(44,829)	(43,007)	(3,293)	(10,186)	(162,151)
<b>Gross profit on sales</b>	<b>381</b>	<b>2,978</b>	<b>329</b>	<b>7,087</b>	<b>1,042</b>	<b>1,276</b>	<b>4,938</b>	<b>1,435</b>	<b>11,793</b>	<b>19,281</b>	<b>1,208</b>	<b>7,875</b>	<b>59,623</b>
Selling expenses	(90)	(311)	(109)	(4,212)	(253)	(449)	(1,458)	(362)	(4,492)	(4,880)	(115)	(2,045)	(18,776)
General administrative expenses	(189)	(770)	(187)	(2,310)	(148)	(524)	(1,658)	(474)	(2,764)	(4,957)	(318)	(2,070)	(16,369)
<b>Net profit on sales</b>	<b>102</b>	<b>1,897</b>	<b>33</b>	<b>565</b>	<b>641</b>	<b>303</b>	<b>1,822</b>	<b>599</b>	<b>4,537</b>	<b>9,444</b>	<b>775</b>	<b>3,760</b>	<b>24,478</b>
Other operating income	6	236	39	105	5	37	120	41	8	8	-	5	610
Other operating expenses	-	(217)	(9)	(50)	(10)	(42)	(28)	(22)	(42)	(142)	-	(60)	(622)
<b>Operating profit</b>	<b>108</b>	<b>1,916</b>	<b>63</b>	<b>620</b>	<b>636</b>	<b>298</b>	<b>1,914</b>	<b>618</b>	<b>4,503</b>	<b>9,310</b>	<b>775</b>	<b>3,705</b>	<b>24,466</b>
Financial income	-	4	39	20	24	-	363	1,472	438	1,227	-	180	3,767
Financial expenses	-	(38)	(28)	(39)	(2)	-	-	(1,049)	(165)	(11)	(63)	(368)	(1,763)
<b>Pre-tax profit</b>	<b>108</b>	<b>1,882</b>	<b>74</b>	<b>601</b>	<b>658</b>	<b>298</b>	<b>2,277</b>	<b>1,041</b>	<b>4,776</b>	<b>10,526</b>	<b>712</b>	<b>3,517</b>	<b>26,470</b>
Corporate income tax (current and deferred tax expense)	5	(186)	(2)	(161)	(59)	(22)	(203)	(333)	(677)	(1,083)	(139)	20	(2,840)
<b>Net profit for the period reported</b>	<b>113</b>	<b>1,696</b>	<b>72</b>	<b>440</b>	<b>599</b>	<b>276</b>	<b>2,074</b>	<b>708</b>	<b>4,099</b>	<b>9,443</b>	<b>573</b>	<b>3,537</b>	<b>23,630</b>

<b>For 6 months ended 30 June 2012 in EUR thousands</b>	<b>Albania</b>	<b>Bosnia</b>	<b>Bulgaria</b>	<b>Croatia</b>	<b>Montenegro</b>	<b>Kosovo</b>	<b>Macedonia</b>	<b>Poland</b>	<b>Romania</b>	<b>Serbia</b>	<b>Slovenia</b>	<b>Turkey</b>	<b>Total</b>
<b>Sales revenues</b>	<b>306</b>	<b>1,958</b>	<b>770</b>	<b>6,492</b>	<b>886</b>	<b>1,640</b>	<b>6,063</b>	<b>894</b>	<b>13,403</b>	<b>14,744</b>	<b>1,065</b>	<b>4,275</b>	<b>52,496</b>
Cost of sales	(216)	(1,253)	(693)	(4,814)	(639)	(1,338)	(4,894)	(554)	(10,611)	(10,181)	(779)	(2,411)	(38,383)
<b>Gross profit on sales</b>	<b>90</b>	<b>705</b>	<b>77</b>	<b>1,678</b>	<b>247</b>	<b>302</b>	<b>1,169</b>	<b>340</b>	<b>2,792</b>	<b>4,563</b>	<b>286</b>	<b>1,864</b>	<b>14,113</b>
Selling expenses	(21)	(74)	(26)	(997)	(60)	(106)	(345)	(86)	(1,063)	(1,155)	(27)	(484)	(4,444)
General administrative expenses	(45)	(182)	(44)	(547)	(35)	(124)	(392)	(112)	(654)	(1,174)	(75)	(490)	(3,874)
<b>Net profit on sales</b>	<b>24</b>	<b>449</b>	<b>7</b>	<b>134</b>	<b>152</b>	<b>72</b>	<b>432</b>	<b>142</b>	<b>1,075</b>	<b>2,234</b>	<b>184</b>	<b>890</b>	<b>5,795</b>
Other operating income	1	56	9	25	1	9	28	10	2	2	-	1	144
Other operating expenses	-	(51)	(2)	(12)	(2)	(10)	(7)	(5)	(10)	(35)	-	(14)	(148)
<b>Operating profit</b>	<b>25</b>	<b>454</b>	<b>14</b>	<b>147</b>	<b>151</b>	<b>71</b>	<b>453</b>	<b>147</b>	<b>1,067</b>	<b>2,201</b>	<b>184</b>	<b>877</b>	<b>5,791</b>
Financial income	-	1	9	5	6	-	86	348	104	290	-	43	892
Financial expenses	-	(9)	(7)	(9)	-	-	-	(248)	(39)	(3)	(15)	(87)	(417)
<b>Pre-tax profit</b>	<b>25</b>	<b>446</b>	<b>16</b>	<b>143</b>	<b>157</b>	<b>71</b>	<b>539</b>	<b>247</b>	<b>1,132</b>	<b>2,488</b>	<b>169</b>	<b>833</b>	<b>6,266</b>
Corporate income tax (current and deferred tax expense)	1	(44)	-	(38)	(14)	(5)	(48)	(79)	(160)	(258)	(33)	5	(673)
<b>Net profit for the period reported</b>	<b>26</b>	<b>402</b>	<b>16</b>	<b>105</b>	<b>143</b>	<b>66</b>	<b>491</b>	<b>168</b>	<b>972</b>	<b>2,230</b>	<b>136</b>	<b>838</b>	<b>5,593</b>

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

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

## VII. EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. Breakdown of sales revenues

Sales revenues by type of products	3 months ended 30 June 2012 (unaudited)	6 months ended 30 June 2012 (unaudited)	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)
Proprietary software and services	53,695	106,494	45,452	94,107
Third-party software and services	25,033	41,002	25,237	45,931
Hardware and infrastructure	37,768	74,278	30,757	59,384
	<b>116,496</b>	<b>221,774</b>	<b>101,446</b>	<b>199,422</b>

In the first half of 2012, sales revenues of the Asseco South Eastern Europe Group reached PLN 221,774 thousand and they increased by 11.2% when compared with PLN 199,422 thousand achieved in the corresponding period last year. Our financial performance improved year on year as we consistently pursue our strategy to promote sales of own services and software solutions. Additionally, we managed to generate higher sales of hardware and infrastructure, basically in Serbia and Macedonia.

Total turnover includes revenues from long-term contracts which, in the period of 6 months ended 30 June 2012, amounted to PLN 32,858 thousand (the aggregate of invoiced revenues and valuation of long-term contracts being in progress as at the balance sheet date).

Sales revenues by sectors	3 months ended 30 June 2012 (unaudited)	6 months ended 30 June 2012 (unaudited)	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)
Banking and finance	78,246	146,894	62,176	127,743
Enterprises	14,549	42,899	26,911	53,922
Public Institutions	23,701	31,981	12,359	17,757
	<b>116,496</b>	<b>221,774</b>	<b>101,446</b>	<b>199,422</b>

In the first half-year 2012, the Group generated 66% of its sales revenues from the sector of banking and finance. As compared with the corresponding period of 2011, the sector's share in total sales increased by 2 percentage points as the value of sales improved 15% to PLN 146,894 thousand for 6 months ended 30 June 2012, up from PLN 127,743 thousand posted a year ago. The key revenue drivers in the banking and finance sector were our contracts executed for: Komercijalna banka a.d. (Serbia), Privredna banka Zagreb d.d. (Croatia), Banca Intesa a.d. (Serbia), Hrvatska poštanska banka d.d. (Croatia), Unicredit leasing Srbija doo Beograd (Serbia), Zagrebačka banka d.d. (Croatia), Banca Italo Romena SpA Italia Treviso Suc Bucuresti (Romania), NLB Tutunska banka Skopje (Macedonia), UniCredit Bank d.d. Mostar (B&H), and Akbank (Turkey).

On the other hand, the enterprises sector constituted a slightly lower portion of our business in the first half of 2012. Sales revenues from this sector reached PLN 42,899 thousand or 19% of our total turnover; whereas, in the corresponding period of 2011, sales to enterprises amounted to PLN 53,922 thousand and represented 27% of the total turnover. In the enterprises sector the highest revenues were achieved from our contracts with: S&T Romania SRL, T-Home Skopje (Macedonia), EULEX (Kosovo), Fujitsu Technology Solution GmbH (Croatia), TAROM SA (Romania), Vodafone (Turkey), Turkcell (Turkey),

Kaufland Romania SCS (Romania), Automobile Dacia SA (Romania), Hrvatski Telekom d.d. (Croatia), PRO TV SA (Romania), and Intec Skopje (Macedonia).

In the first half of 2012, the Group's sales to public institutions reached PLN 31,981 thousand and they surged 80% as compared with PLN 17,757 thousand generated in the first half of 2011. Concurrently, the share of this sector in total sales increased to 14% from the level of 9% observed in the first half of 2011. In the public institutions sector the highest revenues were generated by our contracts with: National Statistical Institute (Romania), Bucharest Technical University (Romania), Ministry of Labour and Social Policy (Macedonia), Ministry of Foreign Affairs (Kosovo), Central Depository Agency (Montenegro), Ministry of Finance (Serbia), Financial Agency (Croatia), and Kosovo Airport (Kosovo).

## 2. Breakdown of operating costs

	<b>3 months ended 30 June 2012 (unaudited)</b>	<b>6 months ended 30 June 2012 (unaudited)</b>	<b>3 months ended 30 June 2011 (unaudited)</b>	<b>6 months ended 30 June 2011 (unaudited)</b>
Materials and energy used (-)	(1,118)	(2,394)	(854)	(2,002)
Third-party work (-)	(13,827)	(24,266)	(11,747)	(22,366)
Salaries (-)	(28,311)	(56,052)	(25,275)	(50,172)
Employee benefits (-)	(4,681)	(9,863)	(3,691)	(7,618)
Depreciation and amortization (-)	(2,619)	(5,078)	(2,089)	(4,069)
Taxes and charges (-)	(385)	(779)	(369)	(740)
Business trips (-)	(1,525)	(2,605)	(1,185)	(2,221)
Other (-)	(292)	98	764	950
	<b>(52,758)</b>	<b>(100,939)</b>	<b>(44,446)</b>	<b>(88,238)</b>
<b>Cost of sales:</b>	<b>(85,068)</b>	<b>(162,151)</b>	<b>(76,006)</b>	<b>(148,042)</b>
<i>production cost (-)</i>	(33,486)	(65,794)	(29,186)	(58,251)
<i>value of merchandise, materials and     third-party work sold (COGS) (-)</i>	(51,582)	(96,357)	(46,820)	(89,791)
<b>Selling expenses (-)</b>	<b>(10,421)</b>	<b>(18,776)</b>	<b>(7,590)</b>	<b>(14,813)</b>
<b>General administrative expenses (-)</b>	<b>(8,851)</b>	<b>(16,369)</b>	<b>(7,670)</b>	<b>(15,174)</b>

"Other" operating costs have been reduced by the amount cancelled provisions for warranty repairs and reversed write-downs on receivables and inventories that were recognized as other operating costs in prior reporting periods. The item value is positive as the total amount of provisions and write-downs reversed was higher than the total amount of provisions and write-downs established during the period of 6 months ended 30 June 2012 as well as in the corresponding period of 2011.

### 3. Other operating income and expenses

<b>Other operating income</b>	<b>3 months ended 30 June 2012 (unaudited)</b>	<b>6 months ended 30 June 2012 (unaudited)</b>	<b>3 months ended 30 June 2011 (unaudited)</b>	<b>6 months ended 30 June 2011 (unaudited)</b>
Gain on disposal of property, plant and equipment	9	47	76	142
Compensations received	56	56	25	26
Discounts received	112	112	-	-
Reversal of other provisions	91	91	-	-
Other	128	304	101	230
	<b>396</b>	<b>610</b>	<b>202</b>	<b>398</b>

<b>Other operating expenses</b>	<b>3 months ended 30 June 2012 (unaudited)</b>	<b>6 months ended 30 June 2012 (unaudited)</b>	<b>3 months ended 30 June 2011 (unaudited)</b>	<b>6 months ended 30 June 2011 (unaudited)</b>
Loss on disposal of tangible fixed assets (-)	(15)	(26)	(7)	(67)
Liquidation costs of tangible fixed assets, intangible assets, and inventories (-)	-	(5)	-	-
Charitable contributions to unrelated parties (-)	(65)	(172)	(112)	(184)
Costs of post-accident repairs (-)	(33)	(58)	(48)	(104)
Penalties and compensations (-)	(10)	(16)	(1)	(55)
Other (-)	(311)	(345)	(178)	(226)
	<b>(434)</b>	<b>(622)</b>	<b>(346)</b>	<b>(636)</b>

### 4. Financial income and expenses

<b>Financial income</b>	<b>3 months ended 30 June 2012 (unaudited)</b>	<b>6 months ended 30 June 2012 (unaudited)</b>	<b>3 months ended 30 June 2011 (unaudited)</b>	<b>6 months ended 30 June 2011 (unaudited)</b>
Interest income on loans granted and bank deposits	907	1,555	879	1,571
Gain on revaluation of conditional payments in transactions to obtain control	-	420	2,360	4,150
Positive foreign exchange differences	262	1,286	-	454
Gain on change in fair value of derivative instruments	499	377	-	-
Gain on disposal of financial assets carried at fair value through profit or loss	-	128	-	-
Other financial income	1	1	-	-
	<b>1,669</b>	<b>3,767</b>	<b>3,239</b>	<b>6,175</b>

Financial income achieved from the reversal of liabilities due to the acquisition of shares has been described in explanatory note 14 to these financial statements.



<b>Financial expenses</b>	<b>3 months ended 30 June 2012 (unaudited)</b>	<b>6 months ended 30 June 2012 (unaudited)</b>	<b>3 months ended 30 June 2011 (unaudited)</b>	<b>6 months ended 30 June 2011 (unaudited)</b>
Interest expense on bank loans and borrowings (-)	(3)	(5)	(23)	(68)
Other interest expenses (-)	(3)	(9)	(26)	(87)
Bank fees and commissions (-)	(13)	(55)	(62)	(93)
Negative foreign exchange differences (-)	(323)	(1,076)	(429)	(686)
Discounting of settlements (-)	-	-	(1)	(136)
Interest expenses under finance leases (-)	(15)	(33)	(24)	(41)
Loss on revaluation of conditional payments in transactions to obtain control	(729)	(456)	-	-
Loss on change in fair value of currency derivatives (-)	-	-	(9)	(127)
Loss on exercise of derivative instruments (-)	(34)	(78)	-	-
Other financial expenses (-)	(51)	(51)	(45)	(42)
	<b>(1,171)</b>	<b>(1,763)</b>	<b>(619)</b>	<b>(1,280)</b>

## 5. Corporate income tax

The main charges on pre-tax profit by virtue of corporate income tax (current and deferred portions):

	<b>3 months ended 30 June 2012 (unaudited)</b>	<b>6 months ended 30 June 2012 (unaudited)</b>	<b>3 months ended 30 June 2011 (unaudited)</b>	<b>6 months ended 30 June 2011 (unaudited)</b>
Current income tax	(1,378)	(2,514)	(1,850)	(3,069)
Adjustments to the prior years' current income tax	(47)	(17)	-	-
Deferred income tax related to reversal of temporary differences	(215)	(309)	210	112
<b>Income tax expense as disclosed in the profit and loss account, of which:</b>	<b>(1,640)</b>	<b>(2,840)</b>	<b>(1,640)</b>	<b>(2,957)</b>
<i>Corporate income tax attributable to continuing operations</i>	(1,640)	(2,840)	(1,640)	(2,957)

## 6. Earnings per share

<b>PLN</b>	<b>3 months ended 30 June 2012 (unaudited)</b>	<b>6 months ended 30 June 2012 (unaudited)</b>	<b>3 months ended 30 June 2011 (unaudited)</b>	<b>6 months ended 30 June 2011 (unaudited)</b>
<b>Consolidated earnings per share for the period reported attributable to Shareholders of ASEE S.A. (in PLN):</b>				
Basic consolidated earnings per share from continuing operations for the period reported	0.21	0.46	0.22	0.45
Diluted consolidated earnings per share from continuing operations for the period reported	0.21	0.46	0.22	0.45

EUR	3 months ended 30 June 2012 (unaudited)	6 months ended 30 June 2012 (unaudited)	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)
<b>Consolidated earnings per share for the period reported attributable to Shareholders of ASEE S.A. (in EUR):</b>				
Basic consolidated earnings per share from continuing operations for the period reported	0.05	0.11	0.06	0.11
Diluted consolidated earnings per share from continuing operations for the period reported	0.05	0.11	0.06	0.11

Basic earnings per share are computed by dividing net profit for the period reported, attributable to shareholders of the Parent Company, by the weighted average number of ordinary shares outstanding during that financial period.

Diluted earnings per share are computed by dividing net profit for the period reported, attributable to shareholders of the Parent Company, by the adjusted (for the diluting impact of potential shares) weighted average number of ordinary shares outstanding during that financial period, adjusted by the factor of conversion of bonds convertible to ordinary shares.

The tables below present net profits and numbers of shares used for calculation of basic and diluted earnings per share:

	3 months ended 30 June 2012 (unaudited)	6 months ended 30 June 2012 (unaudited)	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)
<b>Consolidated net profit for the period reported attributable to Shareholders of ASEE S.A.</b>	<b>10,996</b>	<b>23,704</b>	<b>11,048</b>	<b>23,163</b>
Weighted average number of ordinary shares outstanding, used for calculation of basic earnings per share	51,894,251	51,894,251	51,012,179	51,002,156
Dilution factors	-	-	-	-
<b>Adjusted weighted average number of ordinary shares, used for calculation of diluted earnings per share</b>	<b>51,894,251</b>	<b>51,894,251</b>	<b>51,012,179</b>	<b>51,002,156</b>

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

## **7. Information on dividends paid out or declared**

The Ordinary General Meeting of Shareholders of ASEE S.A. seated in Rzeszów, acting on the basis of art. 395 §2 item 2) of the Polish Commercial Companies Code as well as pursuant to §12 sect. 4 item 3) of the Company's Articles of Association, by its resolution of 12 April 2012, decided that the net profit for the year 2011 amounting to PLN 16,864,396.78 as well as PLN 5,327,810.76 of undistributed net profit for the year 2010, shall be distributed as follows:

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

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

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

## **8. Property, plant and equipment, and intangible assets**

### ***Property, plant and equipment***

In the period of 6 months ended 30 June 2012, the Group purchased tangible fixed assets for PLN 5,637 thousand (vs. PLN 4,150 thousand spent during the 6 months ended 30 June 2011).

Furthermore, in the period of 6 months ended 30 June 2012, the Group sold or liquidated tangible fixed assets with the net value of PLN 193 thousand (vs. PLN 159 thousand during the 6-month period ended 30 June 2011).

During the 6-month periods ended both 30 June 2012 and 30 June 2011, the Group did not recognize any impairment write-downs on its property, plant and equipment.

### ***Intangible assets***

In the period of 6 months ended 30 June 2012, the Group purchased intangible assets for PLN 1,021 thousand (vs. PLN 567 thousand spent during the 6 months ended 30 June 2011).

In the period of 6 months ended 30 June 2012, the Group capitalized the costs of development projects in progress with a value of PLN 3,073 thousand (vs. PLN 899 thousand capitalized during the 6 months ended 30 June 2011). The capitalized costs of development work are primarily related to the new product lines of Experience Platform, Experience Branch and Experience Customer Insight being developed in Serbia, as well as InAct solution under construction in Turkey.

In the period of 6 months ended 30 June 2012, the Group did not dispose or liquidate any intangible assets. Whereas, during the 6-month period ended 30 June 2011, the net value of disposed or liquidated intangible assets amounted to PLN 222 thousand.

During the 6-month periods ended both 30 June 2012 and 30 June 2011, the Group did not recognize any impairment write-downs on its intangible assets.

Both as at 30 June 2012 and 31 December 2011, property, plant and equipment and intangible assets did not serve as security for any bank loans and borrowings taken out.

## 9. Goodwill arising from consolidation

	30 June 2012	31 December 2011
	(unaudited)	(audited)
Banking Solutions	192,709	209,686
Payment Solutions	107,875	118,141
Systems Integration	185,476	195,322
	<b>486,060</b>	<b>523,149</b>

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

	30 June 2012	31 December 2011
	(unaudited)	(audited)
<b>Consolidation goodwill at the beginning of the period</b>	<b>523,149</b>	<b>476,399</b>
Banking Solutions	209,686	188,761
Payment Solutions	118,141	107,363
Systems Integration	195,322	180,275
<b>Change in consolidation goodwill due to the acquisition of shares (+)</b>	<b>-</b>	<b>2,455</b>
Banking Solutions	-	-
Payment Solutions	-	2,455
Systems Integration	-	-
<b>Foreign currency differences on translation of goodwill arising from foreign subsidiaries (+/-)</b>	<b>(37,089)</b>	<b>44,295</b>
Banking Solutions	(16,977)	20,925
Payment Solutions	(10,266)	8,323
Systems Integration	(9,846)	15,047
<b>Total book value at the end of period</b>	<b>486,060</b>	<b>523,149</b>

### Impairment tests of consolidation goodwill

Goodwill resulting from the acquisition of subsidiaries was tested for impairment of value as at 30 June 2012. The value of cash-generating units (to which goodwill has been allocated) was determined on the basis of their recoverable value, by applying the model of discounted free cash flow to firm (FCFF).

The calculations were based on the following uniform assumptions:

- the so-called business units were analyzed which, when put together, comprise the budget and forecasts of the whole Group;
- detailed forecasts covered the period of 5 years, for which increasing cash flows were assumed, while for further time of each subsidiary operations the residual value was computed assuming no growth in cash flows;
- the assumed increases in cash flows depend upon the strategy of the entire Group, tactical plans of individual companies, they take due account of conditions prevailing in particular markets by geography and sector, and at the same time they reflect the

present and potential order portfolios. The potential orders portfolio presumes gaining new clients whilst keeping the present ones. The assumed rates of growth are not materially different from average growth observed in relevant markets,

- forecasts for foreign subsidiaries assume growth in EUR;
- the discount rate applied was equivalent to the weighted average cost of capital in the market of South Eastern Europe.

Additionally, the Parent Company carried out a sensitivity analysis of the impairment tests conducted on goodwill arising from acquisition of shares in its subsidiary companies. In the sensitivity analysis different discount rates were used in order to determine their impact on the recoverable value of the cash-generating unit. As the terminal break-even points were higher than weighted average cost of capital observed in relevant segments, no impairment write-downs on goodwill arising from acquisition of shares in those companies were made in the period of 6 months ended 30 June 2012. The results of such sensitivity analysis as at 30 June 2012 have been summarized in the following table:

30 June 2012	Discount rate		Sales revenue growth rate	
	rate applied in the model	terminal rate	applied in the model	terminal rate
Banking Solutions	10.90%	15.88%	9.10%	1.96%
Payment Solutions	10.08%	21.44%	8.22%	-6.96%
Systems Integration	9.96%	12.64%	5.37%	2.83%

The conducted impairment tests did not indicate a necessity to recognize any impairment charges on goodwill.

## 10. Deferred expenses

Short-term	30 June 2012	31 December 2011
	(unaudited)	(audited)
Prepaid maintenance services and license fees	7,449	4,972
Prepaid insurance policies	537	235
Prepaid subscriptions	15	25
Prepaid rents	384	323
Prepaid consulting services	50	8
Other prepaid services	390	49
Other	152	288
Revaluation write-down (-)	-	(13)
	<b>8,977</b>	<b>5,887</b>

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

## 11. Short-term receivables

### Short-term receivables

	30 June 2012	31 December 2011
<b>Trade accounts receivable</b>	<b>(unaudited)</b>	<b>(audited)</b>
Trade accounts receivable, of which:	72,189	88,540
From related companies	77	119
From other companies	72,112	88,421
Revaluation write-down on doubtful receivables (-)	(2,745)	(2,798)
	<b>69,444</b>	<b>85,742</b>

Trade accounts receivable are not interest-bearing.

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

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

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

	30 June 2012	31 December 2011
<b>Receivables from taxes, import tariffs, social security and other regulatory payments</b>	<b>(unaudited)</b>	<b>(audited)</b>
Value added tax	1,280	62
Corporate income tax (CIT)	1,462	1,451
Withholding income tax	480	-
Other	300	734
	<b>3,522</b>	<b>2,247</b>

	30 June 2012	31 December 2011
<b>Other receivables</b>	<b>(unaudited)</b>	<b>(audited)</b>
Receivables from non-invoiced deliveries	4,889	4,643
Advance payments to other suppliers	7,664	1,440
Receivables from employees	334	115
Receivables from grants	767	663
Other receivables	3,642	804
Revaluation write-down (-)	(165)	(170)
	<b>17,131</b>	<b>7,495</b>

Receivables relating to non-invoiced deliveries result from the sale of third-party licenses and maintenance services, for which invoices have not yet been issued for the whole period of licensing or provision of maintenance services.

Advance payments to other suppliers correspond to advances paid to subcontractors on account of the execution of contracts. The largest advance payment was made to ASEE Serbia, among others, on account of their work performed under a contract executed for the Ministry of Justice in Serbia.

Other receivables, disclosed as at 30 June 2012 and 31 December 2011, include among others restricted cash (amounting to PLN 3,089 thousand and PLN 225 thousand, respectively) as well as the amounts of grants receivable by ASEE Turkey that were awarded by *Türkiye Bilimsel ve Teknolojik Araştırma Kurumu* ("TÜBİTAK") over the agency of *Teknoloji İzleme ve Değerlendirme Başkanlığı* ("TİDEB") (amounting to PLN 767 thousand and PLN 663 thousand, respectively). TÜBİTAK is a leading institution engaged in the management, financing and organization of research and development work in Turkey.

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

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

## 12. Financial assets held to maturity

	30 June 2012	Purchase	Sales	Foreign currency translation differences	31 Dec. 2011
	(unaudited)				(audited)
Treasury bonds	14,350	14,310	(4,090)	(187)	4,317
Cash deposits (3 to 12 months long)	2,768	2,506	-	(7)	269
	<b>17,118</b>	<b>16,816</b>	<b>(4,090)</b>	<b>(194)</b>	<b>4,586</b>

Short-term financial assets held to maturity as at 30 June 2012 include treasury bonds (amounting to PLN 14,350 thousand) as well as 3- to 12-month cash deposits (amounting to PLN 2,768 thousand) both held by ASEE Macedonia.

Short-term financial assets held to maturity as at 31 December 2011 included treasury bonds (amounting to PLN 4,317 thousand) as well as 3- to 12-month cash deposits (amounting to PLN 269 thousand) both held by ASEE Macedonia.

### 13. Financial assets carried at fair value through profit or loss

	30 June 2012	31 December 2011
	(unaudited)	(audited)
Corporate bonds	168	-
Shares in companies listed on a regulated market	-	92
Other financial assets carried at fair value	-	10,171
	<b>168</b>	<b>10,263</b>

Short-term financial assets as at 31 December 2011 include participation units in open-end investment funds, namely *Copernicus* and *Union Investments*, which have been classified as financial assets carried at fair value through profit or loss. As at 31 December 2011, the said fund participation units were worth PLN 10,171 thousand. Additionally, this line of financial assets includes shares traded on a regulated market with a value of PLN 92 thousand.

These fund participation units were sold during the first half of 2012. The proceeds from such disposal, as disclosed in the cash flow statement, reached PLN 10,299 thousand. Whereas, shares in listed companies have been reclassified to financial assets available for sale. As at 30 June 2012, financial assets carried at fair value through profit or loss included treasury bonds worth PLN 168 thousand.

### 14. Cash and short-term deposits

	30 June 2012	31 December 2011
	(unaudited)	(audited)
Cash at bank and in hand	36,736	68,391
Short-term bank deposits	77,402	34,743
Cash equivalents	93	67
Cash being transferred	482	21
	<b>114,713</b>	<b>103,222</b>
<i>Interest accrued on cash and cash equivalents as at the balance sheet date</i>	55	180
<b>Cash and cash equivalents as disclosed in the cash flow statement</b>	<b>114,658</b>	<b>103,042</b>

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

Short-term deposits did not serve as security for any bank guarantees (of due performance of contracts or tender deposits) neither at 30 June 2012 nor at 31 December 2011.



## 15. Share capital and reserve capital

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

\* Following a reverse stock split of series D shares

Prior years' retained earnings include the amount of reserve capital of PLN 4,395 thousand, established from net profit allocations by the Parent Company.

## 16. Long-term and short-term financial liabilities

Long-term	30 June 2012	31 December 2011
	(unaudited)	(audited)
Liabilities due to the acquisition of non-controlling interests in subsidiaries (put options)	1,136	1,266
Finance lease commitments	311	428
	<b>1,447</b>	<b>1,694</b>

As at 30 June 2012 and 31 December 2011, the Group carried a long-term liability under the put options held by non-controlling shareholders in Multicard, Serbia. Such liability corresponds to the estimated present value of future payment for the remaining stake of shares in the above-mentioned company. Determination of fair value of the liability resulting from the possible exercise of stock put options was based on the following several assumptions. The Group assumes the stock put options will be exercised by all the minority shareholders, and as a consequence the Group will acquire a 100% share in profits. The concluded stock option agreement stipulates that the future payment shall be equal to the amount of audited net profit for the calendar year preceding the option exercise year, multiplied by a contractually predefined fixed rate. Net profit assumed for measurement of the aforesaid liability has been based on the most up-to-date financial forecasts for the current year and future periods. This foreign-currency liability has been restated in Polish zlotys at the exchange rates published by the National Bank of Poland on 30 June 2012 and 31 December 2011, and it amounted to PLN 1,136 thousand and PLN 1,266 thousand, respectively.

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

Short-term	30 June 2012	31 December 2011
	(unaudited)	(audited)
Dividend payment liabilities	18,682	84
Finance lease commitments	302	361
Liabilities due to the acquisition of shares	1,185	1,203
Currency forward contracts	96	472
	<b>20,265</b>	<b>2,120</b>

### **Dividend payment liabilities**

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

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

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

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

As at 31 December 2011, liabilities arising from the acquisition of 49% of shares in **ASEE Bulgaria** amounted to PLN 763 thousand, but they were subject to revaluation during the first half of 2012. Following such remeasurement, these liabilities were revised up and the Group recognized PLN 456 thousand in financial expenses for the period of 6 months ended 30 June 2012 (disclosed as 'loss on revaluation of conditional payments in transactions to obtain control', and PLN -34 thousand under 'foreign exchange differences'). Hence, the outstanding amount of these liabilities as at 30 June 2012 increased to PLN 1,185 thousand.

In the first half of 2012, the Group also recalculated its outstanding liabilities for the acquisition of shares in **EST A.Ş. (presently ASEE Turkey)**, amounting to PLN 85 thousand as at 31 December 2011. Following such remeasurement, these liabilities were reversed and recognized as the Group's financial income for the first half of 2012 (PLN 85 thousand disclosed under 'gain on revaluation of conditional payments in transactions to obtain control').

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

## 17. Interest-bearing bank loans and debt securities issued

Short-term loan facilities	Name of entity	Maximum debt in PLN thousands as at		Effective interest rate %	Currency	Repayment date	Amounts drawn as at	
		30 June 2012	31 December 2011				30 June 2012 (unaudited)	31 Dec. 2011 (audited)
		Bank account overdraft facility	NLB Prishtina sh.a.				1,705	1,767
Bank account overdraft facility	NLB Tutunska Banka AD Skopje	69	73	14%	MKD	2012-06-30	-	13
Bank account overdraft facility	NLB Tutunska Banka AD Skopje	n/a	15	15%	MKD	2011-12-31	-	-
Bank account overdraft facility	Komercijalna Banka AD Skopje	69	n/a	14%	MKD	2012-06-30	-	-
Bank account overdraft facility	UniCredit Tiriac Bank	4,264	4,417	EURIBOR 3M+margin; LIBOR 3M+margin; BUBOR 3M+margin	multi- currency	2013-06-15	-	-
Bank account overdraft facility	Alpha Bank Unirii Branch	1,855	3,596	EURIBOR 3M+margin; LIBOR 3M+margin; BUBOR 3M+margin	multi- currency	2013-05-31	-	-
		<b>7,962</b>	<b>9,868</b>				-	<b>13</b>

Other short-term loans	Name of entity	Maximum debt in PLN thousands as at		Effective interest rate %	Currency	Repayment date	Amounts drawn as at	
		30 June 2012	31 December 2011				30 June 2012 (unaudited)	31 Dec. 2011 (audited)
		Auto financing loan	Yapi Kredi Bankasi A.Ş.				n/a	36
Loan	Non-controlling shareholders	42	44	0%	EUR	2012-12-31	42	44
Loan	Garanti Bank Levent/ Istanbul Branch	204	n/a	0%	TRY	2012-07-02	204	-
Loan	Türkiye Teknoloji Geliştirme Vakfi	110	278	0%	USD	2012-07-01	110	278
Loan	Türkiye Teknoloji Geliştirme Vakfi	136	219	0%	USD	2012-07-01	136	219
		<b>492</b>	<b>577</b>				<b>492</b>	<b>577</b>

Long-term loan facilities	Name of entity	Maximum debt in PLN thousands as at		Effective interest rate %	Currency	Repayment date	Amounts drawn as at	
		30 June 2012	31 December 2011				30 June 2012 (unaudited)	31 Dec. 2011 (audited)
		Auto financing loan	Yapi Kredi Bankasi A.Ş.				n/a	46

As at 30 June 2012, total liabilities of the ASEE Group under all bank loans and borrowings taken out aggregated at PLN 492 thousand. Whereas, as at 31 December 2011, total liabilities under all bank loans and borrowings taken out amounted to PLN 636 thousand.

As at 30 June 2012, total funds available to the Asseco South Eastern Europe Group under bank account overdraft facilities, operating and investment loan facilities, and borrowings reached approx. PLN 8,454 thousand, as compared with PLN 10,491 available as at the end of 2011.

As at 30 June 2012, the Group did not utilize any funds available under bank account overdraft facilities, as compared with the amount of PLN 13 thousand drawn as at the end of the prior year.

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

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

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

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

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

## 18. Short-term trade accounts payable and other liabilities

Short-term trade accounts payable	30 June 2012	31 December 2011
	(unaudited)	(audited)
To related companies	334	1,938
To other companies	46,718	35,827
	<b>47,052</b>	<b>37,765</b>

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

Liabilities on taxes, import tariffs, social security and other regulatory payments	30 June 2012	31 December 2011
	(unaudited)	(audited)
Value added tax	7,050	8,648
Corporate income tax (CIT)	876	736
Personal income tax (PIT)	726	1,405
Social security payable	1,701	2,083
Other	176	338
	<b>10,529</b>	<b>13,210</b>

Other current liabilities	30 June 2012	31 December 2011
	(unaudited)	(audited)
Liabilities to employees relating to salaries and wages	3,139	4,635
Liabilities due to non-invoiced deliveries	2,520	3,435
Trade prepayments received	22,433	16,815
Liabilities due to purchases of tangible assets and intangible assets	146	1,402
Other liabilities	63	400
	<b>28,301</b>	<b>26,687</b>

## 19. Accrued expenses and deferred income

<b>Short-term accrued expenses</b>	<b>30 June 2012</b>	<b>31 December 2011</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Provision for unused annual leaves	1,349	802
Provision for employee bonuses	10,239	9,765
Provision for non-invoiced costs	2,442	1,181
Provision for the audit of financial statements	356	417
	<b>14,386</b>	<b>12,165</b>

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

<b>Short-term deferred income</b>	<b>30 June 2012</b>	<b>31 December 2011</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Maintenance services	8,388	6,896
Prepaid consulting services	257	2,464
Other	22	-
	<b>8,667</b>	<b>9,360</b>

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

## 20. Related party transactions

The values of transactions conducted by the Asseco South Eastern Europe Group with Asseco Poland S.A. (a shareholder with significant influence on the Group's operations) as well as with other related companies of the Asseco Poland Group during the 6-month periods ended 30 June 2012 and 30 June 2011, and outstanding balances of receivables and liabilities arising from such transactions as at 30 June 2012 and 31 December 2011 are presented in the table below:

<b>Related party</b>		<b>Sales to related companies</b>	<b>Purchases from related companies</b>	<b>Receivables from related companies</b>	<b>Liabilities to related companies</b>
Parties having significant influence over the Group:					
—	2012	48	146	64	27
	2011	357	130	22	46
Other related parties:					
—	2012	41	49	41	35
	2011	-	-	95	9

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

The value of transactions conducted by the Asseco South Eastern Europe Group with or through the Key Management Personnel (members of Management and Supervisory Boards) of the Group companies during the 6 month periods ended on 30 June 2012 and 30 June 2011, as well as outstanding balances of receivables and liabilities arising from such transactions as at 30 June 2012 and 31 December 2011 are presented in the table below:

<b>Related party</b>		<b>Sales to related companies</b>	<b>Purchases from related companies</b>	<b>Receivables from related companies</b>	<b>Liabilities to related companies</b>
Key management personnel (members of Management Boards) of the Group:					
—	2012	50	4,642	17	278
	2011	45	8,267	1	1,873
Key management personnel (members of Supervisory Boards) of the Group:					
—	2012	45	1,470	9	15
	2011	17	1,460	9	44

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

Additionally, as at 30 June 2012 and 31 December 2011, ASEE Kosovo used bank guarantee facilities in the amounts of PLN 5,114 thousand and PLN 5,300 thousand, respectively, that were secured with a pledge on a building owned by that company's management staff.

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



During the 6-month period ended 30 June 2012, ASEE Serbia incurred total space rental costs of PLN 3,225 thousand that were paid to its related entities MHM d.o.o., Beograd<sup>1</sup>, DM3 d.o.o., Beograd<sup>2</sup> and Mini Invest d.o.o., Beograd<sup>2</sup>.

During the period of 6 months ended 30 June 2012, ASEE Macedonia incurred space rental costs amounting to PLN 370 thousand that were paid to MPS d.o.o., Skopje<sup>3</sup>.

During the 6-month period ended 30 June 2011, ASEE Serbia incurred total space rental costs of PLN 3,218 thousand that were paid to its related entities MHM d.o.o., Beograd<sup>2</sup>, DM3 d.o.o., Beograd<sup>2</sup> and Mini Invest d.o.o., Beograd<sup>3</sup>.

During the period of 6 months ended 30 June 2011, ASEE Macedonia incurred space rental costs amounting to PLN 423 thousand that were paid to MPS d.o.o., Skopje<sup>4</sup>.

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

Until the date of approval of these interim condensed consolidated financial statements, ASEE S.A. has not received any information on transactions with related companies conducted during the reporting period which would be, separately or jointly, deemed significant and would be carried out not on an arm's length basis.

## **21. Remuneration of Members of the Management Board and Supervisory Board of the Parent Company and its subsidiaries**

Total remuneration paid or payable to all members of the Management and Supervisory Boards of the Parent Company, and subsidiary and jointly controlled companies of the Asseco South Eastern Europe Group in the period of 6 months ended 30 June 2012 amounted to PLN 6,236 thousand.

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

## **22. Contingent liabilities**

During the 6 months ended 30 June 2012, neither the Issuer nor any of its subsidiaries granted any sureties to secure loans and borrowings or any payment guarantees to any single entity or its subsidiary, where the aggregate value of all the existing sureties or guarantees extended in favour of such entity would equal at least 10 % of the Issuer's equity.

Within its commercial activities the Asseco South Eastern Europe Group uses bank guarantees, letters of credit, contract performance guarantees as well as tender deposits as forms of securing its business transactions with miscellaneous organizations, companies and administration bodies. As at 30 June 2012, the related contingent liabilities equalled PLN 20,935 thousand, while as at 31 December 2011 they amounted to PLN 12,758 thousand.

<sup>1</sup> Mihail Petreski, Member of the Supervisory Board of ASEE S.A. is a shareholder in Liatrix d.o.o. which as at 30 June 2012 held a 7.40% equity interest in ASEE S.A. (as at 31 December 2011: 7.40%). Mihail Petreski and Liatrix d.o.o. hold 40% of shares in MHM d.o.o. as well as 50% of shares in DM3 d.o.o. Furthermore, President of the Management Board of ASEE S.A. holds indirectly a 15% stake in MHM d.o.o. through his wholly-owned Kompania Petyhorska d.o.o. Whereas, 20% of shares in MHM d.o.o. are held by I4 Invention d.o.o. which is also a shareholder in ASEE S.A. 100% of shares in I4 Invention d.o.o. are owned by Miodrag Mirčetić, President of the Management Board of ASEE Serbia and Member of the Management Board of ASEE S.A.;

<sup>2</sup> Miljan Mališ, Member of the Management Board of ASEE S.A. is a shareholder in the company Mini Invest d.o.o. which in turn is a shareholder in ASEE S.A.;

<sup>3</sup> Mihail Petreski, Member of the Supervisory Board of ASEE S.A. is the sole shareholder in MPS d.o.o., Skopje.

As at 30 June 2012, inventories did not serve as security for any bank guarantee facilities.

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

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

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

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

As at 30 June 2012, ASEE Serbia had a liability to purchase equipment and intangible assets for the amount of PLN 6,620 thousand, while as at 31 December 2011 this liability amounted to PLN 2,682 thousand.

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

Both as at 30 June 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:

	<b>30 June 2012</b>	<b>31 December 2011</b>
<b>Liabilities under leases of space</b>	<b>(unaudited)</b>	<b>(audited)</b>
In the period up to 1 year	11,700	13,560
In the period from 1 to 5 years	35,721	36,358
	<b>47,421</b>	<b>49,918</b>

	<b>30 June 2012</b>	<b>31 December 2011</b>
<b>Liabilities under operating lease of property, plant and equipment</b>	<b>(unaudited)</b>	<b>(audited)</b>
In the period up to 1 year	601	793
In the period from 1 to 5 years	201	530
	<b>802</b>	<b>1,323</b>

## 23. Employment

<b>The Group's average workforce in the period reported</b>	<b>6 months ended 30 June 2012 (unaudited)</b>	<b>6 months ended 30 June 2011 (unaudited)</b>
Management Board of the Parent Company*	7	7
Management Boards of the Group companies	27	28
Production departments	884	869
Sales departments	113	110
Administration departments	155	167
Other employees	13	16
	<b>1,199</b>	<b>1,197</b>

<b>The Group's workforce as at</b>	<b>30 June 2012 (unaudited)</b>	<b>31 December 2011 (audited)</b>
Management Board of the Parent Company*	7	7
Management Boards of the Group companies	25	26
Production departments	917	888
Sales departments	121	116
Administration departments	159	155
Other employees	13	16
	<b>1,242</b>	<b>1,208</b>

\* Piotr Jeleński and Rafał Kozłowski (since May 2012) and Marcin Rulnicki (since June 2012) have served in the Management Board of Asseco South Eastern Europe S.A. on the basis of work contracts. The remaining members of the Company's Management Board perform their functions under an assignment.

<b>Numbers of employees in the Group companies as at</b>	<b>30 June 2012 (unaudited)</b>	<b>31 December 2011 (audited)</b>
ASEE S.A. <sup>1)</sup>	26	24
ASEE Romania	199	186
ASEE Serbia	461	457
ASEE Croatia	166	164
ASEE Kosovo	85	82
ASEE Turkey	91	84
ASEE Bulgaria <sup>2)</sup>	26	28
ASEE B&H (Sarajevo)	27	28
ASEE B&H (Banja Luka)	14	14
ASEE Macedonia	133	129
ASEE Slovenia <sup>3)</sup>	14	12
	<b>1,242</b>	<b>1,208</b>

1. On 1 June 2012, there was registered a merger of ASEE S.A. (the taking-over company) with ITD Poland (the acquired company). For the sake of comparability, the employment data of both the merged companies as at 31 December 2011 have been presented in aggregate.
2. On 10 February 2012, there was registered a merger of ASEE Bulgaria (the taking-over company) with Altius, Bulgaria (the acquired company). For the sake of comparability, the employment data of both the merged companies as at 31 December 2011 have been presented in aggregate.
3. On 13 July 2011, ASEE S.A. acquired a 50% stake in ASEE Slovenia; whereas, on 18 April 2012, it purchased the remaining 50% of shares in ASEE Serbia. Because as at the publication of this report, ASEE S.A. holds directly 100% of shares in ASEE Slovenia, the employment data of this company have been presented separately as at 30 June 2012. The comparative data as at 31 December 2011 have been extracted from ASEE Serbia and presented separately.

## 24. Capital management

The primary objective of the Group's capital management is to maintain its capital ratios at a safe level enabling a strong credit rating in order to support further development of the Group's business operations as well as continuing maximization of shareholder value.

The Group manages its capital structure and makes necessary adjustments in response to the changing economic conditions. To maintain or adjust its capital structure, the Group may decide to pay out a dividend, return some capital to shareholders, or issue new shares. In the period of 6 months ended 30 June 2012 as well as in the period of 6 months ended 30 June 2011, the Group did not introduce any changes to its objectives, principles and processes adopted in this area.

<b>Capital management</b>	<b>30 June 2012</b> <b>(unaudited)</b>	<b>31 Dec. 2011</b> <b>(audited)</b>
Interest-bearing loans and borrowings	492	590
Trade accounts payable and other liabilities	107,171	80,831
Minus cash and cash equivalents (-)	(114,713)	(103,222)
<b>Net debt</b>	<b>(7,050)</b>	<b>(21,801)</b>
Shareholders' equity	662,377	705,811
<b>Equity and net debt</b>	<b>655,327</b>	<b>684,010</b>
<b>Leverage ratio</b>	<b>-1.08%</b>	<b>-3.19%</b>

## 25. Hedges of cash flows

The Asseco South Eastern Europe Group applies hedge accounting of future cash flows so that the financial statements fully reflected the economic content of the Group's business activities as well as its acquisitions policy. The Group's Management Board decided to hedge the future payments for shares acquired in companies against changes of the euro exchange rate. Cash at bank accounts denominated in EUR have been designated as hedging instruments. During the first 6 months of 2012, no revaluation of any hedging instruments was recognized in equity.

During the period of 6 months ended 30 June 2011, the Group reversed the valuation of cash held at bank account denominated in EUR (designated as a hedging instrument) that was previously recognized in revaluation capital.

## 26. Objectives and principles of financial risk management

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

### Foreign currency risk

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

### Interest rate risk

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

Identification: The interest rate risk arises and is recognized by individual companies of the Group at the time of concluding a transaction or financial instrument based on a variable interest rate. All such agreements are subject to analysis by the appropriate departments within the Group companies, hence the knowledge of that issue is complete and acquired directly.

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

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

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

Matching: The Group gathers and analyzes the current market information concerning present exposure to the interest rate risk. At present the Group companies do not apply any interest rate hedges as their third-party borrowings are short term.

### Credit risk

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

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

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

### Financial liquidity risk

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

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

The table below reveals the Group's trade accounts payable as at 30 June 2012 and 31 December 2011, by the maturity period based on the contractual undiscounted payments.

Aging structure of trade accounts payable	30 June 2012 (unaudited)		31 Dec. 2011 (audited)	
	amount	structure	amount	Structure
Liabilities due already	18,848	40.1%	5,436	14.4%
Liabilities falling due within 3 months	28,197	59.9%	31,727	83.9%
Liabilities falling due within 3 to 12 months	7	0.0%	602	1.6%
Liabilities falling due after 1 year	-	0.0%	39	0.1%
	<b>47,052</b>	<b>100.0%</b>	<b>37,804</b>	<b>100.0%</b>

The tables below present the aging structure of other financial liabilities as at 30 June 2012 and 31 December 2011.

As at 30 June 2012 (unaudited)	Liabilities falling due within 3 months	Liabilities falling due within 3 to 12 months	Liabilities falling due within 1 to 5 years	Liabilities falling due after 5 years	Total
Finance lease commitments	104	221	340	-	<b>665</b>

As at 31 December 2011 (audited)	Liabilities falling due within 3 months	Liabilities falling due within 3 to 12 months	Liabilities falling due within 1 to 5 years	Liabilities falling due after 5 years	Total
Finance lease commitments	124	266	502	-	<b>892</b>

### Effects of reducing the foreign currency risk

The analysis of sensitivity of trade accounts payable and receivable as well as of cash at foreign currency bank accounts to fluctuations in the exchange rates of the American dollar against the functional currencies of the Group companies indicates a potential loss of PLN 80 thousand in case the dollar depreciates 10% versus such functional currencies. Likewise, if euro depreciates 10% versus the functional currencies of the Group companies, the Group will potentially lose PLN 976 thousand. Hence, the cumulative effect of 10% weaker dollar and euro against the functional currencies of the Group companies would deteriorate the Group's financial results by PLN 1,056 thousand. In contrast, if the dollar and euro appreciated versus those functional currencies, the Group would recognize an additional gain of PLN 1,056 thousand.

<b>Trade accounts receivable and payable, and foreign currency bank accounts as at 30 June 2012 (unaudited)</b>	<b>Amount exposed to risk</b>	<b>Impact on financial results of the Group</b>	
		<b>(10%)</b>	<b>10%</b>
<b>EUR:</b>			
Trade accounts receivable	4,930	(204)	204
Trade accounts payable	20,111	1,921	(1,921)
Foreign currency bank accounts	32,627	(2,693)	2,693
<b>Balance</b>		<b>(976)</b>	<b>976</b>
<b>USD:</b>			
Trade accounts receivable	5,361	(536)	536
Trade accounts payable	15,031	1,503	(1,503)
Foreign currency bank accounts	10,470	(1,047)	1,047
<b>Balance</b>		<b>(80)</b>	<b>80</b>
<b>Trade accounts receivable and payable, and foreign currency bank accounts as at 31 December 2011 (audited)</b>			
	<b>Amount exposed to risk</b>	<b>Impact on financial results of the Group</b>	
		<b>(10%)</b>	<b>10%</b>
<b>EUR:</b>			
Trade accounts receivable	12,475	(577)	577
Trade accounts payable	13,369	1,126	(1,126)
Foreign currency bank accounts	19,570	(1,473)	1,473
<b>Balance</b>		<b>(924)</b>	<b>924</b>
<b>USD:</b>			
Trade accounts receivable	4,662	(466)	466
Trade accounts payable	9,305	931	(931)
Foreign currency bank accounts	7,345	(735)	735
<b>Balance</b>		<b>(270)</b>	<b>270</b>

### Effects of reducing the interest rate risk

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

### Methods adopted for conducting the sensitivity analysis

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

### 27. Capital expenditures

During the period of 6 months ended 30 June 2012, the Group incurred capital expenditures of PLN 9,731 thousand, of which PLN 6,658 thousand were spent for non-financial fixed assets, and PLN 3,073 thousand for development projects in progress.

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

## **28. Significant events after the balance sheet date**

### ***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). This merger will have no impact on the consolidated financial statements of the Group.

In the period from 30 June 2012 till the date of approval of these interim condensed consolidated financial statements, this is until 10 August 2012, there did not occur any other significant events, the disclosure of which might significantly affect the assessment of human resources, assets, and financial position of the Asseco South Eastern Europe Group.

## **29. Significant events related to prior years**

Until the date of preparing these interim condensed consolidated financial statements for the period of 6 months ended 30 June 2012, this is until 10 August 2012, there occurred no significant events related to prior years, which have not but should have been included in the accounting books.





**SEMI-ANNUAL REPORT  
OF ASSECO SOUTH EASTERN EUROPE S.A.  
FOR THE PERIOD OF 6 MONTHS  
ENDED 30 JUNE 2012**

**Rzeszów, 10 August 2012**



**FINANCIAL HIGHLIGHTS  
OF ASSECO SOUTH EASTERN EUROPE S.A.  
FOR THE PERIOD OF 6 MONTHS  
ENDED 30 JUNE 2012**

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

	<b>6 months ended 30 June 2012 (unaudited)</b>	<b>6 months ended 30 June 2011 (unaudited)</b>	<b>6 months ended 30 June 2012 (unaudited)</b>	<b>6 months ended 30 June 2011 (unaudited)</b>
	<b>PLN '000</b>	<b>PLN '000</b>	<b>EUR '000</b>	<b>EUR '000</b>
I. Revenues from holding activities	20,934	12,504	4,955	3,152
II. Revenues from operating activities	864	-	205	
III. Operating profit	18,827	10,118	4,457	2,550
IV. Pre-tax profit	19,102	6,319	4,522	1,593
V. Net profit for the period reported	<b>18,895</b>	<b>6,507</b>	<b>4,473</b>	<b>1,640</b>
VI. Net cash provided by (used in) operating activities	17,775	7,336	4,207	1,849
VII. Net cash provided by (used in) investing activities	9,209	(128)	2,180	(32)
VIII. Net cash provided by (used in) financing activities	(10)	5,713	(2)	1,440
IX. Cash and cash equivalents at the end of period	31,906	26,367	7,487	6,614
X. Basic earnings per ordinary share for the period reported (in PLN/EUR)	0.36	0.13	0.09	0.03
XI. Diluted earnings per ordinary share for the period reported (in PLN/EUR)	0.36	0.13	0.09	0.03

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

- items of the interim condensed profit and loss account and statement of cash flows were translated into EUR at the arithmetic average of mid exchange rates as published by the National Bank of Poland and in effect on the last day of each month. These exchange rates were as follows:
  - for the period from 1 January 2012 to 30 June 2012: EUR 1 = PLN 4.2246
  - for the period from 1 January 2011 to 30 June 2011: EUR 1 = PLN 3.9673
- the Company's cash and cash equivalents as at the end of period reported and the corresponding period of the previous year have been translated into EUR at the mid exchange rates as published by the National Bank of Poland. These exchange rates were as follows:
  - exchange rate effective on 30 June 2012: EUR 1 = PLN 4.2613
  - exchange rate effective on 30 June 2011: EUR 1 = PLN 3.9866



**INTERIM CONDENSED FINANCIAL STATEMENTS  
OF ASSECO SOUTH EASTERN EUROPE S.A.  
FOR THE PERIOD OF 6 MONTHS  
ENDED 30 JUNE 2012  
INCLUDING THE REPORT OF  
INDEPENDENT CERTIFIED AUDITORS**

**Rzeszów, 10 August 2012**

**INTERIM CONDENSED FINANCIAL STATEMENTS**  
**OF ASSECO SOUTH EASTERN EUROPE S.A.**  
**FOR THE PERIOD OF 6 MONTHS ENDED 30 JUNE 2012**

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**INTERIM CONDENSED FINANCIAL STATEMENTS  
OF ASSECO SOUTH EASTERN EUROPE S.A.  
FOR THE PERIOD OF 6 MONTHS ENDED 30 JUNE 2012**

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

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

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

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

	Note	3 months ended 30 June 2012 (unaudited)	6 months ended 30 June 2012 (unaudited)	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)
<b>Holding activities</b>					
Dividend income	<u>1</u>	6,988	18,012	10,311	10,575
Revenues from sales of services	<u>1</u>	1,415	2,922	830	1,929
<b>Operating activities</b>					
Revenues from sales of IT services and software	<u>2</u>	864	864	-	-
<b>Total sales revenues</b>		<b>9,267</b>	<b>21,798</b>	<b>11,141</b>	<b>12,504</b>
<b>Cost of sales (-)</b>	<u>3</u>	(1,691)	(2,517)	(932)	(1,929)
<b>Gross profit on sales</b>		<b>7,576</b>	<b>19,281</b>	<b>10,209</b>	<b>10,575</b>
Selling expenses (-)	<u>3</u>	(429)	(429)	(21)	(42)
General administrative expenses (-)	<u>3</u>	-	-	(419)	(419)
<b>Net profit on sales</b>		<b>7,147</b>	<b>18,852</b>	<b>9,769</b>	<b>10,114</b>
Other operating income	<u>4</u>	86	174	76	540
Other operating expenses (-)	<u>4</u>	(68)	(199)	(65)	(536)
<b>Operating profit</b>		<b>7,165</b>	<b>18,827</b>	<b>9,780</b>	<b>10,118</b>
Financial income	<u>5</u>	775	1,263	1,716	3,557
Financial expenses (-)	<u>5</u>	(957)	(988)	(6,328)	(7,356)
<b>Pre-tax profit</b>		<b>6,983</b>	<b>19,102</b>	<b>5,168</b>	<b>6,319</b>
Corporate income tax (current and deferred tax expense)	<u>6</u>	(195)	(207)	121	188
<b>Net profit for the period reported</b>		<b>6,788</b>	<b>18,895</b>	<b>5,289</b>	<b>6,507</b>
<b>Earnings per share (in PLN)</b>					
on continuing operations for the period reported - basic		0.13	0.36	0.10	0.13
on continuing operations for the period reported - diluted		0.13	0.36	0.10	0.13

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

	<b>3 months ended 30 June 2012 (unaudited)</b>	<b>6 months ended 30 June 2012 (unaudited)</b>	<b>3 months ended 30 June 2011 (unaudited)</b>	<b>6 months ended 30 June 2011 (unaudited)</b>
<b>Net profit for the period reported</b>	<b>6,788</b>	<b>18,895</b>	<b>5,289</b>	<b>6,507</b>
<b>Other comprehensive income:</b>				
Hedges of cash flows	-	-	47	241
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>47</b>	<b>241</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD REPORTED</b>	<b>6,788</b>	<b>18,895</b>	<b>5,336</b>	<b>6,748</b>



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

<b>ASSETS</b>	<b>Note</b>	<b>30 June 2012</b>	<b>31 December 2011</b>
		<b>(unaudited)</b>	<b>(audited)</b>
<b>Non-current assets</b>		<b>569,903</b>	<b>569,671</b>
Property, plant and equipment	<u>9</u>	448	224
Goodwill arising from a merger		4,567	-
Intangible assets	<u>10</u>	334	353
Investments in subsidiary companies	<u>11</u>	563,507	567,785
Long-term receivables		43	578
Deferred income tax assets		390	731
Long-term deferred expenses	<u>20</u>	614	-
<b>Current assets</b>		<b>40,363</b>	<b>18,016</b>
Inventories		7	-
Deferred expenses	<u>20</u>	1,655	73
Trade accounts receivable	<u>12</u>	3,001	255
Receivables from the State budget	<u>12</u>	526	194
Other receivables	<u>12</u>	2,416	2,373
Short-term loans	<u>13</u>	852	-
Current financial assets	<u>15</u>	-	10,171
Cash and short-term deposits	<u>14</u>	31,906	4,950
<b>TOTAL ASSETS</b>		<b>610,266</b>	<b>587,687</b>

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

<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>30 June 2012</b>	<b>31 December 2011</b>
		<b>(unaudited)</b>	<b>(audited)</b>
<b>Shareholders' equity</b>			
Share capital	<u>16</u>	518,942	518,942
Share premium		38,825	38,825
Prior years' retained earnings (deficit) and current net profit		26,615	25,196
<b>Total shareholders' equity</b>		<b>584,382</b>	<b>582,963</b>
<b>Non-current liabilities</b>			
Long-term deferred income	<u>20</u>	591	6
<b>Current liabilities</b>		<b>25,293</b>	<b>4,718</b>
Trade accounts payable	<u>18</u>	2,130	715
Liabilities to the State budget		232	51
Financial liabilities	<u>18</u>	19,963	1,759
Other liabilities		72	62
Provisions	<u>19</u>	1,229	1,229
Deferred income	<u>20</u>	1,270	35
Accrued expenses	<u>20</u>	397	867
<b>TOTAL LIABILITIES</b>		<b>25,884</b>	<b>4,724</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>610,266</b>	<b>587,687</b>

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

for 6 months ended 30 June 2012, for 12 months ended 31 December 2011, and for 6 months ended 30 June 2011

	Note	Share capital	Share premium	Revaluation capital	Prior years' retained earnings (deficit) and current net profit	Total shareholders' equity
<b>As at 1 January 2012</b>		<b>518,942</b>	<b>38,825</b>	-	<b>25,196</b>	<b>582,963</b>
Net profit for the period reported		-	-	-	18,895	<b>18,895</b>
<b>Total comprehensive income for the period reported</b>		-	-	-	<b>18,895</b>	<b>18,895</b>
Recognition of the merger with ITD Poland	8	-	-	-	1,206	<b>1,206</b>
Dividends		-	-	-	(18,682)	<b>(18,682)</b>
<b>As at 30 June 2012 (unaudited)</b>	<b>16</b>	<b>518,942</b>	<b>38,825</b>	-	<b>26,615</b>	<b>584,382</b>
<b>As at 1 January 2011</b>		<b>509,921</b>	<b>38,825</b>	<b>(241)</b>	<b>21,590</b>	<b>570,095</b>
Net profit for the period reported		-	-	-	16,864	<b>16,864</b>
Other comprehensive income		-	-	241	-	<b>241</b>
<b>Total comprehensive income for the period reported</b>		-	-	<b>241</b>	<b>16,864</b>	<b>17,105</b>
Issuance of series T shares		9,021	-	-	-	<b>9,021</b>
Dividends		-	-	-	(13,258)	<b>(13,258)</b>
<b>As at 31 December 2011 (audited)</b>	<b>16</b>	<b>518,942</b>	<b>38,825</b>	-	<b>25,196</b>	<b>582,963</b>
<b>As at 1 January 2011</b>		<b>509,921</b>	<b>38,825</b>	<b>(241)</b>	<b>21,590</b>	<b>570,095</b>
Net profit for the period reported		-	-	-	6,507	<b>6,507</b>
Other comprehensive income		-	-	241	-	<b>241</b>
<b>Total comprehensive income for the period reported</b>		-	-	<b>241</b>	<b>6,507</b>	<b>6,748</b>
Issuance of series T shares		9,021	-	-	-	<b>9,021</b>
Dividends		-	-	-	(13,258)	<b>(13,258)</b>
<b>As at 30 June 2011 (unaudited)</b>		<b>518,942</b>	<b>38,825</b>	-	<b>14,839</b>	<b>572,606</b>

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

	Note	6 months ended 30 June 2012 (unaudited)	6 months ended 30 June 2011 (unaudited)
<b>Cash flows - operating activities</b>			
<b>Pre-tax profit</b>		<b>19,102</b>	<b>6,319</b>
<b>Total adjustments:</b>		<b>(20,561)</b>	<b>(5,478)</b>
Depreciation and amortization		83	35
Change in inventories		-	-
Change in receivables		(1,420)	529
Change in liabilities		(351)	(3,752)
Change in deferred and accrued expenses		(539)	345
Interest income and expense		1	28
Gain (loss) on foreign exchange differences		1	937
Impairment write-down on investments in subsidiary companies		-	6,033
Gain (loss) on investing activities		(18,517)	(10,575)
Other		181	942
<b>Selected operating cash flows</b>		<b>19,242</b>	<b>6,543</b>
Cost of acquisition of shares in subsidiary companies		(1,026)	(6,505)
Disposal of shares in subsidiary companies		1,087	2,677
Cash and cash equivalents acquired under the merger with ITD Poland Sp. z o.o.		1,798	-
Dividends received		17,383	10,371
<b>Net cash generated from operating activities</b>		<b>17,783</b>	<b>7,384</b>
Corporate income tax paid		(8)	(48)
<b>Net cash provided by (used in) operating activities</b>		<b>17,775</b>	<b>7,336</b>
<b>Cash flows - investing activities</b>			
Acquisition of tangible fixed assets		(214)	(3)
Acquisition of intangible assets		(1)	(125)
Disposal of financial assets	15	10,299	-
Loans granted		(855)	-
Other cash flows from investing activities		(20)	-
<b>Net cash provided by (used in) investing activities</b>		<b>9,209</b>	<b>(128)</b>
<b>Cash flows - financing activities</b>			
Proceeds from bank loans		-	5,799
Interest paid		(10)	(28)
Other		-	(58)
<b>Net cash provided by (used in) financing activities</b>		<b>(10)</b>	<b>5,713</b>
Net increase (decrease) in cash and cash equivalents		26,974	12,921
Effect of foreign exchange differences on cash and cash equivalents		(18)	(201)
Cash and cash equivalents as at 1 January	14	4,950	13,647
<b>Cash and cash equivalents as at 30 June</b>	<b>14</b>	<b>31,906</b>	<b>26,367</b>

## **SUPPLEMENTARY INFORMATION AND EXPLANATORY NOTES**

### **I. GENERAL INFORMATION**

Asseco South Eastern Europe S.A. (the "Company", "Issuer", "Entity", ASEE S.A.) seated at 14 Olchowa St., Rzeszów, Poland, was established on 10 April 2007 as a joint stock company Asseco Adria S.A. On 11 July 2007, the Company was entered in the register of entrepreneurs maintained by the District Court in Rzeszów, XII Commercial Department of the National Court Register, under the number 0000284571. The Company has been assigned the statistical number REGON 180248803. On 11 February 2008, the Company's corporate name was changed from Asseco Adria S.A. to Asseco South Eastern Europe S.A.

The period of the Company's operations is indefinite.

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

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

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

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

These interim condensed financial statements cover the period of 6 months ended 30 June 2012 and contain comparative data for the period of 6 months ended 30 June 2011 in case of the statement of comprehensive income, statement of changes in equity and statement of cash flows; and comparative data as at 31 December 2011 in case of the balance sheet. The profit and loss account as well as notes to the profit and loss account covering the period of 3 months ended 30 June 2012 and containing comparative data for the period of 3 months ended 30 June 2011 – were not subject to a review by certified auditors.

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

These interim condensed financial statements for the period of 6 months ended 30 June 2012 were approved for publication by the Management Board on 10 August 2012.

The Company also prepared the interim condensed consolidated financial statements for the period of 6 months ended 30 June 2012 which were authorized for issue by the Management Board on 10 August 2012.

## **II. ACCOUNTING PRINCIPLES APPLIED WHEN PREPARING THE FINANCIAL STATEMENTS**

### **1. Basis for preparation of interim condensed financial statements**

These interim condensed financial statements were prepared in accordance with the historical cost principle, except for derivative financial instruments and assets that are carried at fair value through profit or loss.

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

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

Till the date of approving these financial statements, there were observed no indications of a threat to the Company's ability to continue as a going concern in the period of at least 12 months following the balance sheet date, i.e. after 30 June 2012.

### **2. Compliance statement**

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

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

### **3. Significant accounting policies**

The major accounting principles adopted by Asseco South Eastern Europe S.A. have been described in the financial statements for the year ended 31 December 2011, which were published on 23 February 2012 and are available at the Issuer's website: <http://www.asseco-see.com/pl>. These interim condensed financial statements do not include all the information and disclosures required for annual consolidated financial statements and therefore they should be read together with the Company's financial statements for the year ended 31 December 2011.

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

- Amendments to IFRS 7 *Financial Instruments: Disclosures: Transfers of Financial Assets* – effective for annual periods beginning on or after 1 July 2011.

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

#### **4. Estimates**

In the period of 6 months ended 30 June 2012, no substantial changes were introduced to the way of making estimates.

#### **5. Professional judgement**

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

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

##### ***i. Rates of depreciation and amortization***

The level of depreciation and amortization rates is determined on the basis of anticipated period of useful economic life of the components of tangible and intangible assets. The Company verifies the adopted periods of useful life on an annual basis, taking into account the current estimates.

##### ***ii. Deferred income tax assets***

The Parent Company did not recognize the entire balance of deferred income tax assets related to the prior years' losses. Deferred income tax assets were recognized in the amount of PLN 390 thousand, this is to the extent it is probable that future taxable income will enable writing such unutilized losses off. As at 30 June 2012, tax-deductible losses not accounted for in deferred income tax assets amounted to PLN 93,636 thousand. The utilization of those tax-deductible losses is possible till the end of 2015.

##### ***iii. Impairment of non-financial assets***

At every balance sheet date, the Company carries out a valuation of its assets concerning possible impairment. Should there be any indications of impairment, the Company estimates the recoverable amount. The recoverable value is estimated by determination of the future cash flows expected to be achieved from the cash-generating unit and determination of a discount rate to be subsequently used in order to calculate the net present value of those cash flows. The investments impairment tests carried out as at 30 June 2012 have been described in more detail in explanatory note 11 to these interim condensed financial statements.

##### ***iv. Operating cash flows assumed for valuation of IT contracts as well as measurement of their completion***

The Company executes contracts for construction and implementation of information technology systems. Valuation of IT contracts requires that future operating cash flows are determined in order to arrive at the fair value of income and expenses and to provide the fair value of the embedded currency derivatives, as well as it requires measurement of the progress of contract execution. The percentage of contract completion shall be measured as the relation of costs already incurred (provided such costs contribute to the progress of work) to the total costs planned, or as a portion of man-days worked out of the total work-effort required. As at 30 June 2012, receivables arising from valuation of IT contracts amounted to PLN 599 thousand.

## **6. Seasonal nature of business**

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

### **III. INFORMATION ON OPERATING SEGMENTS**

On 1 June 2012, there was registered the merger of Asseco South Eastern Europe S.A. with its subsidiary ITD Poland Sp. z o.o. Until the above-mentioned merger, ASEE S.A. was engaged mainly in holding operations and therefore it did not identify any separate reportable segments. Since the merger effective date, the Company's operating activities comprise both holding operations and sales of IT services and software. The Group has not presented any division into operating segments in its financial statements for the period of 6 months ended 30 June 2012, because activities other than holding operations do not satisfy the quantitative criteria for identification of reportable segments set forth in IFRS 8 "Operating Segments": the segment's revenue should be minimum 10% of the combined revenues of all operating segments; or the segment's profit or loss should be minimum 10% of the combined profit of all operating segments that did not report a loss, or of the combined loss of all operating segments that reported a loss; or the segment's assets should be minimum 10% of the combined assets of all operating segments.



#### **IV. EXPLANATORY NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

##### **1. Holding activities – Dividend income and service revenues**

	<b>3 months ended 30 June 2012 (unaudited)</b>	<b>6 months ended 30 June 2012 (unaudited)</b>	<b>3 months ended 30 June 2011 (unaudited)</b>	<b>6 months ended 30 June 2011 (unaudited)</b>
--	--	--	--	--

Dividends received from related companies	6,988	18,012	10,311	10,575
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Cash flows arising from dividends amounted to PLN 17,383 thousand in the first half of 2012 as compared with PLN 10,371 thousand received in the first half of 2011.

	<b>3 months ended 30 June 2012 (unaudited)</b>	<b>6 months ended 30 June 2012 (unaudited)</b>	<b>3 months ended 30 June 2011 (unaudited)</b>	<b>6 months ended 30 June 2011 (unaudited)</b>
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Revenues from sales of services	1,415	2,922	830	1,929
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Beginning from the financial year 2010, ASEE S.A. has invoiced the management and consulting services it provides to subsidiary companies of the Asseco South Eastern Europe Group. Bearing in mind the holding nature of the Company's business, revenues from sales of such services are presented under main operating activities.

During the period of 6 months ended 30 June 2012, the Company's revenues from the provision of management and consulting services in favour of its Group reached PLN 2,922 thousand. Whereas, in the corresponding period 2011 such revenues amounted to PLN 1,929 thousand.

##### **2. Operating activities – Revenues from sales of IT services and software**

	<b>3 months ended 30 June 2012 (unaudited)</b>	<b>6 months ended 30 June 2012 (unaudited)</b>	<b>3 months ended 30 June 2011 (unaudited)</b>	<b>6 months ended 30 June 2011 (unaudited)</b>
--	--	--	--	--

Revenues from sales of software and services	864	864	-	-
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As a result of the merger conducted between Asseco South Eastern Europe S.A. and ITD Poland Sp. z o.o. on 1 June 2012, the Company's business profile was extended from holding operations to the Group management and sales of IT services and software. Therefore, in the 2<sup>nd</sup> quarter of 2012, our operating revenues also include licensing fees and maintenance services in the amount of PLN 827 thousand as well as revenues from annual maintenance and support services provided to Bank Pekao S.A. in the amount of PLN 37 thousand. Whereas, revenues from maintenance and support services recognized by Asseco South Eastern Europe S.A. until the merger date, amounting to PLN 128 thousand, have been presented as other operating income.

### 3. Breakdown of operating costs

	<b>3 months ended 30 June 2012 (unaudited)</b>	<b>6 months ended 30 June 2012 (unaudited)</b>	<b>3 months ended 30 June 2011 (unaudited)</b>	<b>6 months ended 30 June 2011 (unaudited)</b>
Materials and energy used (-)	(18)	(36)	(18)	(28)
Third-party work (-)	(841)	(1,157)	(263)	(490)
Salaries (-)	(505)	(808)	(797)	(1,411)
Employee benefits (-)	(82)	(168)	(128)	(218)
Depreciation and amortization (-)	(48)	(83)	(15)	(35)
Taxes and charges (-)	(10)	(12)	(57)	(60)
Business trips (-)	(141)	(198)	(85)	(122)
Other (-)	(39)	(45)	(9)	(26)
	<b>(1,684)</b>	<b>(2,507)</b>	<b>(1,372)</b>	<b>(2,390)</b>
<b>Cost of sales:</b>	<b>(1,691)</b>	<b>(2,517)</b>	<b>(932)</b>	<b>(1,929)</b>
<i>production cost (-)</i>	(1,255)	(2,078)	(932)	(1,929)
<i>value of merchandise, materials and     third-party work sold (COGS) (-)</i>	(436)	(439)	-	-
<b>Selling expenses (-)</b>	<b>(429)</b>	<b>(429)</b>	<b>(21)</b>	<b>(42)</b>
<b>General administrative expenses (-)</b>	<b>-</b>	<b>-</b>	<b>(419)</b>	<b>(419)</b>

### 4. Other operating income and expenses

<b>Other operating income</b>	<b>3 months ended 30 June 2012 (unaudited)</b>	<b>6 months ended 30 June 2012 (unaudited)</b>	<b>3 months ended 30 June 2011 (unaudited)</b>	<b>6 months ended 30 June 2011 (unaudited)</b>
Revenues from sales of software and services	46	128	67	531
Other	40	46	9	9
	<b>86</b>	<b>174</b>	<b>76</b>	<b>540</b>

Other operating income of PLN 128 thousand recognized in the period of 6 months ended 30 June 2012 included: sale of third-party IT support and software maintenance services provided to Bank Pekao S.A. during the warranty period (PLN 115 thousand), and sale of token and SMS handling services provided to Kredyt Bank on behalf of Asseco Poland S.A. up until 1 June 2012 (PLN 13 thousand). Following a change in the Company's business profile as a result of the merger of Asseco South Eastern Europe S.A. and ITD Poland Sp. z o.o. on 1 June 2012, revenues recognized from the above-mentioned contracts as of the merger date till the balance sheet date are presented under operating activities.

<b>Other operating expenses</b>	<b>3 months ended 30 June 2012 (unaudited)</b>	<b>6 months ended 30 June 2012 (unaudited)</b>	<b>3 months ended 30 June 2011 (unaudited)</b>	<b>6 months ended 30 June 2011 (unaudited)</b>
Cost of purchase of third-party software and services (-)	(68)	(116)	(65)	(536)
Costs of post-accident repairs (-)	-	(22)	-	-
Other (-)	-	(61)	-	-
	<b>(68)</b>	<b>(199)</b>	<b>(65)</b>	<b>(536)</b>

Other operating expenses of PLN 116 thousand recognized in the period of 6 months ended 30 June 2012 included: purchase of third-party IT support and maintenance services to be provided to Bank Pekao S.A., and purchase of implementation and licensing services to be provided to Kredyt Bank on behalf of Asseco Poland S.A., all of which were incurred up until the merger with ITD Poland Sp. z o.o., i.e. till 1 June 2012.

## 5. Financial income and expenses

<b>Financial income</b>	<b>3 months ended 30 June 2012 (unaudited)</b>	<b>6 months ended 30 June 2012 (unaudited)</b>	<b>3 months ended 30 June 2011 (unaudited)</b>	<b>6 months ended 30 June 2011 (unaudited)</b>
Interest on bank deposits	276	338	58	109
Gain on change in fair value of derivative instruments	499	377	-	-
Gain on valuation of other financial assets carried at fair value through profit or loss	-	128	-	-
Gain on revaluation of conditional payments in transactions to obtain control	-	420	1,658	3,448
	<b>775</b>	<b>1,263</b>	<b>1,716</b>	<b>3,557</b>

Financial income for the period of 6 months ended 30 June 2012 includes a reduction of the estimated conditional payments for shares in subsidiaries by the amount of PLN 420 thousand (EST A.Ş. (Istanbul) – PLN 85 thousand and Altius Bulgaria o.o.d – PLN 335 thousand).

Furthermore, financial income includes the effects of valuation of derivative instruments amounting to PLN 377 thousand, as well as gains on disposal of investment fund units amounting to PLN 128 thousand.

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

<b>Financial expenses</b>	<b>3 months ended 30 June 2012 (unaudited)</b>	<b>6 months ended 30 June 2012 (unaudited)</b>	<b>3 months ended 30 June 2011 (unaudited)</b>	<b>6 months ended 30 June 2011 (unaudited)</b>
Discounting of settlements (-)	-	-	(1)	(136)
Negative foreign exchange differences (-)	(194)	(454)	(232)	(112)
Other interest expenses (-)	-	-	(32)	(64)
Loss on change in fair value of currency derivatives (-)	-	-	(30)	(127)
Loss on exercise of derivative instruments (-)	(34)	(78)	-	-
Impairment write-down on investments in subsidiary companies (-)	-	-	(6,033)	(6,033)
Loss on disposal of investments in subsidiary companies (-)	-	-	-	(884)
Loss on revaluation of conditional payments in transactions to obtain control	(729)	(456)	-	-
	<b>(957)</b>	<b>(988)</b>	<b>(6,328)</b>	<b>(7,356)</b>

In the period of 6 months ended 30 June 2012, the Company recognized a change in the estimated contingent liability for shares acquired in subsidiary ASEE Bulgaria amounting to PLN 456 thousand net (in the 1st quarter of 2012 this estimated contingent liability was reduced by PLN 273 thousand; whereas, in the 2<sup>nd</sup> quarter of 2012 it was increased by PLN 729 thousand).

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

Impairment tests conducted in the first half of 2012 did not indicate a need to recognize any impairment charges on our investments.

As at 30 June 2011, we made an estimate of the recoverable amount of our investment in subsidiary ASEE Kosovo, because the financial results achieved by that company in the first half of 2011 fell short of expectations. Since the carrying value of our investment in ASEE Kosovo exceeded its estimated recoverable amount, in the 2<sup>nd</sup> quarter of 2011 Asseco South Eastern Europe S.A. recognized a financial expense of PLN 6,033 thousand corresponding to the impairment write-down on the said investment.

## 6. Corporate income tax

The main charges on pre-tax profit by virtue of corporate income tax (current and deferred portions):

	<b>3 months ended 30 June 2012 (unaudited)</b>	<b>6 months ended 30 June 2012 (unaudited)</b>	<b>3 months ended 30 June 2011 (unaudited)</b>	<b>6 months ended 30 June 2011 (unaudited)</b>
Current corporate income tax and prior years adjustments	64	64	-	-
Deferred portion of income tax			121	188
<i>related to origination or reversal of temporary differences</i>	<i>(259)</i>	<i>(271)</i>	<i>121</i>	<i>188</i>
<b>Income tax expense as disclosed in the profit and loss account</b>	<b>(195)</b>	<b>(207)</b>	<b>121</b>	<b>188</b>

The positive amount of income tax as disclosed in the profit and loss account for the first half of 2011 resulted from the recognition of additional deferred income tax assets. Dividend income is taxable in the annual tax returns.

## 7. Information on dividends paid out or declared

The Ordinary General Meeting of Shareholders of ASEE S.A. seated in Rzeszów, acting on the basis of art. 395 §2 item 2) of the Polish Commercial Companies Code as well as pursuant to §12 sect. 4 item 3) of the Company's Articles of Association, by its resolution of 12 April 2012, decided that the net profit for the year 2011 amounting to PLN 16,864,396.78 as well as PLN 5,327,810.76 of undistributed net profit for the year 2010, shall be distributed as follows:

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

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

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

## 8. Merger of ASEE S.A. and ITD Poland Sp. z o.o.

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. Because ASEE S.A., acting as the Taking-over Company, held all the shares in the Acquired Company, thereby being the sole shareholder in ITD Poland, the merger was executed according to art. 515 § 1 of the Polish Commercial Companies Code, this is without increasing the share capital of the Taking-over Company, as well as pursuant to art. 516 § 5-6 of the PCCC regulating

the simplified business combination procedure. 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. It is also expected that the merger will contribute significantly to the financial stability of business operations and, in a longer run, to the creation of higher value for shareholders of our Company.

ASEE S.A. obtained control over ITD Poland Sp. z o.o. 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; therefore, by taking over this Turkish company, ASEE S.A. also acquired an indirect shareholding in ITD Poland. 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. The 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.

The merger between ASEE S.A. and ITD Poland was accounted for as a uniting of interests, adhering to the following principles of the adopted accounting policy:

- assets and liabilities of the combining business entities were measured at their carrying values as disclosed in the consolidated financial statements of the taking-over company. This means that goodwill initially recognized in the consolidated financial statements was subsequently, under the merger accounting process, transferred to the separate financial statements;
- mutual balances of accounts receivable/payable were eliminated;
- the difference between the purchase price paid and the value of net assets acquired (at their carrying values disclosed in the consolidated financial statements) was recognized in equity of the acquirer;
- the profit and loss account presents the financial results of both combined entities from the date when their merger was effected; whereas, the results for earlier reporting periods were not restated.

The table below presents the values of assets and liabilities acquired from ITD Poland as at the merger date, i.e. 1 June 2012, the value of investment allocated to ITD Poland, as well as the merger accounting effect on equity:

<b>A. NON-CURRENT ASSETS</b>	<b>124,972</b>
Intangible assets	18
Goodwill recognized on the merger	4,567
Property, plant and equipment	61
Investments in subsidiary companies	119,678
Deferred expenses	648
<b>B. CURRENT ASSETS</b>	<b>5,197</b>
Inventories	7
Receivables	1,941
Cash and cash equivalents	1,798
Deferred expenses	1,451
<b>TOTAL ASSETS</b>	<b>130,169</b>
<b>C. LIABILITIES</b>	
Provisions	96
Current liabilities	2,222
Accrued expenses	1,683
<b>TOTAL LIABILITIES</b>	<b>4,001</b>
<b>Net assets acquired</b>	<b>126,168</b>
<b>Value of investment allocated to ITD Poland</b>	<b>(124,962)</b>
<b>Result on the merger accounting recognized in equity</b>	<b>1,206</b>

## 9. Property, plant and equipment

In the period of 6 months ended 30 June 2012, the Company purchased tangible fixed assets for PLN 214 thousand (vs. PLN 133 thousand spent during the 6 months ended 30 June 2011) and, under the merger with ITD Poland, acquired tangible fixed assets worth PLN 61 thousand net.

Furthermore, in the period of 6 months ended 30 June 2012, the Company sold tangible fixed assets with the net value of PLN 6 thousand (vs. PLN 0 thousand during the 6-month period ended 30 June 2011), recognizing no gain or loss on such disposal.

During the 6-month periods ended both 30 June 2012 and 30 June 2011, the Company did not recognize any impairment write-downs on its property, plant and equipment.

## 10. Intangible assets

In the period of 6 months ended 30 June 2012, the Company purchased intangible assets for PLN 2 thousand (vs. PLN 0 thousand spent during the 6 months ended 30 June 2011) and, under the merger with ITD Poland, acquired intangible assets worth PLN 18 thousand net. Additionally, under the merger accounting, the Company recognized PLN 4,567 thousand of goodwill which has been allocated to ITD Poland Sp. z o.o. in the consolidated financial statements.

During the 6-month periods ended both 30 June 2012 and 30 June 2011, the Company did not dispose any intangible assets.

During the 6-month periods ended both 30 June 2012 and 30 June 2011, the Company did not recognize any impairment write-downs on its intangible assets.

## 11. Investments in subsidiary companies

Full name of company	Short name	30 June 2012 (unaudited)	31 Dec. 2011 (audited)
Asseco SEE s.r.l., (Bucharest)	ASEE Romania	147,485	147,485
Asseco SEE d.o.o., (Beograd)	ASEE Serbia	80,297	80,297
Asseco SEE d.o.o. (Zagreb)	ASEE Croatia	110,680	110,680
Asseco SEE Sh.p.k. (Pristina)	ASEE Kosovo	38,328	38,328
Asseco SEE d.o.o., (Sarajevo)	ASEE B&H (Sarajevo)	14,324	4,631
Asseco SEE Teknoloji A.Ş. (Istanbul)	ASEE Turkey	55,810	55,810
Asseco SEE o.o.d., Sofia	ASEE Bulgaria	4,265	2,499
Altius Bulgaria EOOD, (Sofia)	Altius Bulgaria	-	1,766
ITD Poland Sp. z o.o.	ITD Poland	-	124,962
Asseco SEE d.o.o., (Grosuplje)	ASEE Slovenia	2,332	1,327
Asseco SEE DOEL, (Skopje)	ASEE Macedonia	98,480	-
Asseco SEE d.o.o., (Banja Luka)	ASEE B&H (Banja Luka)	11,506	-
		<b>563,507</b>	<b>567,785</b>

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. In the financial statements of ASEE S.A., the carrying value of investment in Altius Bulgaria amounting to PLN 1,766 thousand was added to the value of investment in ASEE Bulgaria, which amounted to PLN 4,265 thousand as at 30 June 2012.

On 18 April 2012, ASEE S.A. signed an agreement with ASEE Serbia to acquire a 50% stake in ASEE Slovenia. As a result, ASEE S.A. has become a direct owner of 100% of shares in the Slovenian company. Following this acquisition the value of our investment



in ASEE Slovenia increased by PLN 1,005 thousand (from PLN 1,327 thousand as at 31 December 2011 to PLN 2,332 thousand as at 30 June 2012). The cost of acquisition of these shares amounted to PLN 1,026 thousand as disclosed in the statement of cash flows.

As part of the accounting for the merger with ITD Poland Sp. z o.o., ASEE S.A. recognized investments taken over from ITD Poland in the following companies: ASEE Macedonia amounting to PLN 98,480 thousand, ASEE B&H (Banja Luka) amounting to PLN 11,506 thousand, and ASEE B&H (Sarajevo) amounting to PLN 9,693 thousand (before the merger ASEE S.A. held a 50% stake in ASE B&H (Sarajevo) carried at PLN 4,631 thousand; whereas, in effect of the merger ASEE S.A. has become a direct owner of 100% of shares in that company and the investment value increased to PLN 14,324 thousand). As ITD Poland has been liquidated, under the merger accounting we derecognized our investment in ITD Poland amounting to PLN 124,962 thousand.

### **Impairment testing of investments**

At every balance sheet date, ASEE S.A. carries out a valuation of its assets concerning possible impairment. Should there be any indications of impairment, the Company estimates the recoverable amount. If the carrying value of a given asset exceeds its recoverable amount, impairment charges are made in order to reduce such carrying value to the level of recoverable amount.

As at 30 June 2012, we estimated the recoverable amounts of our investments in the companies of ASEE Croatia, ASEE Romania, ASEE Kosovo, ASEE B&H (Sarajevo) and ASEE B&H (Banja Luka), because the actual results generated by those companies in the first half of 2012 were weaker than budgeted.

The recoverable value of investments in the above-mentioned subsidiaries as at 30 June 2012 was determined on the basis of their value in use, applying the forecasts of free cash flow to firm (FCFF) based on the financial budgets approved by management personnel. The residual value was determined assuming no growth of the achieved margins after the forecast period. The discount rate applied to determine the present value of expected future cash flows was equivalent to the estimated weighted average cost of capital for each individual company. Particular components of the discount rate were determined taking into account the market values of risk-free interest rates, the beta coefficient that was leveraged to reflect the market debt-equity structure, as well as the expected market yield. The conducted impairment tests did not indicate a necessity to recognize any impairment charges on our investments in the companies of ASEE Croatia, ASEE Romania, ASEE Kosovo, ASEE B&H (Sarajevo), and ASEE B&H (Banja Luka).

The table below presents the basic assumptions concerning the discount rate and sales revenue growth as adopted in the testing model:

<b>30 June 2012</b>	Discount rate	Sales revenue growth rate
	rate applied in the model	applied in the model
ASEE Romania	9.53%	7.58%
ASEE Kosovo	12.25%	6.31%
ASEE Croatia	10.15%	8.42%
ASEE B&H	10.47%	3.70%



Any reasonable modification of the key assumptions adopted in the model would not indicate a necessity of an impairment charge.

As at 30 June 2011, we made an estimate of the recoverable amount of our investment in subsidiary ASEE Kosovo, because the financial results achieved by that company in the first half of 2011 fell short of expectations. Since the carrying value of our investment in ASEE Kosovo exceeded its estimated recoverable amount, in the 2<sup>nd</sup> quarter of 2011 Asseco South Eastern Europe S.A. recognized a financial expense of PLN 6,033 thousand corresponding to the impairment write-down on the said investment.

## 12. Trade accounts receivable and other receivables

	30 June 2012	31 December 2011
<b>Trade accounts receivable</b>	<b>(unaudited)</b>	<b>(audited)</b>
Trade accounts receivable, of which:	<b>3,001</b>	<b>255</b>
From related companies	1,195	255
From other companies	1,806	-

Trade accounts receivable are not interest-bearing.

The amount of receivables from related companies, as presented herein, corresponds to management and consulting services sold to subsidiaries of the Asseco South Eastern Europe Group, amounting to PLN 1,184 thousand. The amount of PLN 1,806 thousand represents invoices issued for software licenses resold and maintenance services provided.

Trade accounts receivable outstanding under transactions conducted with Asseco Poland S.A. amounted to PLN 11 thousand and PLN 14 thousand as at 30 June 2012 and 31 December 2011, respectively.

Both as at 31 June 2012 and 31 December 2011, no category of receivables served as security for any bank loans and borrowings.

<b>Receivables from taxes, import tariffs, social security and other regulatory payments</b>	30 June 2012	31 December 2011
	<b>(unaudited)</b>	<b>(audited)</b>
Excess of corporate income tax paid	87	48
Excess of dividend income tax paid	-	84
Withholding income tax on dividends received	439	-
Value added tax	-	62
	<b>526</b>	<b>194</b>

<b>Other short-term receivables</b>	30 June 2012	31 December 2011
	<b>(unaudited)</b>	<b>(audited)</b>
Receivables from disposal of shares in EST A.Ş.	1,694	2,278
Other receivables	722	95
	<b>2,416</b>	<b>2,373</b>

As at 30 June 2012, the Company presents the outstanding portion of receivables from disposal of shares in EST A.Ş. in the amount of PLN 1,694 thousand. These are all short-term receivables. The amount receivable as at 30 June 2012 is lower than as at 31 December 2011 because some of these receivables have already been collected.

Other receivables include primarily receivables arising from valuation of IT contract implemented in favour of the Social Insurance Institution (ZUS) amounting to PLN 599 thousand as well as other receivables of PLN 123 thousand.

As at 31 December 2011, receivables from disposal of shares in EST A.Ş. amounted to PLN 2,278 thousand; whereas, the long-term portion of receivable consideration, amounting to PLN 578 thousand, was disclosed in non-current assets.

### **13. Short-term loans**

On 27 June 2012, Asseco South Eastern Europe S.A. granted a EUR 200 thousand loan to its subsidiary ASEE Bulgaria for a period of 2 months. As at 30 June 2012, receivables under this loan amounted to PLN 852 thousand. The loan interest has been determined on the basis of 2M EURIBOR plus a margin.

### **14. Cash and short-term deposits**

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

	<b>30 June 2012</b>	<b>31 December 2011</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Cash at bank and in hand	335	169
Short-term bank deposits	31,571	4,781
	<b>31,906</b>	<b>4,950</b>
<b>Cash and cash equivalents as disclosed in the cash flow statement</b>	<b>31,906</b>	<b>4,950</b>

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

Short-term deposits did not serve as security for any bank guarantees (of due performance of contracts or tender deposits) neither at 30 June 2012 nor at 31 December 2011.

### **15. Current financial assets**

Short-term financial assets as at 31 December 2011 include participation units in open-end investment funds, namely Copernicus and Union Investments, which have been classified as financial assets carried at fair value through profit or loss. As at 31 December 2011, the said fund participation units were worth PLN 10,171 thousand. The Company sold these fund participation units during the first half of 2012. The proceeds from such disposal reached PLN 10,299 thousand.

## 16. Share capital and reserve capital

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

\* Following a reverse stock split of series D shares

Prior years' retained earnings include the amount of reserve capital of PLN 4,395 thousand, established from net profit allocations.

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

As at 30 June 2012, the Company had no liabilities by virtue of interest-bearing bank loans, borrowings or issuance of debt securities.

On 30 May 2011, ASEE S.A. signed with its subsidiary ASEE Macedonia a loan agreement for the amount of EUR 2 million. The interest rate payable on the loan equalled 4% on an annual basis. Till 30 June 2011, ASEE S.A. borrowed under this loan the amount of PLN 5,979 thousand, representing the equivalent of EUR 1.5 million.

On 30 December 2009, Asseco South Eastern Europe S.A. signed with the European Bank for Reconstruction and Development an agreement for an investment loan facility in the maximum amount of EUR 7 million. The loan interest rate equalled 3M EURIBOR + margin. The repayment deadline specified in the agreement was 31 January 2016. As at 31 December 2011, ASEE S.A. had no liabilities under this loan. Because the Company did not draw any amounts of this loan facility till the end of 2011, the loan agreement has been terminated as of 31 December 2011.

## 18. Trade accounts payable, financial liabilities and other liabilities

Short-term trade accounts payable	30 June 2012	31 December 2011
	(unaudited)	(audited)
To related companies	20	415
To other companies	2,110	300
	<b>2,130</b>	<b>715</b>

Trade accounts payable are not interest-bearing.

As at 30 June 2012, the balance of outstanding trade liabilities under transactions conducted with Asseco Poland S.A. was PLN 3 thousand; whereas, as at 31 December 2011 such outstanding payables amounted to PLN 7 thousand. Other related party liabilities include payables to subsidiaries by virtue of purchases we made under our IT service provision projects (amounting to PLN 17 thousand as at 30 June 2012 and PLN 408 thousand as at 31 December 2011).

In the period of 6 months ended 30 June 2012, the net value of transactions conducted with Asseco Poland S.A. totalled PLN 33 thousand, including PLN 14 thousand by virtue of tangible asset purchases. Whereas, in the period of 6 months ended 30 June 2011, the net value of transactions conducted with Asseco Poland S.A. totalled PLN 234 thousand, including PLN 7 thousand by virtue of tangible asset purchases.

Financial liabilities	30 June 2012	31 December 2011
	(unaudited)	(audited)
Liabilities due to the acquisition of shares in subsidiaries	1,185	1,203
Currency forward contracts	96	472
Dividend payment liabilities	18,682	84
	<b>19,963</b>	<b>1,759</b>

As at 30 June 2012, liabilities due to the acquisition of shares in subsidiaries in the total amount of PLN 1,185 thousand correspond to the payment for shares in ASEE Bulgaria. As compared with 31 December 2011, the estimated amount of this liability was increased by PLN 422 thousand, of which PLN 456 thousand was recognized under 'loss on revaluation of conditional payments in transactions to obtain control' and PLN -34 thousand under 'foreign

exchange differences'. Such revision of estimated liability has been recognized as a financial expense.

As at 31 December 2011, liabilities due to the acquisition of shares in subsidiaries aggregated at PLN 1,203 thousand and corresponded to the payments for shares in EST A.Ş. in the amount of PLN 85 thousand, ASEE Bulgaria – PLN 763 thousand, and in Altius Bulgaria – PLN 355 thousand.

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

## 19. Provisions

Both as at 30 June 2012 and 31 December 2011, the Company disclosed a provision in the amount of PLN 1,229 thousand for a potential income tax liability in connection with the ongoing court proceedings concerning the classification of costs related to the public issuance of shares as tax deductible.

## 20. Deferred and accrued expenses and deferred income

Deferred expenses by virtue of:	30 June 2012	31 December 2011
	(unaudited)	(audited)
Prepaid insurance policies	16	8
Payments for support and maintenance of software for Pekao S.A.	-	28
VAT recoverable in the next year	-	33
Prepaid maintenance services and license fees	2,117	-
Other	136	4
	<b>2,269</b>	<b>73</b>
- short-term	1,655	73
- long-term	614	-

Prepaid maintenance services and license fees increased substantially because, under the merger, the Company took over maintenance services contracts performed by ITD Poland.

Accrued expenses by virtue of:	30 June 2012	31 December 2011
	(unaudited)	(audited)
Provision for the audit of financial statements	108	97
Provision for unused annual leaves	168	139
Provision for salaries and wages	23	631
Other	98	-
	<b>397</b>	<b>867</b>
- short-term	397	867
- long-term	-	-

As at 30 June 2012, accrued expenses comprise mainly the provision for unused annual leaves as well as provision for current operating expenses, which have been incurred but not yet invoiced.

As at 31 December 2011, accrued expenses comprised mainly provisions for salaries and wages along with payroll overheads of the current period to be paid out in future periods which result from the bonus schemes applied by ASEE S.A., as well as provisions for unused annual leaves and provisions for current operating expenses which have been incurred but not yet invoiced.

<b>Deferred income by virtue of:</b>	<b>30 June 2012</b>	<b>31 December 2011</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Payments for support and maintenance of software for Pekao S.A.	145	41
Maintenance services paid in advance	1,716	-
	<b>1,861</b>	<b>41</b>
- short-term	1,270	35
- long-term	591	6

## **21. Contingent liabilities**

As at 30 June 2012, the Company had contingent liabilities by virtue of payment for shares in ASEE Bulgaria. Changes in contingent liabilities observed in the period of 6 months ended 30 June 2012 have been described in note 5 Financial income and expenses.

## **22. Capital management**

The primary objective of the Company's capital management is to maintain its capital ratios at a safe level enabling a strong credit rating in order to support further development of the Company's business operations as well as continuing maximization of shareholder value.

The Company manages its capital structure and makes necessary adjustments in response to the changing economic conditions. To maintain or adjust its capital structure, the Company may decide to pay out a dividend, return some capital to shareholders, or issue new shares. In the period of 6 months ended 30 June 2012 as well as in the period of 6 months ended 30 June 2011, the Group did not introduce any changes to its objectives, principles and processes adopted in this area.

## **23. Hedges of cash flows**

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

During the first 6 months of 2012, no revaluation of hedging instruments was recognized in equity due to insignificant amount of such revaluation.

During the period of 6 months ended 30 June 2011, the Company reversed the valuation of cash held at bank account denominated in EUR (designated as a hedging instrument) that was previously recognized in revaluation capital.

## **24. Related party transactions**

The following table discloses the total amounts of transactions conducted with the Company's related companies during the 6-month periods ended on 30 June 2012 and 30 June 2011, as well as outstanding balances of receivables and liabilities arising from such transactions as at 30 June 2012 and 31 December 2011:

<b>Related party</b>		<b>Sales to related companies</b>	<b>Purchases from related companies</b>	<b>Receivables from related companies</b>	<b>Liabilities to related companies</b>
<b>Parent company:</b>					
Asseco Poland S.A.	2012	48	120	64	22
	2011	358	124	14	7
<b>Subsidiary companies:</b>					
	2012	2,905	326	1,184	18
	2011	1,941	638	241	408

In addition, ASEE S.A. granted a loan to its subsidiary ASEE Bulgaria. This loan has been described in explanatory note 13 'Short-term loans' to these financial statements.

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

The value of transactions conducted by the Asseco South Eastern Europe Group with or through the Key Management Personnel (members of Management and Supervisory Boards) of the Group companies during the 6 month periods ended on 30 June 2012 and 30 June 2011, as well as outstanding balances of receivables and liabilities arising from such transactions as at 30 June 2012 and 31 December 2011 are presented in the table below:

<b>Related party</b>		<b>Sales to related companies</b>	<b>Purchases from related companies</b>	<b>Receivables from related companies</b>	<b>Liabilities to related companies</b>
Key management personnel (members of Management Boards) of the Group:					
—	2012	4	2,125	1	51
	2011	23	2,181	1	30
Key management personnel (members of Supervisory Boards) of the Group:					
—	2012	45	1,470	9	15
	2011	17	1,460	2	44

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

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

During the 6-month period ended 30 June 2012, ASEE Serbia incurred total space rental costs of PLN 3,225 thousand that were paid to its related entities MHM d.o.o., Beograd<sup>4</sup>, DM3 d.o.o., Beograd<sup>2</sup> and Mini Invest d.o.o., Beograd<sup>5</sup>.

During the period of 6 months ended 30 June 2012, ASEE Macedonia incurred space rental costs amounting to PLN 370 thousand that were paid to MPS d.o.o., Skopje<sup>6</sup>.

<sup>4</sup> Mihail Petreski, Member of the Supervisory Board of ASEE S.A. is a shareholder in Liatris d.o.o. which as at 30 June 2012 held a 7.40% equity interest in ASEE S.A. (as at 31 December 2011: 7.40%). Mihail Petreski and Liatris d.o.o. hold 40% of shares in MHM d.o.o. as well as 50% of shares in DM3 d.o.o. Furthermore, President of the Management Board of ASEE S.A. holds indirectly a 15% stake in MHM d.o.o. through his wholly-owned Kompania Petyhorska d.o.o. Whereas, 20% of shares in MHM d.o.o. are held by I4 Invention d.o.o. which is also a shareholder in ASEE S.A. 100% of shares in I4 Invention d.o.o. are owned by Miodrag Mirčetić, President of the Management Board of ASEE Serbia and Member of the Management Board of ASEE S.A.;

<sup>5</sup> Miljan Mališ, Member of the Management Board of ASEE S.A. is a shareholder in the company Mini Invest d.o.o. which in turn is a shareholder in ASEE S.A.;

<sup>6</sup> Mihail Petreski, Member of the Supervisory Board of ASEE S.A. is the sole shareholder in MPS d.o.o., Skopje.

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

During the period of 6 months ended 30 June 2011, ASEE Macedonia incurred space rental costs amounting to PLN 423 thousand that were paid to MPS d.o.o., Skopje.

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

In addition, members of the Management Board and companies related through members of the Management Board and Supervisory Board of Asseco South Eastern Europe S.A. received dividends from Asseco South Eastern Europe S.A. in the total amount of PLN 2,144 thousand (as compared with PLN 1,556 thousand in 2011). Such dividends have not yet been paid out till the balance sheet date, i.e. till 30 June 2012.

Until the date of approval of these interim condensed financial statements, ASEE S.A. has not received any information on transactions with related companies conducted during the reporting period which would be, separately or jointly, deemed significant and would be carried out not on an arm's length basis.

## **25. Objectives and principles of financial risk management**

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

### **Foreign currency risk**

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

### **Interest rate risk**

Changes in the market interest rates may have a negative influence on the Company's financial results. The Company's exposure to the above-mentioned risk may result in changes of the amounts of interest charged on third-party borrowings which are based on variable interest rates. However, as at 30 June 2012 the Company was not exposed to any interest rate risk.

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

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

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



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

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

### **Credit risk**

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

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

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

### **Financial liquidity risk**

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

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

The table below reveals the Company's trade accounts payable as at 30 June 2012 and 31 December 2011, by the maturity period based on the contractual undiscounted payments.

<b>Aging structure of trade accounts payable</b>	<b>30 June 2012</b>		<b>31 December 2011</b>	
	<b>(unaudited)</b>		<b>(audited)</b>	
	<b>Amount</b>	<b>Structure</b>	<b>amount</b>	<b>Structure</b>
Liabilities due already	1,699	79.77%	165	23.08%
Liabilities falling due within 3 months	431	20.23%	550	76.92%
	<b>2,130</b>	<b>100.00%</b>	<b>715</b>	<b>100.00%</b>

## **26. Significant events after the balance sheet date**

In the period from 30 June 2012 till the date of approval of these interim condensed financial statements, this is until 10 August 2012, there did not occur any other significant events, the disclosure of which might significantly affect the assessment of human resources, assets, and financial position of Asseco South Eastern Europe S.A.

## **27. Significant events related to prior years**

Until the date of preparing these interim condensed financial statements for the period of 6 months ended 30 June 2012, this is until 10 August 2012, there occurred no significant events related to prior years, which have not but should have been included in the accounting books.