



**REPORT OF ASSECO SOUTH EASTERN EUROPE GROUP
FOR THE THIRD QUARTER OF 2015**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
OF ASSECO SOUTH EASTERN EUROPE GROUP
FOR THE THIRD QUARTER OF 2015**

Rzeszów, 21 October 2015

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**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
OF ASSECO SOUTH EASTERN EUROPE GROUP
FOR THE THIRD QUARTER OF 2015**

These interim condensed consolidated financial statements have been 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

Miljan Mališ Member of the Management Board

Miodrag Mirčetić Member of the Management Board

Marcin Rulnicki Member of the Management Board

FINANCIAL HIGHLIGHTS OF ASSECO SOUTH EASTERN EUROPE GROUP

	9 months ended 30 Sept. 2015 (unaudited)	9 months ended 30 Sept. 2014 (unaudited)	9 months ended 30 Sept. 2015 (unaudited)	9 months ended 30 Sept. 2014 (unaudited)
	PLN'000	PLN'000	EUR'000	EUR'000
I. Sales revenues	347,487	335,457	83,560	80,247
II. Operating profit	38,691	30,466	9,304	7,288
III. Pre-tax profit	38,439	30,368	9,243	7,265
IV. Net profit for the reporting period	32,414	25,321	7,795	6,057
V. Net profit attributable to Shareholders of the Parent Company	32,492	25,363	7,813	6,067
VI. Net cash provided by (used in) operating activities	44,896	32,641	10,796	7,808
VII. Net cash provided by (used in) investing activities	(36,949)	(47,187)	(8,885)	(11,288)
VIII. Net cash provided by (used in) financing activities	(22,645)	8,231	(5,445)	1,969
IX. Cash and short-term deposits	72,709	53,232	17,154	12,749
X. Net profit for the reporting period Basic earnings per ordinary share attributable to Shareholders of the Parent Company (in PLN/EUR)	0.63	0.49	0.15	0.12
XI. Diluted earnings per ordinary share attributable to Shareholders of the Parent Company (in PLN/EUR)	0.63	0.49	0.15	0.12

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 income statement and statement of cash flows have been 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 2015 to 30 September 2015: EUR 1 = PLN 4.1585
 - for the period from 1 January 2014 to 30 September 2014: EUR 1 = PLN 4.1803
- the Group's cash and cash equivalents as at the end of the reporting period and the comparable period of the previous year have been translated into EUR at the mid exchange rates as published by the National Bank of Poland. These exchange rates were as follows:
 - exchange rate effective on 30 September 2015: EUR 1 = PLN 4.2386
 - exchange rate effective on 30 September 2014: EUR 1 = PLN 4.1755

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	3 months ended 30 Sept. 2015 (unaudited)	9 months ended 30 Sept. 2015 (unaudited)	3 months ended 30 Sept. 2014 (restated)	9 months ended 30 Sept. 2014 (restated)
Sales revenues	<u>1</u>	127,087	347,487	115,159	335,457
Cost of sales (-)	<u>2</u>	(92,870)	(255,199)	(85,992)	(254,315)
Gross profit on sales		34,217	92,288	29,167	81,142
Selling costs (-)	<u>2</u>	(10,025)	(27,634)	(8,547)	(25,998)
General and administrative expenses (-)	<u>2</u>	(9,787)	(27,506)	(9,083)	(25,279)
Net profit on sales		14,405	37,148	11,537	29,865
Other operating income		185	2,075	379	1,329
Other operating expenses (-)		(115)	(853)	(139)	(1,084)
<i>Share of profits of associates (+/-)</i>		192	321	136	356
Operating profit		14,667	38,691	11,913	30,466
Financial income	<u>3</u>	821	2,984	877	1,892
Financial expenses (-)	<u>3</u>	(1,141)	(3,236)	(992)	(1,990)
Pre-tax profit		14,347	38,439	11,798	30,368
Corporate income tax (current and deferred tax expense)		(1,688)	(6,025)	(2,585)	(5,047)
Net profit for the reporting period		12,659	32,414	9,213	25,321
Attributable to:					
Shareholders of the Parent Company		12,714	32,492	9,238	25,363
Non-controlling interests		(55)	(78)	(25)	(42)
Consolidated earnings per share for the reporting period attributable to Shareholders of ASECO S.A. (in PLN):					
Basic consolidated earnings per share from continuing operations for the reporting period	<u>4</u>	0.24	0.63	0.18	0.49
Diluted consolidated earnings per share from continuing operations for the reporting period	<u>4</u>	0.24	0.63	0.18	0.49

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended 30 Sept. 2015 (unaudited)	9 months ended 30 Sept. 2015 (unaudited)	3 months ended 30 Sept. 2014 (restated)	9 months ended 30 Sept. 2014 (restated)
Net profit for the reporting period	12,659	32,414	9,213	25,321
Other comprehensive income, of which:	1,539	(13,285)	(3,226)	891
<i>Components that may be reclassified to profit or loss</i>	<i>1,539</i>	<i>(13,285)</i>	<i>(3,226)</i>	<i>891</i>
Exchange differences on translation of foreign operations	1,539	(13,285)	(3,226)	891
TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD	14,198	19,129	5,987	26,212
Attributable to:				
<i>Shareholders of the Parent Company</i>	<i>14,254</i>	<i>19,204</i>	<i>6,014</i>	<i>26,260</i>
<i>Non-controlling interests</i>	<i>(56)</i>	<i>(75)</i>	<i>(27)</i>	<i>(48)</i>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	30 Sept. 2015	30 June 2015	31 Dec. 2014	30 Sept. 2014
		(unaudited)	(unaudited)	(restated)	(restated)
Non-current assets		607,481	605,454	612,945	599,075
Property, plant and equipment	6	79,621	75,901	69,846	63,643
Investment property		1,171	1,163	1,214	1,209
Intangible assets	6	32,148	35,898	38,114	36,901
Goodwill arising from consolidation	7	489,652	487,778	498,113	492,687
Investments accounted for using the equity method		1,367	1,433	1,538	1,475
Long-term financial assets	9	226	229	232	232
Long-term receivables		701	724	1,056	768
Deferred tax assets		2,062	1,723	2,257	1,994
Long-term prepayments and accrued income	11	533	605	575	166
Current assets		215,080	225,393	235,352	193,715
Inventories		22,924	21,121	16,339	19,185
Prepayments and accrued income	11	10,167	10,552	12,332	9,752
Trade receivables	8	72,131	82,345	96,059	85,482
Income tax receivable		1,279	932	713	1,785
Other receivables from the state and local budgets		1,598	846	1,285	608
Receivables arising from valuation of IT contracts		20,696	20,546	14,632	17,268
Other receivables	8	3,677	2,800	2,373	5,137
Short-term financial assets	9	9,899	11,343	2,646	1,266
Cash and short-term deposits	10	72,709	74,908	88,973	53,232
TOTAL ASSETS		822,561	830,847	848,297	792,790

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES	Note	30 Sept. 2015	30 June 2015	31 Dec. 2014	30 Sept. 2014
		(unaudited)	(unaudited)	(restated)	(restated)
Equity (attributable to shareholders of the Parent Company)		677,452	663,198	679,006	657,907
Share capital		518,942	518,942	518,942	518,942
Share premium		38,825	38,825	38,825	38,825
Exchange differences on translation of foreign operations		(79,843)	(81,383)	(66,555)	(73,982)
Retained earnings and current net profit		199,528	186,814	187,794	174,122
Non-controlling interests		-	143	162	123
Total equity		677,452	663,341	679,168	658,030
Non-current liabilities		28,950	25,525	26,543	33,282
Interest-bearing bank loans and borrowings	13	23,929	20,933	21,018	27,814
Deferred tax liabilities		1,719	1,368	2,127	2,513
Long-term provisions		1,221	1,290	1,623	1,431
Long-term financial liabilities	12	1,502	1,314	962	937
Long-term deferred income	15	579	620	813	587
Current liabilities		116,159	141,981	142,586	101,478
Interest-bearing bank loans and borrowings	13	17,974	18,964	22,051	13,043
Trade payables	14	43,624	46,893	63,035	39,841
Corporate income tax payable	14	1,546	1,173	1,608	500
Other liabilities to the state and local budgets	14	6,359	7,725	13,246	8,240
Current financial liabilities	12	897	23,234	2,274	2,155
Liabilities arising from valuation of IT contracts		1,727	2,046	3,997	2,204
Other liabilities	14	10,001	10,712	14,786	10,868
Short-term provisions		2,163	2,278	1,495	1,672
Deferred income	15	12,132	13,142	7,033	6,621
Accruals	15	19,736	15,814	13,061	16,334
TOTAL LIABILITIES		145,109	167,506	169,129	134,760
TOTAL EQUITY AND LIABILITIES		822,561	830,847	848,297	792,790

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period of 9 months ended 30 September 2015

	Share capital	Share premium	Exchange differences on translation of foreign operations	Retained earnings and current net profit	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
As at 1 January 2015	518,942	38,825	(66,555)	187,794	679,006	162	679,168
Net profit (loss) for the reporting period	-	-	-	32,492	32,492	(78)	32,414
Other comprehensive income	-	-	(13,288)	-	(13,288)	3	(13,285)
Total comprehensive income for the reporting period	-	-	(13,288)	32,492	19,204	(75)	19,129
Dividend	-	-	-	(20,758)	(20,758)	(87)	(20,845)
As at 30 September 2015 (unaudited)	518,942	38,825	(79,843)	199,528	677,452	-	677,452

for the period of 9 months ended 30 September 2014

	Share capital	Share premium	Exchange differences on translation of foreign operations	Retained earnings and current net profit	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
As at 1 January 2014	518,942	38,825	(74,879)	165,365	648,253	171	648,424
Net profit (loss) for the reporting period	-	-	-	25,363	25,363	(42)	25,321
Other comprehensive income	-	-	897	-	897	(6)	891
Total comprehensive income for the reporting period	-	-	897	25,363	26,260	(48)	26,212
Dividend	-	-	-	(16,606)	(16,606)	-	(16,606)
As at 30 September 2014 (restated)	518,942	38,825	(73,982)	174,122	657,907	123	658,030

for the period of 12 months ended 31 December 2014

	Share capital	Share premium	Exchange differences on translation of foreign operations	Retained earnings and current net profit	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
As at 1 January 2014	518,942	38,825	(74,879)	165,365	648,253	171	648,424
Net profit for the reporting period	-	-	-	39,035	39,035	5	39,040
Other comprehensive income	-	-	8,324	-	8,324	(14)	8,310
Total comprehensive income for the reporting period	-	-	8,324	39,035	47,359	(9)	47,350
Dividend	-	-	-	(16,606)	(16,606)	-	(16,606)
As at 31 December 2014 (restated)	518,942	38,825	(66,555)	187,794	679,006	162	679,168

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	9 months ended 30 September 2015 (unaudited)	9 months ended 30 September 2014 (restated)
Cash flows – operating activities			
Pre-tax profit		38,439	30,368
Total adjustments:		12,632	6,102
Depreciation and amortization		21,961	16,499
Change in inventories		(7,810)	(4,173)
Change in receivables		12,535	17,105
Change in liabilities, accruals and provisions		(17,209)	(23,044)
Interest income and expenses		205	545
Gain (loss) on foreign exchange differences		1,771	(276)
Gain (loss) on investing activities		1,231	(558)
Other		(52)	4
Net cash generated from operating activities		51,071	36,470
Corporate income tax paid		(6,175)	(3,829)
Net cash provided by (used in) operating activities		44,896	32,641
Cash flows – investing activities			
Disposal of property, plant and equipment and intangible assets		949	646
Acquisition of property, plant and equipment and intangible assets		(26,412)	(42,451)
Expenditures for development projects		(3,831)	(6,279)
Acquisition of subsidiaries		(1,668)	-
Disposal of financial assets carried at fair value through profit or loss		-	65
Acquisition of financial assets available for sale		(4)	-
Acquisition of financial assets carried at fair value through profit or loss		(9,648)	(420)
Bank deposits withdrawn		12,352	3,549
Bank deposits made		(9,800)	(2,971)
Loans collected and granted		(330)	(87)
Interest received		893	532
Dividends received		550	229
Net cash provided by (used in) investing activities		(36,949)	(47,187)

	Note	9 months ended 30 September 2015 (unaudited)	9 months ended 30 September 2014 (restated)
Cash flows – financing activities			
Proceeds from (repayments of) short-term bank loans and borrowings		859	552
Proceeds from other bank loans and borrowings		10,654	33,432
Repayments of other bank loans and borrowings		(11,710)	(7,669)
Finance lease liabilities paid		(464)	(287)
Dividends paid out to shareholders of the Parent Company		(20,757)	(16,606)
Dividends paid out to non-controlling shareholders		(87)	-
Interest paid		(1,140)	(1,191)
Net cash provided by (used in) financing activities		(22,645)	8,231
Net increase/(decrease) in cash and cash equivalents		(14,698)	(6,315)
Net foreign exchange differences		(1,904)	286
Cash and cash equivalents as at 1 January		88,117	58,293
Cash and cash equivalents as at 30 September	<u>10</u>	71,515	52,264

SUPPLEMENTARY INFORMATION AND EXPLANATORY NOTES

I. GENERAL INFORMATION

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 Company Asseco South Eastern Europe S.A. seated at 14 Olchowa St., Rzeszów, Poland, was established on 10 April 2007. The Company has been listed on the Warsaw Stock Exchange since 28 October 2009.

ASEE S.A. is the Parent Company of Asseco South Eastern Europe Group. The Parent Company shall operate within the territory of the Republic of Poland as well as abroad. The time of duration of both the Parent Company and the entities incorporated in the Group is indefinite.

Asseco South Eastern Europe Group is engaged in the sale of its own and third-party software as well as in the provision of implementation, integration and outsourcing services. The Group is a provider of IT solutions for the finance and telecommunications sectors, authentication solutions and internet payment systems, while it also sells and performs maintenance of ATMs and POS terminals, and provides integration and implementation services for IT systems and hardware. The Group conducts business operations in the markets of Poland, South Eastern Europe, and Turkey.

The Group's business profile and product portfolio have been described in detail in its annual report for the year 2014, which is available at the Issuer's website: www.asseco.com/see.

These interim condensed consolidated financial statements cover the interim period ended 30 September 2015 and contain comparable data for the interim period ended 30 September 2014 in the case of the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, as well as comparable data as at 30 June 2015, 31 December 2014 and 30 September 2014 in the case of the statement of financial position.

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

These interim consolidated financial statements have been approved for publication by the Management Board of ASEE S.A. on 21 October 2015.

II. MAJOR SHAREHOLDERS

To the best knowledge of the Management Board of ASEE S.A., as at 30 September 2015 as well as at the publication of this report, i.e. on 21 October 2015, the shareholders who either directly or through their subsidiaries held at least 5% of total voting rights at the General Meeting of Shareholders were as follows:

Name of shareholder	Number of shares held and votes at GMS	Equity interest and voting rights at GMS
Asseco Poland S.A.	26,494,676	51.06%
Aviva Pension Fund	6,571,636	12.66%
EBRD	4,810,880	9.27%
Liatris d.o.o.	3,415,843	6.58%
Other shareholders	10,601,216	20.43%
	51,894,251	100.00%

As at 30 September 2015 and on the date of publication of these financial statements, the share capital of ASEE S.A. amounted to PLN 518,942,510 and it was divided into 51,894,251 ordinary shares with a par value of PLN 10.00 each, which entitled to 51,894,251 votes at the Company's General Meeting of Shareholders.

To the best knowledge of the Management Board of ASEE S.A., the Company's shareholders structure, as presented above, has remained unchanged both in period of 3 months ended 30 September 2015 and in the period from the balance sheet date till the publication of this report, this is till 21 October 2015.

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

Supervisory Board Members	Number of shares held as at			
	21 Oct. 2015	30 Sept. 2015	5 August 2015	31 Dec. 2014
Adam Góral ¹⁾	-	-	-	-
Jacek Duch ²⁾	-	-	-	-
Jan Dauman	-	-	-	-
Andrzej Mauberg	-	-	-	-
Mihail Petreski ³⁾	-	-	-	-
Przemysław Sęczkowski	-	-	-	-
Gabriela Żukowicz	150	150	150	150

Management Board Members	Number of shares held as at			
	21 Oct. 2015	30 Sept. 2015	5 August 2015	31 Dec. 2014
Piotr Jeleński	550	550	550	550
Calin Barseti	-	-	-	-
Miljan Mališ ⁴⁾	-	-	-	-
Miodrag Mirčetić ⁵⁾	-	-	-	-
Marcin Rulnicki	-	-	-	-

¹⁾ Adam Góral, President of the Management Board of Asseco Poland S.A., serving as Chairman of the Supervisory Board of ASEE S.A., is a shareholder in Asseco Poland S.A. which in turn is a shareholder in ASEE S.A.; as at 30 September 2015, Asseco Poland S.A. held 26,494,676 shares in ASEE S.A.

²⁾ Jacek Duch, Chairman of the Supervisory Board of Asseco Poland S.A., serving as Member of the Supervisory Board of ASEE S.A., is a shareholder in Asseco Poland S.A. which in turn is a shareholder in ASEE S.A.; as at 30 September 2015, Asseco Poland S.A. held 26,494,676 shares in ASEE S.A.

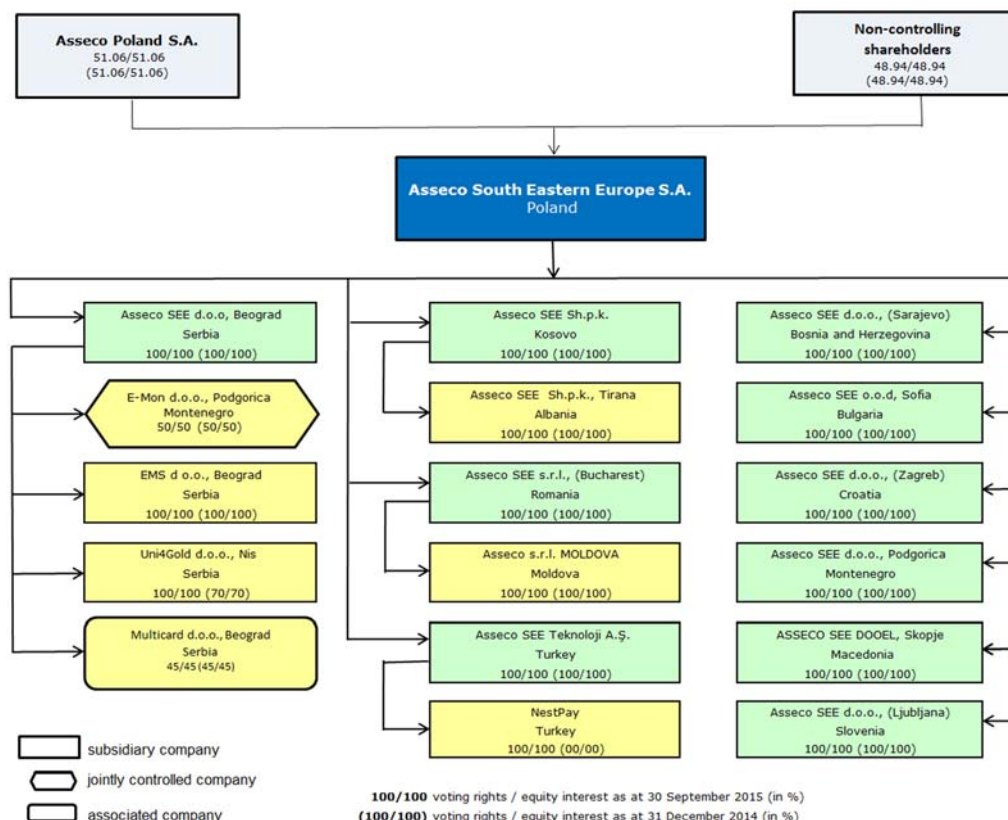
³⁾ Mihail Petreski, Member of the Supervisory Board of ASEE S.A. and a shareholder in the company Liatris d.o.o. which in turn is a shareholder in ASEE S.A.; as at 30 September 2015, Liatris d.o.o. held 3,415,843 shares in ASEE S.A.

⁴⁾ Milijan Mališ, Member of the Management Board of ASEE S.A. and a shareholder in the company Mini Invest d.o.o. which in turn is a shareholder in ASEE S.A.; as at 30 September 2015, Mini Invest d.o.o. held 500,000 shares in ASEE S.A.

⁵⁾ Miodrag Mirčetić, Member of the Management Board of ASEE S.A. and a shareholder in the company I4-INVENTION d.o.o. which in turn is a shareholder in ASEE S.A.; as at 30 September 2015, I4-INVENTION d.o.o. held 1,072,973 shares in ASEE S.A.

IV. ORGANIZATIONAL STRUCTURE OF ASSECO SOUTH EASTERN EUROPE GROUP

Organizational structure of Asseco South Eastern Europe Group



The chart above presents the structure of ASEE Group along with equity interests and voting rights at the general meetings of shareholders/partners as at 30 September 2015.

The parent of Asseco South Eastern Europe S.A. is Asseco Poland S.A. (the higher-level parent company). As at 30 September 2015, Asseco Poland S.A. held a 51.06% stake in the share capital of ASEE S.A.

Within the Group's organizational structure, E-Mon Montenegro is treated as a jointly controlled company and therefore consolidated under the equity method in line with IFRS 11.

Multicard Serbia is an associated company accounted for using the equity method.

The remaining companies incorporated within the Group are treated as subsidiaries and are subject to full consolidation.

Both as at 30 September 2015 and 31 December 2014, voting rights held by the Group in its subsidiaries were equivalent to the Group's equity interests in these entities.

V. EFFECTS OF CHANGES IN THE GROUP'S AND ISSUER'S STRUCTURE

During the period of 3 months ended 30 September 2015, the organizational structure of ASEE Group changed as follows:

- In July 2015, ASEE Serbia acquired 30% of shares in Uni4Gold from its non-controlling shareholders. As a result of this transaction, ASEE Serbia held 100% of shares in that company as at 30 September 2015.

VI. ACCOUNTING POLICIES APPLIED WHEN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

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

These interim condensed consolidated financial statements were prepared in accordance with the historical cost convention, 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 the 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 subsidiaries will continue their business activities in the foreseeable future.

Till the date of approving these financial statements, we have not observed any circumstances that would threaten 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 have been prepared in conformity with the International Accounting Standard 34 Interim Financial Reporting as endorsed by the European Union ("IAS 34").

Some of the Group companies maintain their accounting books in accordance with the accounting policies 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 IFRS.

3. Significant accounting policies

The significant accounting policies adopted by ASEE Group have been described in its consolidated financial statements for the year ended 31 December 2014, which were published on 18 February 2015 and are available at the Issuer's website: www.asseco.com/see. 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 2014.

The accounting policies adopted in the preparation of this report are consistent with those followed when preparing the annual financial statements for the year ended 31 December 2014, except for the adoption of amendments to standards and new interpretations effective for annual periods beginning on or after 1 January 2015.

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), and Bosnia and Herzegovina convertible mark (BAM).

5. Changes in estimates

In the period of 9 months ended 30 September 2015, our approach to making estimates was not subject to any substantial change.

6. Professional judgement

Preparation of consolidated financial statements in accordance with IFRS requires making estimates and assumptions which have an impact on 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. The main areas which, in the process of applying the accounting policies, were largely subject to the management's professional judgement remained unchanged as compared with their description presented in the annual financial statements for the year 2014.

The changes of estimates as at 30 September 2015 included the calculation of deferred income tax as well as the estimated value of accruals for employee benefits as disclosed in note 15. Our deferred liability resulting from the acquisition of shares in EŽR Croatia which was disclosed as at 30 June 2015, 31 December 2014 as well as at 30 September 2014, has been settled in the third quarter of 2015.

7. Seasonal nature of business

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

8. Changes in the presentation methods applied

Changes in the presentation of receivables and liabilities

As of 1 January 2015, the Group has changed the method of classification of certain receivables and liabilities, and in particular the way of recognizing receivables/liabilities as related to trade or other activities. Starting from 1 January 2015, the Group decided that all receivables resulting in the recognition of sales revenues shall be presented trade receivables. Hence, as of 1 January 2015, trade receivables include the following categories:

- receivables from issued invoices,
- receivables from uninvoiced deliveries,
- receivables from valuation of IT contracts.

Until 31 December 2014, the two last-mentioned categories used to be presented by the Group in "other receivables".

Trade receivables	31 Dec. 2014 (restated)	Change	31 Dec. 2014 (audited)
Trade receivables, of which:	90,959	-	90,959
From related parties	1,048	-	1,048
From other entities	93,577	-	93,577
Allowance for trade receivables (-)	(3,666)	-	(3,666)
Receivables from uninvoiced deliveries, of which:	5,100	5,100	-
From related parties	-	-	-
From other entities	5,100	5,100	-
	96,059	5,100	90,959

Other receivables	31 Dec. 2014 (restated)	Change	31 Dec. 2014 (audited)
Receivables from uninvoiced deliveries	-	(5,100)	5,100
Advance payments to other suppliers	1,390	-	1,390
Security deposits receivable	154	-	154
Other receivables	829	-	829
	2,373	(5,100)	7,473

Trade receivables	30 September 2014 (restated)	Change	30 September 2014 (unaudited)
Trade receivables, of which:	76,881	-	76,881
From related parties	1,422	-	1,422
From other entities	79,145	-	79,145
Allowance for trade receivables (-)	(3,686)	-	(3,686)
Receivables from uninvoiced deliveries, of which:	8,601	8,601	-
From related parties	-	-	-
From other entities	8,601	8,601	-
	85,482	8,601	76,881

Other receivables	30 September 2014 (restated)	Change	30 September 2014 (unaudited)
Receivables from uninvoiced deliveries	-	(8,601)	8,601
Advance payments to other suppliers	4,120	-	4,120
Security deposits receivable	231	-	231
Other receivables	786	-	786
	5,137	(8,601)	13,738

Changes in the presentation of receivables resulted in the necessity of introducing analogous changes in the methods of presentation of liabilities. This involved in particular the following reclassifications:

- liabilities arising from valuation of IT contracts, liabilities for uninvoiced deliveries, as well as provisions for other costs have been, as of 1 January 2015, classified as trade payables;
- provisions for losses on IT contracts as well as provision for the audit of financial statements are classified as short-term provisions.

Short-term trade payables	31 Dec. 2014 (restated)	Change	31 Dec. 2014 (audited)
Trade payables, of which:	55,619	-	55,619
To related parties	200	-	200
To other entities	55,419	-	55,419
Liabilities for uninvoiced deliveries:	7,416	7,416	-
To related parties	-	-	-
To other entities	7,416	7,416	-
	63,035	7,416	55,619

Other current liabilities	31 Dec. 2014 (restated)	Change	31 Dec. 2014 (audited)
Liabilities for uninvoiced deliveries	-	(830)	830
Liabilities to employees	5,777	-	5,777
Prepayments received	8,022	-	8,022
Liabilities for purchases of tangible assets and intangible assets	311	-	311
Other liabilities	676	-	676
	14,786	(830)	15,616

Short-term accruals	31 Dec. 2014 (restated)	Change	31 Dec. 2014 (audited)
Accrual for unused holiday leaves	1,455	-	1,455
Accrual for employee bonuses	11,606	-	11,606
Provision for other costs (uninvoiced)	-	(6,586)	6,586
Provision for the audit of financial statements	-	(335)	335
	13,061	(6,921)	19,982

Short-term provisions	30 September 2014 (restated)	Change	30 September 2014 (unaudited)
Provision for the audit of financial statements	219	219	-
Provision for post-employment benefits	-	(41)	41
Provision for warranty repairs	1,322	-	1,322
Other	131	-	131
	1,672	178	1,494

Short-term provisions	31 Dec. 2014 (restated)	Change	31 Dec. 2014 (audited)
Provision for the audit of financial statements	335	335	-
Provision for post-employment benefits	108	-	108
Provision for warranty repairs	932	-	932
Other	120	-	120
	1,495	335	1,160

Short-term trade payables	30 September 2014 (restated)	Change	30 September 2014 (unaudited)
Trade payables, of which:	30,240	-	30,240
To related parties	339	-	339
To other entities	29,901	-	29,901
Liabilities for uninvoiced deliveries:	9,601	9,601	-
To related parties	-	-	-
To other entities	9,601	9,601	-
	39,841	9,601	30,240

Other current liabilities	30 September 2014 (restated)	Change	30 September 2014 (unaudited)
Liabilities for uninvoiced deliveries	-	(2,187)	2,187
Liabilities to employees	4,009	-	4,009
Prepayments received	4,815	-	4,815
Liabilities for purchases of tangible assets and intangible assets	62	-	62
Other liabilities	1,982	-	1,982
	10,868	(2,187)	13,055

Short-term accruals	30 September 2014 (restated)	Change	30 September 2014 (unaudited)
Accrual for unused holiday leaves	1,665	-	1,665
Accrual for employee bonuses	14,628	-	14,628
Provision for other costs (uninvoiced)	-	(7,414)	7,414
Provision for post-employment benefits	41	41	-
Provision for the audit of financial statements	-	(219)	219
	16,334	(7,592)	23,926

Changes in the presentation of operating segments

For the period of 9 months ended 30 September 2014, in PLN thousands	Banking Solutions (I) (restated)	Change	Banking Solutions (I) (unaudited)
Sales revenues:	90,813	(5,525)	96,338
Sales to external customers	79,283	(5,525)	84,808
Inter/intra segment sales	11,530		11,530
Gross profit on sales	20,820	(3,536)	24,356
Selling costs (-)	(6,467)	787	(7,254)
General and administrative expenses (-)	(9,146)	943	(10,089)
Net profit on sales	5,207	(1,806)	7,013

For the period of 9 months ended 30 September 2014, in PLN thousands	Systems Integration (III) (restated)	Change	Systems Integration (III) (unaudited)
Sales revenues:	159,403	5,525	153,878
Sales to external customers	157,722	5,525	152,197
Inter/intra segment sales	1,681		1,681
Gross profit on sales	29,380	3,536	25,844
Selling costs (-)	(13,356)	(787)	(12,569)
General and administrative expenses (-)	(7,324)	(943)	(6,381)
Net profit on sales	8,700	1,806	6,894

We have changed the comparable data of operating segments for the period of 9 months ended 30 September 2014. The effects of these changes are presented in the tables above. These changes resulted from a reclassification of one of software solutions in Turkey which, by the Management's decision, has been transferred from the Banking Solutions segment to the Systems Integration segment.

9. Corrections of material errors

In the reporting period, no events occurred that would require making corrections of any misstatements.

VII. INFORMATION ON OPERATING SEGMENTS

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.

Banking Solutions

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

In addition, the integrated systems include solutions dedicated to support various bank access channels, payment systems, mandatory reporting systems, management information systems, as well as risk management and anti-fraud systems.

This segment also provides systems enabling secure authentication of bank clients or IT 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.

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. ATMs and POS terminals are also offered by the Group in the outsourcing model, which allows customers to just rent the equipment from ASEE Group and take advantage of our maintenance and infrastructure management services. This operating segment also provides IT systems for the settlement of internet credit card payments as well as for fast and direct online money transfers.

Systems Integration

This segment is engaged in the development of customized IT systems, integration of third-party software and elements of infrastructure, as well as in the sale and installation of hardware solutions. The Systems Integration segment also includes sales of a number of the Group's proprietary solutions.

The Group's business profile and product portfolio have been described in detail in its financial statements for the year 2014.

For the period of 9 months ended 30 September 2015, in PLN thousands (unaudited)	Banking Solutions (I)	Payment Solutions (II)	Total Banking Business (I-II)	Systems Integration (III)	Unallocated	Eliminations / Reconcilia- tions	Total
Sales revenues:	111,946	123,283	235,229	133,169	6,849	(27,760)	347,487
Sales to external customers	96,195	119,956	216,151	131,336	-	-	347,487
Inter/intra segment sales	15,751	3,327	19,078	1,833	6,849	(27,760)	-
Gross profit on sales	31,216	37,683	68,899	23,389	-	-	92,288
Selling costs (-)	(8,208)	(7,353)	(15,561)	(12,073)	-	-	(27,634)
General and administrative expenses (-)	(9,884)	(9,081)	(18,965)	(8,541)	-	-	(27,506)
Net profit on sales	13,124	21,249	34,373	2,775	-	-	37,148

For the period of 9 months ended 30 September 2015, in EUR thousands (unaudited)	Banking Solutions (I)	Payment Solutions (II)	Total Banking Business (I-II)	Systems Integration (III)	Unallocated	Eliminations / Reconcilia- tions	Total
Sales revenues:	26,920	29,646	56,566	32,023	1,647	(6,676)	83,560
Sales to external customers	23,132	28,846	51,978	31,582	-	-	83,560
Inter/intra segment sales	3,788	800	4,588	441	1,647	(6,676)	-
Gross profit on sales	7,506	9,062	16,568	5,624	-	-	22,192
Selling costs (-)	(1,974)	(1,768)	(3,742)	(2,903)	-	-	(6,645)
General and administrative expenses (-)	(2,377)	(2,183)	(4,560)	(2,054)	-	-	(6,614)
Net profit on sales	3,155	5,111	8,266	667	-	-	8,933

For the period of 9 months ended 30 September 2014, in PLN thousands (restated)	Banking Solutions (I)	Payment Solutions (II)	Total Banking Business (I-II)	Systems Integration (III)	Unallocated	Eliminations / Reconcilia- tions	Total
Sales revenues:	90,813	101,409	192,222	159,403	6,496	(22,664)	335,457
Sales to external customers	79,283	98,452	177,735	157,722	-	-	335,457
Inter/intra segment sales	11,530	2,957	14,487	1,681	6,496	(22,664)	-
Gross profit on sales	20,820	30,942	51,762	29,380	-	-	81,142
Selling costs (-)	(6,467)	(6,175)	(12,642)	(13,356)	-	-	(25,998)
General and administrative expenses (-)	(9,146)	(8,809)	(17,955)	(7,324)	-	-	(25,279)
Net profit on sales	5,207	15,958	21,165	8,700	-	-	29,865

For the period of 9 months ended 30 September 2014, in EUR thousands (restated)	Banking Solutions (I)	Payment Solutions (II)	Total Banking Business (I-II)	Systems Integration (III)	Unallocated	Eliminations / Reconcilia- tions	Total
Sales revenues:	21,724	24,258	45,983	38,132	1,554	(5,422)	80,247
Sales to external customers	18,966	23,551	42,517	37,730	-	-	80,247
Inter/intra segment sales	2,758	707	3,466	402	1,554	(5,422)	-
Gross profit on sales	4,980	7,402	12,382	7,028	-	-	19,410
Selling costs (-)	(1,547)	(1,477)	(3,024)	(3,195)	-	-	(6,219)
General and administrative expenses (-)	(2,188)	(2,107)	(4,295)	(1,752)	-	-	(6,047)
Net profit on sales	1,245	3,818	5,063	2,081	-	-	7,144

VIII. INFORMATION ON GEOGRAPHICAL STRUCTURE OF FINANCIAL RESULTS

For the period of 9 months ended 30 September 2015, in PLN thousands	Albania	Bosnia	Bulgaria	Croatia	Montenegro	Kosovo	Macedonia	Poland	Romania	Serbia	Slovenia	Turkey	Total
Sales revenues	1,719	11,231	3,873	57,160	6,280	10,878	37,065	6,018	66,411	97,906	9,491	39,455	347,487
Cost of sales (-)	(1,246)	(7,574)	(3,591)	(44,681)	(3,959)	(8,421)	(24,508)	(3,080)	(54,973)	(71,579)	(6,881)	(24,706)	(255,199)
Gross profit on sales	473	3,657	282	12,479	2,321	2,457	12,557	2,938	11,438	26,327	2,610	14,749	92,288
Selling costs (-)	(89)	(661)	(226)	(4,776)	(647)	(461)	(2,458)	(1,081)	(5,545)	(8,426)	(123)	(3,141)	(27,634)
General and administrative expenses (-)	(137)	(1,038)	(537)	(5,051)	(459)	(704)	(2,163)	(501)	(4,132)	(5,858)	(737)	(6,189)	(27,506)
Net profit/(loss) on sales	247	1,958	(481)	2,652	1,215	1,292	7,936	1,356	1,761	12,043	1,750	5,419	37,148
Other operating income	-	32	127	73	4	48	210	919	122	3	-	-	2,075
Other operating expenses	-	-	(21)	(49)	(8)	(8)	(79)	(324)	(15)	(293)	-	(56)	(853)
Share of profits of associates	-	-	-	-	426	-	-	-	-	(105)	-	-	321
Operating profit/(loss)	247	1,990	(375)	2,676	1,637	1,332	8,067	1,951	1,868	11,648	1,750	5,900	38,691

For the period of 9 months ended 30 September 2014, in PLN thousands	Albania	Bosnia	Bulgaria	Croatia	Montenegro	Kosovo	Macedonia	Poland	Romania	Serbia	Slovenia	Turkey	Total
Sales revenues	1,114	8,898	2,682	49,729	7,039	13,020	41,244	4,859	72,778	88,844	8,039	37,211	335,457
Cost of sales (-)	(604)	(5,981)	(2,451)	(39,226)	(5,131)	(11,233)	(31,597)	(3,861)	(61,737)	(64,629)	(6,453)	(21,412)	(254,315)
Gross profit on sales	510	2,917	231	10,503	1,908	1,787	9,647	998	11,041	24,215	1,586	15,799	81,142
Selling costs (-)	(113)	(1,212)	(368)	(3,477)	(242)	(538)	(2,255)	(1,245)	(4,841)	(7,764)	(185)	(3,758)	(25,998)
General and administrative expenses (-)	(257)	(1,192)	(638)	(4,363)	(500)	(863)	(1,987)	(8)	(3,799)	(6,136)	(617)	(4,919)	(25,279)
Net profit/(loss) on sales	140	513	(775)	2,663	1,166	386	5,405	(255)	2,401	10,315	784	7,122	29,865
Other operating income	2	77	30	161	45	58	641	44	73	155	-	43	1,329
Other operating expenses	-	(33)	(4)	(210)	-	(37)	(427)	(27)	(39)	(291)	-	(16)	(1,084)
Share of profits of associates	-	-	-	-	356	-	-	-	-	-	-	-	356
Operating profit/(loss)	142	557	(749)	2,614	1,567	407	5,619	(238)	2,435	10,179	784	7,149	30,466

For the period of 9 months ended 30 September 2015, in EUR thousands	Albania	Bosnia	Bulgaria	Croatia	Montenegro	Kosovo	Macedonia	Poland	Romania	Serbia	Slovenia	Turkey	Total
Sales revenues	413	2,701	931	13,745	1,510	2,616	8,913	1,447	15,970	23,544	2,282	9,488	83,560
Cost of sales (-)	(300)	(1,821)	(864)	(10,744)	(952)	(2,025)	(5,893)	(741)	(13,219)	(17,213)	(1,655)	(5,941)	(61,368)
Gross profit on sales	113	880	67	3,001	558	591	3,020	706	2,751	6,331	627	3,547	22,192
Selling costs (-)	(21)	(159)	(54)	(1,148)	(156)	(111)	(591)	(260)	(1,333)	(2,026)	(30)	(756)	(6,645)
General and administrative expenses (-)	(33)	(250)	(129)	(1,215)	(110)	(169)	(520)	(120)	(994)	(1,409)	(177)	(1,488)	(6,614)
Net profit/(loss) on sales	59	471	(116)	638	292	311	1,909	326	424	2,896	420	1,303	8,933
Other operating income	-	8	31	18	1	12	50	221	29	1	-	128	499
Other operating expenses	-	-	(5)	(12)	(2)	(2)	(19)	(78)	(4)	(70)	-	(13)	(205)
Share of profits of associates	-	-	-	-	102	-	-	-	-	(25)	-	-	77
Operating profit/(loss)	59	479	(90)	644	393	321	1,940	469	449	2,802	420	1,418	9,304

For the period of 9 months ended 30 September 2014, in EUR thousands	Albania	Bosnia	Bulgaria	Croatia	Montenegro	Kosovo	Macedonia	Poland	Romania	Serbia	Slovenia	Turkey	Total
Sales revenues	266	2,129	642	11,896	1,684	3,115	9,866	1,162	17,410	21,253	1,923	8,901	80,247
Cost of sales (-)	(144)	(1,431)	(586)	(9,383)	(1,227)	(2,687)	(7,558)	(924)	(14,768)	(15,461)	(1,544)	(5,124)	(60,837)
Gross profit on sales	122	698	56	2,513	457	428	2,308	238	2,642	5,792	379	3,777	19,410
Selling costs (-)	(27)	(290)	(88)	(832)	(58)	(129)	(539)	(298)	(1,158)	(1,857)	(44)	(899)	(6,219)
General and administrative expenses (-)	(61)	(285)	(153)	(1,044)	(120)	(206)	(475)	(2)	(909)	(1,468)	(148)	(1,176)	(6,047)
Net profit/(loss) on sales	34	123	(185)	637	279	93	1,294	(62)	575	2,467	187	1,702	7,144
Other operating income	-	18	7	39	11	14	153	11	17	38	-	10	318
Other operating expenses	-	(8)	(1)	(50)	-	(9)	(102)	(6)	(9)	(70)	-	(4)	(259)
Share of profits of associates	-	-	-	-	85	-	-	-	-	-	-	-	85
Operating profit/(loss)	34	133	(179)	626	375	98	1,345	(57)	583	2,435	187	1,708	7,288

IX. SUMMARY AND ANALYSIS OF THE FINANCIAL RESULTS OF ASEE GROUP

PLN'000	3 months ended 30 Sept. 2015 (unaudited)	3 months ended 30 Sept. 2014 (unaudited)	Change %	9 months ended 30 Sept. 2015 (unaudited)	9 months ended 30 Sept. 2014 (unaudited)	Change %
Sales revenues	127,087	115,159	10%	347,487	335,457	4%
Gross profit on sales	34,217	29,167	17%	92,288	81,142	14%
Net profit on sales	14,405	11,537	25%	37,148	29,865	24%
Operating profit	14,667	11,913	23%	38,691	30,466	27%
EBITDA	22,466	18,126	24%	60,652	46,963	29%
Net profit for the reporting period	12,659	9,213	37%	32,414	25,321	28%
Net profit attributable to Shareholders of the Parent Company	12,714	9,238	38%	32,492	25,363	28%

EUR'000	3 months ended 30 Sept. 2015 (unaudited)	3 months ended 30 Sept. 2014 (unaudited)	Change %	9 months ended 30 Sept. 2015 (unaudited)	9 months ended 30 Sept. 2014 (unaudited)	Change %
Sales revenues	30,248	27,524	10%	83,560	80,247	4%
Gross profit on sales	8,145	6,970	17%	22,192	19,410	14%
Net profit on sales	3,431	2,757	24%	8,933	7,144	25%
Operating profit	3,493	2,848	23%	9,304	7,288	28%
EBITDA	5,348	4,333	23%	14,585	11,234	30%
Net profit for the reporting period	3,016	2,202	37%	7,795	6,057	29%
Net profit attributable to Shareholders of the Parent Company	3,029	2,208	37%	7,813	6,067	29%

Financial results achieved by ASEE Group in the third quarter of 2015 were stronger than in the comparable period last year. This has been the sixth consecutive quarter when the Company managed to improve its financial performance in relation to comparable data. Our results for the third quarter of 2015 show a continuation of trends already observed in the first six months of the year – increasing sales and improving margins of profit in the segments of Banking Solutions and Payment Solutions. Financial performance of the Systems Integration segment is weaker than in 2014; however, the third quarter brought an improvement in the financial results of this business in relation to the first six months of 2015. The most important events that have affected the reported financial results are presented in more detail below.

Sales revenues

In the third quarter of 2015, sales revenues presented both in PLN and EUR increased by 10% in relation to sales generated in the comparable period of 2014. ASEE Group's sales for the three quarters of 2015 were 4% higher than in the first nine months of 2014. Although consolidated revenues of ASEE Group showed some improvement in 2015, their structure remained fairly unchanged. The growing revenues from own products and services in the segments of Banking Solutions and Payment Solutions were accompanied by a decline in the sales of infrastructure and third-party solutions which are presented within the Systems Integration segment. It is worth noting that sales generated by the Systems Integration segment for the third quarter of 2015 declined less dynamically than in the prior quarterly periods.

Sales revenues by segments

PLN'000	3 months ended 30 Sept. 2015 (unaudited)	3 months ended 30 Sept. 2014 (restated)	Change %	9 months ended 30 Sept. 2015 (unaudited)	9 months ended 30 Sept. 2014 (restated)	Change %
Banking Solutions	35,382	28,834	22.7%	96,195	79,283	21.3%
Payment Solutions	42,556	32,599	30.5%	119,956	98,452	21.8%
Systems Integration	49,149	53,726	-8.5%	131,336	157,722	-16.7%
	127,087	115,159	10.4%	347,487	335,457	3.6%

EUR'000	3 months ended 30 Sept. 2015 (unaudited)	3 months ended 30 Sept. 2014 (restated)	Change %	9 months ended 30 Sept. 2015 (unaudited)	9 months ended 30 Sept. 2014 (restated)	Change %
Banking Solutions	8,422	6,892	22.2%	23,132	18,966	22.0%
Payment Solutions	10,124	7,791	29.9%	28,846	23,551	22.5%
Systems Integration	11,702	12,841	-8.9%	31,582	37,730	-16.3%
	30,248	27,524	9.9%	83,560	80,247	4.1%

In the first three quarters of 2015, consolidated sales of ASEE Group improved by EUR 3.3 million. Revenues of the Banking Solutions segment increased by EUR 4.2 million or 22% in this period. A significant portion of this growth (EUR 1.6 million) was generated in Serbia, where we continue to execute large banking projects for local clients and are engaged in several international implementations. Hence, the segment recorded higher sales also in the countries such as Bosnia and Herzegovina as well as Kosovo, which do not offer their own banking solutions and have to rely on banking systems provided by other foreign operations of ASEE. Revenues of our Banking Solutions segment increased also in Croatia by almost EUR 1 million, on the back of stronger demand for our mobile solutions. Whereas, the segment's revenues in Turkey improved by EUR 330 thousand owing to new contracts for the implementation of anti-money laundering solutions, including InAct.

Sales revenues of the Payment Solutions segment in the first nine months of 2015 reached EUR 29 million, increasing by EUR 5.3 million or 23% in relation to the comparable period last year. Higher revenues were generated both in the area of online payments processing as well as in physical payments. In the first three quarters of 2015, revenues from handling of physical payments increased the most in Serbia (by EUR 1.3 million), Croatia (by EUR 1 million), and in Macedonia (by EUR 1 million). However, most of this revenue growth in Macedonia and a significant portion thereof in Serbia and Croatia resulted from larger deliveries of infrastructure in the traditional model of maintenance of ATMs and POS terminals.

The Systems Integration segment closed the first three quarters of 2015 with sales at the level of EUR 31.6 million, reflecting a decrease of EUR 6.1 million or 16% in comparison with the previous year. The segment's revenues declined primarily in the supply of infrastructure and provision of integration services. The results of this business line deteriorated particularly in Macedonia, where sales for the first nine months of 2015 dropped by more than EUR 2 million from the last year's level, as well as in Romania (a decline by almost EUR 1.5 million). Such lower revenues were a consequence of the lack of significant contracts that would be

comparable to those executed by ASEE Group in 2014.

Gross profit on sales

In the first three quarters of 2015, sales revenues of ASEE Group increased by EUR 3.3 million in relation to the comparable period last year. At the same time, our cost of sales increased by almost EUR 500 thousand, which resulted in an increase of gross profit on sales by nearly EUR 2.8 million or 14% as compared with the first nine months of 2014.

Whereas, our production costs aggregated at EUR 31 million in the first three quarters and were higher by almost EUR 1 million than in the comparable period last year. A substantial portion of the increase in production costs resulted from additional depreciation charges on equipment provided to our clients under the outsourcing of payment solutions. In the same period, the cost of goods, materials and third-party services sold (COGS) dropped by EUR 500 thousand. Changes in the cost of sales reflect a greater share of our own services and solutions in the Group's revenue structure. In the first three quarters of 2015, sales of our own services and solutions reached EUR 51 million (or 61% of total revenues) as compared with EUR 46 million (or 57% of total revenues) generated a year ago. Projects that involve own services and solutions, as a general rule, generate higher margins of profit than the resale of third-party goods and services, and therefore the said change in our revenue structure contributed to an increase in the gross profit margin. This margin reached 26.6% in the first nine months of 2015 and was up from the level of 24.2% reported for the corresponding period of 2014.

Net profit on sales

Consolidated net profit on sales for the first three quarters of 2015 improved by EUR 1.8 million, as a cumulative effect of the increase in gross profit on sales by EUR 2.8 million, increase in selling expenses by EUR 420 thousand, and the increase in general and administrative expenses by EUR 570 thousand. Our selling expenses as well as general and administrative expenses increased basically due to the higher amount of variable remunerations resulting from the Group's

improving financial performance. Moreover, general and administrative expenses increased in comparison with 2014 as we incurred additional costs for infrastructure and office space in Turkey. Consolidated net profit on sales of ASEE Group for the first three quarters of 2015 improved owing to considerably stronger results achieved by our

segments of Banking Solutions and Payment Solutions. These positive achievements were partially offset by a weaker performance from the Systems Integration segment. The reasons behind such changes have been described in more detail in the above section on sales revenues as well as in the below section discussing our operating profit.

Net profit on sales by segments

PLN'000	3 months ended 30 Sept. 2015 (unaudited)	3 months ended 30 Sept. 2014 (restated)	Change %	9 months ended 30 Sept. 2015 (unaudited)	9 months ended 30 Sept. 2014 (restated)	Change %
Banking Solutions	4,465	2,828	57.9%	13,124	5,207	152.0%
Payment Solutions	8,009	5,779	38.6%	21,249	15,958	33.2%
Systems Integration	1,931	2,930	-34.1%	2,775	8,700	-68.1%
Net profit on sales	14,405	11,537	24.9%	37,148	29,865	24.4%

EUR'000	3 months ended 30 Sept. 2015 (unaudited)	3 months ended 30 Sept. 2014 (restated)	Change %	9 months ended 30 Sept. 2015 (unaudited)	9 months ended 30 Sept. 2014 (restated)	Change %
Banking Solutions	1,060	675	57.0%	3,155	1,245	153.3%
Payment Solutions	1,908	1,382	38.1%	5,111	3,818	33.9%
Systems Integration	463	700	-33.9%	667	2,081	-67.9%
Net profit on sales	3,431	2,757	24.4%	8,933	7,144	25.0%

Operating profit and EBITDA

Operating profit of ASEE Group for the first three quarters of 2015 reached EUR 9.3 million, increasing by EUR 2.0 million or almost 28% in comparison with the first nine months of 2014.

Our consolidated operating profit grew primarily due to a stronger performance of the Banking Solutions segment. In the first three quarters of 2015, the segment's EBIT amounted to nearly EUR 3.2 million, reflecting an increase by nearly EUR 1.9 million if compared with the first nine months of the previous year. Such growth was achieved mainly on the back of robust results in Serbia (where EBIT increased by EUR 870 thousand) as well as in Macedonia (an increase by EUR 350 thousand). Both the teams are currently engaged in the implementation of banking projects both in their local markets and in other countries of the Group's operations. Higher sales of anti-money laundering solutions helped improve the segment's operating results in Turkey, where EBIT increased by EUR 260 thousand.

Operating profit earned by the Payment Solutions segment in the first nine months of 2015 reached EUR 5.1 million, increasing by EUR 1.3 million or 34% above the year-ago level. A significant portion of that increase (EUR 1.2 million) was generated from handling of physical payments. Stronger results of this segment were achieved, among others, in Slovenia (an increase in EBIT by EUR 250 thousand) where we observe a dynamic growth in the outsourcing of our payment solutions. The segment managed to improve its operating results also in Serbia by EUR 190 thousand, in Macedonia also by EUR 190 thousand,

in Bosnia and Herzegovina by EUR 160 thousand, as well as in Croatia by EUR 120 thousand; however, operating profits in these countries were largely generated from the traditional supply and maintenance of payment devices.

The Systems Integration segment earned EUR 0.7 million in operating profit for the first three quarters of 2015, this is EUR 1.4 million less than in the comparable period last year. The largest deterioration of operating results was seen in Turkey (a decline by EUR 770 thousand), which generated lower levels of sales and EBIT basically across all the product lines included in the Systems Integration segment. Operating performance deteriorated also in Serbia (a decrease by EUR 690 thousand) and in Romania (a decrease by EUR 350 thousand). In both of these countries the segment was engaged in large integration projects in 2014, which so far has not been the case in 2015. As we expected, operating results of the Systems Integration segment in the third quarter were slightly better than in the first six months of 2015. The Management believes that the segment's results will continue to improve in the fourth quarter, which is traditionally the best earning period for the Systems Integration segment.

It should be noted that the Group's operating profit for the first quarter of 2015 was favourably influenced by the received reimbursement of the excessive amount of civil law transactions tax paid by the holding company in the years 2008–2010. The net amount of reimbursed tax (after deducting the costs of legal proceedings) equalled EUR 144 thousand and was recognized in operating income. Furthermore, ASEE Group recognized a financial

income of EUR 121 thousand representing the amount of interest accrued on the awarded reimbursement.

Consolidated EBITDA for the first three quarters of 2015 reached EUR 14.6 million, improving by EUR 3.3 million or 30% in relation to the comparable period last year. The most significant growth of EBITDA (by more than EUR 2.5 million or 43%) was recorded in the Payment Solutions segment, where it increased faster than operating profit as a result of higher depreciation charges on equipment provided to our clients in the outsourcing model. EBITDA in the Banking Solutions segment increased by EUR 2 million, whereas in the Systems Integration segment it declined by more than EUR 1.4 million. An additional increase in EBITDA amounting to EUR 240 thousand was related to the operations which are not allocated to any of our operating segments.

Net profit

Consolidated net profit of ASEE Group for the first nine months of 2015 reached EUR 7.8 million, improving by over EUR 1.7 million or 29% in comparison to the corresponding period last year.

The Group's net result on financial operations equalled EUR -61 thousand, as compared with EUR -23 thousand in the comparable period last year. In

this year, ASEE Group recorded a worse result on foreign exchange differences, which was partially offset by higher interest income earned basically on bank cash deposits. Yet it should be noted that in 2015, we recognized a one-off financial income of EUR 121 thousand which was related to the reimbursement of excessive tax paid on civil law transactions. If this amount was deducted, the Group's net result on financial operations would equal EUR -182 thousand for the first three quarters of 2015 and it would decrease by EUR 158 thousand in relation to the comparable period last year.

In the first three quarters of 2015, our income tax expense amounted to more than EUR 1.4 million (effective tax rate of approx. 15.8%) as compared with EUR 1.2 million incurred in the previous year (effective tax rate of 16.6%). Income tax expense resulted from our current business operations conducted in individual countries as well as from income taxes on dividends received by the holding company from its subsidiaries. During the third quarter of 2015, the holding company did not receive any dividends from its operating companies; hence our income tax expense was lower than in the comparable period last year when such dividend payments were received.

Analysis of financial ratios

	3 months ended 30 Sept. 2015 (unaudited)	3 months ended 30 Sept. 2014 (unaudited)	9 months ended 30 Sept. 2015 (unaudited)	9 months ended 30 Sept. 2014 (unaudited)
Gross profit margin	26.9%	25.3%	26.6%	24.2%
EBITDA margin	17.7%	15.7%	17.5%	14.0%
Operating profit margin	11.5%	10.3%	11.1%	9.1%
Net profit margin	10.0%	8.0%	9.4%	7.6%
Return on equity (ROE)			6.9%	5.7%
Return on assets (ROA)			5.7%	4.9%

The above ratios have been computed using the following formulas:

Gross profit margin = gross profit on sales / sales
EBITDA margin = (operating profit + depreciation and amortization) / sales
Operating profit margin = operating profit / sales
Net profit margin = net profit for the reporting period attributable to Shareholders of the Parent Company / sales

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

In the first three quarters of 2015, gross profit margin reached 26.6%, increasing by 2.4 percentage points in comparison to the corresponding period last year. As described above, our profitability at this level improved primarily as a result of higher share of own services and solutions in the revenue structure of ASEE Group.

At the same time, EBITDA margin grew by over 3.5 percentage points, from the level of 14% in the first three quarters of 2014 to 17.5% in this year. EBITDA margin increased more dynamically than our operating profit margin chiefly due to higher depreciation charges recognized on POS terminals and ATMs that are provided to clients of our Payment Solutions segment under the outsourcing of payment processes.

Operating profit margin in the first nine months of 2015 equalled 11.1%, improving by 2 percentage points. Changes in the levels of our operating profit and margin have been explained in detail above.

Net profit margin increased by 1.8 percentage points and reached 9.4% in the first three quarters of 2015.

Stronger financial performance of ASEE over the last four quarters resulted in an increase in the rates of return on equity and assets. Return on equity (ROE) for the trailing 12 months ended 30 September 2015 equalled 6.9% growing by 1.2 percentage points; whereas, return on assets (ROA) reached the level of 5.7% improving by 0.8 percentage points.

	30 Sept. 2015	30 June 2015	31 Dec. 2014	30 Sept. 2014
	(unaudited)	(unaudited)	(restated)	(restated)
Working capital (in PLN thousands)	98,921	83,412	92,766	92,237
Current liquidity ratio	1.85	1.59	1.65	1.91
Quick liquidity ratio	1.57	1.36	1.45	1.62
Absolute liquidity ratio	0.71	0.61	0.64	0.54

The above ratios have been computed using the following formulas:

Working capital = current assets - current liabilities

Current liquidity ratio = current assets / current liabilities

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

Absolute liquidity ratio = (short-term financial assets + cash and short-term bank deposits) / current liabilities

Our working capital increased by more than PLN 6 million in comparison with the end of December 2014. In the first three quarters of 2015, current assets decreased by over PLN 20 million, mainly due to lower balances of receivables and cash and cash equivalents. In the same period, current liabilities decreased by over PLN 26 million. The balance of liabilities changed in the first three quarters of 2015 primarily as a result of the repayment of our trade payables (PLN 19 million) as well as state budget liabilities (PLN 7 million).

Our liquidity ratios as at the end of September 2015 were higher than as at 31 December 2014 and they remain at safe levels.

Analysis of debt

	30 Sept. 2015	31 Dec. 2014
	(unaudited)	(unaudited)
Total debt ratio	17.6%	19.9%
Debt / equity ratio	6.2%	6.3%
Debt / (debt + equity) ratio	5.8%	6.0%

The above ratios have been computed using the following formulas:

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

Debt / equity ratio = interest-bearing bank loans / equity

Debt / (debt + equity) ratio = interest-bearing bank loans / (interest-bearing bank loans + equity)

The total debt ratio decreased from 19.9% reported as at the end of 2014 to the level of 17.6% as at 30 September 2015. This change resulted from a decrease in our trade payables as well as state budget liabilities. Over the last nine months, we managed to reduce the outstanding balance of bank loans by PLN 1.1 million – investment projects carried out in 2015 were financed with new bank loans, while liabilities incurred to finance the purchases of POS terminals in the years 2013-2014 were paid back on a regular basis. The partial repayment of our bank loans along with the increasing amount of equity have both resulted in a slight decrease in the ratio of debt to equity, as well as in the ratio of debt to total equity and liabilities.

Structure of the statement of cash flows

	9 months ended 30 Sept. 2015	9 months ended 30 Sept. 2014
	(unaudited)	(unaudited)
Net cash provided by (used in) operating activities	44,896	32,641
Net cash provided by (used in) investing activities	(36,949)	(47,187)
Net cash provided by (used in) financing activities	(22,645)	8,231
Net change in cash and cash equivalents	(14,698)	(6,315)

Our operating activities provided PLN 44 million of net cash flows in the first three quarters of 2015, which is PLN 12 million more than in the comparable period last year. Such an increase in operating inflows was a consequence of our stronger EBITDA that was accompanied by just slightly higher expenditures for current assets than in 2014. Large fluctuations in the Group's working capital, on a quarter-to-quarter basis, resulted from the values and phases of ongoing projects, and above all from the schedule of settlements with suppliers and customers of ASEE.

Net cash outflows in our investing activities amounted to PLN 36.9 million in the first nine months of 2015, decreasing by more than PLN 10 million from those reported for the comparable period last year. Such lower capital expenditures were a consequence of a smaller number and scale of new projects as well as a smaller number of equipment replacements under ongoing projects carried out in the Payment Solutions segment. In the first three quarters of 2014, ASEE Group invested more than PLN 37 million in equipment used for the outsourcing of payment transaction processes, which included mainly new POS terminals provided to our banking clients in Croatia and Serbia. In the same period of 2015, the Company spent approximately PLN 21 million for purchases of new POS terminals and ATMs.

Net cash used in our financing activities amounted to PLN 22.6 million in the first three quarters of 2015. These outflows resulted mainly from the amount of dividends paid out to the shareholders of ASEE in July 2015 (PLN 20.8 million) as well as interest expenses (PLN 1.1 million). In the comparable period last year, net cash inflows from financing activities amounted to PLN 8.2 million, hence they were by PLN 30.9 million higher than in the current year. Such a considerable difference resulted chiefly from the excess of proceeds over repayments of bank loans in 2014 (PLN 26.3

million), when ASEE Group made a number of significant investments in infrastructure to be provided under outsourcing projects carried out in the Payment Solutions segment. In 2015, our bank loan proceeds and repayments have been basically balanced out. New bank loans have been utilized for our capital expenditures for POS terminals and ATMs mainly in Croatia and Slovenia, whereas the repayments were related primarily to bank loans taken by our companies operating in Serbia and Croatia to finance their purchases of POS terminals in the years 2013-2014.

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

The factors that will affect the Group's financial performance at least till the end of the next quarter have been indicated and explained as part of the summary and analysis of the financial results of ASEE Group in section IX of this report.

The factors that may affect the Group's financial performance in 2015 have been also described in the Management report on the Group's operations for the year 2014.

In addition to the above-mentioned descriptions, in the next quarter our financial results will be influenced by common factors with impact on the Group's operations (the existing order backlog, efficient implementation of ongoing projects, potential new contracts, etc.). The Group continues to invest in the development of new products.

XI. EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Breakdown of sales revenues

During the period of 9 months ended 30 September 2015 and in the comparable period

last year, operating revenues were as follows:

Sales revenues by type of products	3 months ended 30 Sept. 2015 (unaudited)	9 months ended 30 Sept. 2015 (unaudited)	3 months ended 30 Sept. 2014 (restated)	9 months ended 30 Sept. 2014 (restated)
Proprietary software and services	75,116	211,661	67,122	192,671
Third-party software and services	18,239	48,101	15,743	51,345
Hardware and infrastructure	33,732	87,725	32,294	91,441
	127,087	347,487	115,159	335,457

2. Breakdown of operating costs

	3 months ended 30 Sept. 2015 (unaudited)	9 months ended 30 Sept. 2015 (unaudited)	3 months ended 30 Sept. 2014 (restated)	9 months ended 30 Sept. 2014 (restated)
Employee benefits (-)	(41,336)	(119,249)	(39,387)	(114,753)
Third-party non-project services and outsourcing of employees (-)	(1,382)	(10,224)	(5,336)	(15,055)
Depreciation and amortization (-)	(7,799)	(21,961)	(6,213)	(16,497)
Maintenance costs of property and business cars (-)	(9,152)	(23,337)	(7,641)	(22,494)
Business trips (-)	(885)	(3,179)	(916)	(3,377)
Advertising (-)	(689)	(2,502)	(659)	(2,991)
Other operating expenses (-)	(2,242)	(3,955)	(1,349)	(1,791)
	(63,485)	(184,407)	(61,501)	(176,958)
Cost of sales, of which:	(92,870)	(255,199)	(85,992)	(254,315)
Cost of goods and third-party services sold (-)	(49,197)	(125,932)	(42,121)	(128,634)
Production costs (-)	(43,673)	(129,267)	(43,871)	(125,681)
Selling costs (-)	(10,025)	(27,634)	(8,547)	(25,998)
General and administrative expenses (-)	(9,787)	(27,506)	(9,083)	(25,279)

3. Financial income and expenses

Financial income	3 months ended 30 Sept. 2015 (unaudited)	9 months ended 30 Sept. 2015 (unaudited)	3 months ended 30 Sept. 2014 (restated)	9 months ended 30 Sept. 2014 (restated)
Interest income on loans granted and bank deposits	277	1,153	255	806
Interest related to reimbursement of tax paid on civil law transactions	-	502	-	-
Revaluation of conditional payment for shares in EŽR	132	132	-	-
Positive foreign exchange differences	388	1,065	592	980
Gain on valuation of derivative instruments	12	111	30	101
Other financial income	12	21	-	5
Total financial income	821	2,984	877	1,892

Financial expenses	3 months ended 30 Sept. 2015 (unaudited)	9 months ended 30 Sept. 2015 (unaudited)	3 months ended 30 Sept. 2014 (restated)	9 months ended 30 Sept. 2014 (restated)
Interest expense (-)	(269)	(1,047)	(568)	(1,163)
Bank fees and commissions (-)	(56)	(131)	(39)	(115)
Negative foreign exchange differences (-)	(570)	(1,581)	(358)	(542)
Interest expenses under finance leases (-)	(26)	(61)	(12)	(37)
Loss on valuation of derivative instruments (-)	(209)	(403)	-	(117)
Other financial expenses (-)	(11)	(13)	(15)	(16)
Total financial expenses	(1,141)	(3,236)	(992)	(1,990)

4. Earnings per share

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

Both during the reporting period and the comparable period, there were no elements that would cause a dilution of basic earnings per share.

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

	3 months ended 30 Sept. 2015 (unaudited)	9 months ended 30 Sept. 2015 (unaudited)	3 months ended 30 Sept. 2014 (unaudited)	9 months ended 30 Sept. 2014 (unaudited)
Consolidated net profit for the reporting period attributable to Shareholders of ASEE S.A.	12,714	32,492	9,238	25,363
Weighted average number of ordinary shares outstanding, used for calculation of basic earnings per share	51,894,251	51,894,251	51,894,251	51,894,251
Consolidated earnings per share for the reporting period attributable to Shareholders of ASEE S.A. (in PLN):				
Basic consolidated earnings per share from continuing operations for the reporting period	0.24	0.63	0.18	0.49
Diluted consolidated earnings per share from continuing operations for the reporting period	0.24	0.63	0.18	0.49

5. Information on dividends paid out or declared

The Ordinary General Meeting of Shareholders of ASEE S.A. seated in Rzeszów, by its resolution passed on 31 March 2015, decided that the net profit for the financial year 2014 amounting to PLN 1,500,897.86, as well as retained earnings for the financial year 2012 amounting to PLN 3,102,417.79 and retained earnings for the financial year 2013 amounting to PLN 17,655,282.61 shall be distributed as follows:

a) the amount of PLN 1,500,897.86 from the net profit for the financial year 2014 shall be allocated to the reserve capital pursuant to art. 396 § 1 of the Commercial Companies Code;

b) the amount of PLN 20,757,700.40 (of which: PLN 3,102,417.79 from the net profit for 2012, and PLN 17,655,282.61 from the net profit for 2013) shall be distributed among all the Company's shareholders through payment of a dividend amounting to PLN 0.40 per share.

The remaining portion of the net profit for 2013 amounting to PLN 2,825,183.42 as well as the remaining portion of the net profit for 2014 amounting to PLN 17,260,325.40 have been retained as undistributed prior years' earnings. The Company's Ordinary General Meeting of Shareholders established 30 June 2015 as the dividend record date. The dividend was paid out on 15 July 2015. The number of shares eligible for dividend was 51,894,251.

6. Property, plant and equipment, and intangible assets

	Tangible assets	Intangible assets
Net book value as at 1 January 2015	69,846	38,114
Purchases (+)	24,431	1,812
Capitalization of project development costs (+)	-	3,833
Transfers from inventories (+)	1,367	-
Finance lease liabilities (+)	1,233	-
Depreciation/amortization charge (-)	(15,891)	(6,129)
Disposal and liquidation (-)	(831)	(1,397)
Exchange differences on translation of foreign operations (+/-)	(534)	(4,085)
Net book value as at 30 September 2015	79,621	32,148

	Tangible assets	Intangible assets
Net book value as at 1 January 2014	33,897	32,772
Purchases (+)	38,948	2,550
Capitalization of project development costs (+)	-	6,279
Transfers from inventories (+)	2,518	-
Finance lease liabilities (+)	598	-
Other increases/decreases (+/-)	(42)	46
Depreciation/amortization charge (-)	(11,593)	(4,952)
Disposal and liquidation (-)	(638)	(3)
Exchange differences on translation of foreign operations (+/-)	(45)	209
Net book value as at 30 September 2014	63,643	36,901

In the period of 9 months ended 30 September 2015, capitalized costs of development projects amounted to PLN 3,833 thousand as compared with PLN 6,279 thousand in the comparable period of 2014. The capitalization of project development costs is related to the continuation of projects carried out as at 31 December 2014. A detailed description of these projects is provided in the Group's annual report for the year 2014.

Liabilities resulting from purchases of property, plant and equipment and intangible assets amounted to PLN 139 thousand as at 30 September 2015, as compared with PLN 236 thousand as at 30 June 2015, PLN 311 thousand as at 31 December 2014, and PLN 62 thousand as at 30 September 2014.

7. Goodwill arising from consolidation

During the reporting period and comparable period, goodwill arising from consolidation changed as follows:

	9 months ended 30 Sept. 2015 (unaudited)	6 months ended 30 June 2015 (unaudited)	12 months ended 31 Dec. 2014 (restated)	9 months ended 30 Sept. 2014 (restated)
Goodwill from consolidation at the beginning of the period	498,113	498,113	491,656	491,656
Exchange differences on translation of goodwill in foreign subsidiaries (+/-)	(8,461)	(10,335)	6,457	1,031
Total book value at the end of period	489,652	487,778	498,113	492,687

8. Short-term receivables

	30 Sept. 2015 (unaudited)	30 June 2015 (unaudited)	31 Dec. 2014 (restated)	30 Sept. 2014 (restated)
Trade receivables	63,423	75,913	90,959	76,881
Trade receivables, of which:				
From related parties	432	405	1,048	1,422
From other entities	66,624	79,776	93,577	79,145
Allowance for doubtful receivables (-)	(3,633)	(4,268)	(3,666)	(3,686)
Receivables from uninvoiced deliveries, of which:	8,708	6,432	5,100	8,601
From related parties	-	-	-	-
From other entities	8,708	6,432	5,100	8,601
	72,131	82,345	96,059	85,482

Other receivables	30 Sept. 2015 (unaudited)	30 June 2015 (unaudited)	31 Dec. 2014 (restated)	30 Sept. 2014 (restated)
Advance payments to other suppliers	3,136	2,624	1,390	4,120
Security deposits receivable	195	159	154	231
Other receivables	346	17	829	786
	3,677	2,800	2,373	5,137

9. Financial assets

	30 Sept. 2015 (unaudited)	30 June 2015 (unaudited)	31 Dec. 2014 (restated)	30 Sept. 2014 (restated)
Financial assets available for sale:	128	129	126	128
Shares in companies listed on regulated markets	108	109	106	108
Shares in companies not listed on regulated markets	20	20	20	20
Loans granted:	240	436	59	435
Loans granted to related parties	-	57	-	375
Loans granted to employees	51	54	59	60
Other	189	325	-	-
Bank deposits:	84	7,620	2,693	489
Deposits for 3 to 12 months	8	7,546	2,617	414
Deposits for over 12 months	76	74	76	75
Financial assets carried at fair value through profit or loss:	9,673	3,387	-	446
Currency forward contracts	-	-	-	19
Investment fund units	9,673	3,387	-	427
Long-term	226	229	232	232
Short-term	9,899	11,343	2,646	1,266
	10,125	11,572	2,878	1,498

10. Cash and short-term deposits

	30 Sept. 2015 (unaudited)	30 June 2015 (unaudited)	31 Dec. 2014 (restated)	30 Sept. 2014 (restated)
Cash at bank and in hand	45,579	38,851	55,946	36,612
Short-term bank deposits	27,081	36,050	33,009	16,349
Cash equivalents	11	7	18	19
Cash being transferred	38	-	-	252
	72,709	74,908	88,973	53,232
<i>Interest accrued on cash and cash equivalents as at the balance sheet date</i>	(20)	(23)	(28)	(26)
<i>Overdraft facilities utilized for liquidity management</i>	(1,174)	(135)	(828)	(942)
Cash and cash equivalents as disclosed in the cash flow statement	71,515	74,750	88,117	52,264

11. Prepayments and accrued income

Long-term	30 Sept. 2015 (unaudited)	30 June 2015 (unaudited)	31 Dec. 2014 (restated)	30 Sept. 2014 (restated)
Prepaid maintenance services and license fees	117	158	7	56
Prepaid rents	301	399	568	110
Other	115	48	-	-
	533	605	575	166

Short-term	30 Sept. 2015 (unaudited)	30 June 2015 (unaudited)	31 Dec. 2014 (restated)	30 Sept. 2014 (restated)
Prepaid maintenance services and license fees	6,189	6,358	8,568	6,101
Prepaid insurance	507	564	328	525
Prepaid rents	638	699	907	1,427
Prepaid consulting services	762	775	422	385
Other prepaid services	677	654	351	528
Other	1,394	1,502	1,756	786
	10,167	10,552	12,332	9,752

As at 30 September 2015, 30 June 2015, 31 December 2014 and 30 September 2014, prepayments included primarily the costs of maintenance services amounting to PLN 6,189

thousand, PLN 6,358 thousand, PLN 8,568 thousand, and PLN 6,101 thousand, respectively, that will be successively expensed in future periods.

12. Long-term and short-term financial liabilities

Long-term	30 Sept. 2015 (unaudited)	30 June 2015 (unaudited)	31 Dec. 2014 (restated)	30 Sept. 2014 (restated)
Finance lease liabilities	1,502	1,314	962	937
	1,502	1,314	962	937
Short-term	30 Sept. 2015 (unaudited)	30 June 2015 (unaudited)	31 Dec. 2014 (restated)	30 Sept. 2014 (restated)
Dividend payment liabilities	-	20,758	-	-
Finance lease liabilities	584	492	373	343
Liabilities for the acquisition of shares	-	1,820	1,850	1,812
Forward contracts / futures	256	118	51	-
Other	57	46	-	-
	897	23,234	2,274	2,155

As at 30 June 2015, 30 December 2014 and 30 September 2014, liabilities for the acquisition of shares included the remaining portion of payment for the acquisition of 100% of shares in EŻR Croatia amounting to PLN 1,820 thousand, PLN 1,850 thousand and PLN 1,812 thousand, respectively. In

the third quarter of 2015, the above-mentioned liability has been paid off. Following a revaluation of this liability, we have recognized a financial income of PLN 132 thousand, as described in note 3.

13. Interest-bearing bank loans and borrowings

As at 30 September 2015, total liabilities of ASECO Group under all bank loans and borrowings aggregated at PLN 41,903 thousand, as compared with PLN 39,897 thousand as at 30 June 2015, PLN 43,069 thousand as at 31 December 2014, and PLN 40,857 thousand as at 30 September 2014.

As at 30 September 2015, tangible assets with a book value of PLN 1,971 thousand as well as inventories with a book value of PLN 1,060 thousand served as security for bank loans. As at 30 September 2015, liabilities that were secured with such assets amounted to PLN 6,613 thousand.

Total proceeds from and repayments of bank loans disclosed in the statement of cash flows for the period of 9 months ended 30 September 2015 amounted to PLN 11.5 million (proceeds) and PLN 11.7 million (repayments).

The book values of assets serving as security for bank loans as well as the amounts of liabilities that were secured with such assets in the comparable periods have been presented in the financial reports drawn up for those periods.

14. Current liabilities

Trade payables	30 Sept. 2015 (unaudited)	30 June 2015 (unaudited)	31 Dec. 2014 (restated)	30 Sept. 2014 (restated)
Trade payables, of which:	37,549	40,539	55,619	30,240
To related parties	150	198	200	339
To other entities	37,399	40,341	55,419	29,901
Liabilities for uninvoiced deliveries, of which:	6,075	6,354	7,416	9,601
To related parties	-	-	-	-
To other entities	6,075	6,354	7,416	9,601
	43,624	46,893	63,035	39,841

Other current liabilities	30 Sept. 2015 (unaudited)	30 June 2015 (unaudited)	31 Dec. 2014 (restated)	30 Sept. 2014 (restated)
Liabilities to employees relating to salaries	3,852	3,966	5,777	4,009
Trade prepayments received	5,806	6,262	8,022	4,815
Liabilities for purchases of tangible assets and intangible assets	139	236	311	62
Other liabilities	204	248	676	1,982
	10,001	10,712	14,786	10,868

Current liabilities to the state and local budgets	30 Sept. 2015 (unaudited)	30 June 2015 (unaudited)	31 Dec. 2014 (restated)	30 Sept. 2014 (restated)
Value added tax	3,412	4,786	9,510	5,060
Corporate income tax (CIT)	1,546	1,173	1,608	500
Personal income tax (PIT)	777	707	1,482	835
Social security payable	1,767	1,767	1,925	1,918
Other	403	465	329	427
	7,905	8,898	14,854	8,740

15. Accruals and deferred income

Short-term accruals	30 Sept. 2015 (unaudited)	30 June 2015 (unaudited)	31 Dec. 2014 (restated)	30 Sept. 2014 (restated)
Accrual for unused holiday leaves	1,810	2,312	1,455	1,665
Accrual for employee bonuses	17,879	13,456	11,606	14,628
Provision for post-employment benefits	47	46	-	41
	19,736	15,814	13,061	16,334

Long-term deferred income	30 Sept. 2015 (unaudited)	30 June 2015 (unaudited)	31 Dec. 2014 (restated)	30 Sept. 2014 (restated)
Prepaid maintenance services	32	-	11	86
Grants for the development of assets	528	592	755	501
Other	19	28	47	-
	579	620	813	587

Short-term deferred income	30 Sept. 2015 (unaudited)	30 June 2015 (unaudited)	31 Dec. 2014 (restated)	30 Sept. 2014 (restated)
Prepaid maintenance services	8,659	9,222	5,578	6,522
Prepaid implementation services	2,606	2,520	-	-
License fees	280	902	-	-
Grants for the development of assets	24	55	-	12
Other	563	443	1,455	87
	12,132	13,142	7,033	6,621

The balance of deferred income relates mainly to prepayments that have been received by ASECO Turkey, ASECO Croatia, ASECO Romania and ASECO S.A.

for the provision of support and maintenance services as well as for future implementations.

16. Changes in impairment write-downs on assets

	3 months ended 30 Sept. 2015 (unaudited)	9 months ended 30 Sept. 2015 (unaudited)	3 months ended 30 Sept. 2014 (unaudited)	9 months ended 30 Sept. 2014 (unaudited)
Trade receivables				
Opening balance	4,268	3,666	3,200	4,194
Created	113	1,327	523	1,423
Reversed	(694)	(1,199)	(70)	(1,503)
Utilized	(119)	(155)	30	(457)
Foreign exchange differences	65	(6)	3	29
Closing balance	3,633	3,633	3,686	3,686
Inventories				
Opening balance	8,003	7,901	6,391	5,625
Created	417	1,416	392	1,419
Reversed	(234)	(981)	(235)	(518)
Utilized	-	(1)	(5)	(6)
Foreign exchange differences	100	(49)	(28)	(5)
Closing balance	8,286	8,286	6,515	6,515

In the period of 9 months ended 30 September 2015, the Group recognized an expense of PLN 1,371 thousand on the liquidation of intangible assets. During this period, the Group did not recognize nor reverse any impairment write-downs on its financial assets or property, plant and equipment.

During the period of 9 months ended 30 September 2014, the Group did not recognize nor reverse any impairment write-downs on its financial assets, property, plant and equipment, or intangible assets.

17. Employment

Group's workforce as at ¹⁾	30 Sept. 2015 (unaudited)	30 June 2015 (unaudited)	31 Dec. 2014 (restated)	30 Sept. 2014 (unaudited)
Management Board of the Parent Company*	4	4	4	5
Management Boards of the Group companies	23	23	24	24
Production departments	1,067	1,058	1,067	1,055
Sales departments	148	145	153	156
Administration departments	170	171	155	154
	1,412	1,401	1,403	1,394

* Piotr Jeleński and Marcin Rulnicki serve in the Management Board of ASEE S.A. on the basis of employment contracts. The remaining members of the Company's Management Board perform their duties by assignment.

Numbers of employees in the Group companies as at	30 Sept. 2015 (unaudited)	30 June 2015 (unaudited)	31 Dec. 2014 (restated)	30 Sept. 2014 (unaudited)
ASEE S.A.	27	30	27	28
ASEE Romania Group	155	153	148	152
ASEE Serbia Group	482	475	461	462
ASEE Croatia Group	243	236	250	241
ASEE Kosovo Group	67	69	82	84
ASEE Turkey Group	189	188	189	182
ASEE Bulgaria	19	20	21	23
ASEE B&H	44	46	46	44
ASEE Macedonia	145	145	141	142
ASEE Slovenia	32	29	28	26
Asseco Montenegro	9	10	10	10
	1,412	1,401	1,403	1,394

Assets serving as security for bank guarantee facilities:

Category of assets	Net value of assets			Amount of granted guarantee secured with assets				
	30 Sept. 2015 (unaudited)	30 June 2015 (unaudited)	31 Dec. 2014 (restated)	30 Sept. 2014 (restated)	30 Sept. 2015 (unaudited)	30 June 2015 (unaudited)	31 Dec. 2014 (restated)	30 Sept. 2014 (restated)
Trade receivables	2,090	4,497	737	365	4,461	4,118	1,163	955
Other receivables (restricted cash)	140	141	293	290	1,399	1,680	2,007	5,108
	2,230	4,638	1,030	655	5,860	5,798	3,170	6,063

18. Outsourcing contracts

The Group implements a number of contracts for outsourcing of payment transaction processes. The total amounts of future minimum lease payments under such contracts have been estimated as follows:

Future minimum lease payments	30 Sept. 2015 (unaudited)
(i) within 1 year	22,091
(ii) within 1 to 5 years	53,255
(iii) within more than 5 years	4,587
	79,933

19. Contingent liabilities and receivables

Within its commercial activities ASEE 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 September 2015, the related contingent liabilities equalled PLN 33,703 thousand, as compared with PLN 36,507 thousand as at 30 June 2015, PLN 29,707 thousand as at 31 December 2014, and PLN 30,680 thousand as at 30 September 2014.

Our contingent receivables arising from bank guarantees granted to secure due performance of commercial contracts amounted to PLN 62 thousand as at 30 September 2015, PLN 319 thousand as at 31 December 2014, and PLN 547 thousand as at 30 September 2014. As at 30 June 2015, no contingent receivables were recognized.

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

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

XII. RELATED PARTY TRANSACTIONS

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

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

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

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

XIV. INFORMATION ON BANK LOAN SURETIES OR GUARANTEES GRANTED BY THE ISSUER

During the period of 3 months ended 30 September 2015, neither the Issuer nor any of its subsidiaries granted any sureties to secure bank 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.

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

The Management Board of ASEE S.A. has not published any financial forecasts for the year 2015.

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

During the reporting period presented, the Management Board of ASEE S.A. has not become aware of any other significant factors that might affect the assessment of human resources, assets and financial position of ASEE Group.

XVII. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

In the period from 30 September 2015 till the date of approval of these interim condensed consolidated financial statements, this is until 21 October 2015, we have not observed any significant events, the disclosure of which might significantly affect the assessment of human resources, assets and financial position of ASEE Group.

XVIII. SIGNIFICANT EVENTS RELATED TO PRIOR YEARS

Until the date of preparing these interim condensed consolidated financial statements, this is until 21 October 2015, we have not observed any significant events related to prior years, which have not but should have been included in our accounting books.



**ASSECO SOUTH EASTERN EUROPE S.A.
STANDALONE FINANCIAL DATA
FOR THE THIRD QUARTER OF 2015**

Rzeszów, 21 October 2015

FINANCIAL HIGHLIGHTS OF ASECO SOUTH EASTERN EUROPE S.A.

	9 months ended 30 Sept. 2015 (unaudited)	9 months ended 30 Sept. 2014 (unaudited)	9 months ended 30 Sept. 2015 (unaudited)	9 months ended 30 Sept. 2014 (unaudited)
	PLN'000	PLN'000	EUR'000	EUR'000
I. Revenues from holding activities	28,862	26,841	6,940	6,421
II. Revenues from operating activities	5,783	5,441	1,391	1,302
III. Operating profit	24,756	21,625	5,953	5,173
IV. Pre-tax profit	26,215	22,725	6,304	5,436
V. Net profit for the reporting period	25,091	21,501	6,034	5,143
VI. Net cash provided by (used in) operating activities	18,376	21,429	4,419	5,126
VII. Net cash provided by (used in) investing activities	(9,394)	(3,138)	(2,259)	(751)
VIII. Net cash provided by (used in) financing activities	(10,121)	(16,606)	(2,434)	(3,972)
IX. Cash and short-term deposits	6,778	4,682	1,599	1,121
X. Basic earnings per ordinary share for the reporting period (in PLN/EUR)	0.48	0.41	0.12	0.10
XI. Diluted earnings per ordinary share for the reporting period (in PLN/EUR)	0.48	0.41	0.12	0.10

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

- items of the interim condensed income statement and statement of cash flows have been 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 2015 to 30 September 2015: EUR 1 = PLN 4.1585
 - for the period from 1 January 2014 to 30 September 2014: EUR 1 = PLN 4.1803
- the Company's cash and cash equivalents as at the end of the reporting period and the comparable period of the previous year have been translated into EUR at the mid exchange rates as published by the National Bank of Poland. These exchange rates were as follows:
 - exchange rate effective on 30 September 2015: EUR 1 = PLN 4.2386
 - exchange rate effective on 30 September 2014: EUR 1 = PLN 4.1755

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

	3 months ended 30 Sept. 2015 (unaudited)	9 months ended 30 Sept. 2015 (unaudited)	3 months ended 30 Sept. 2014 (unaudited)	9 months ended 30 Sept. 2014 (unaudited)
Holding activities	2,071	28,862	8,614	26,841
Dividend income	-	22,294	6,165	19,718
Revenues from sales of services	2,071	6,568	2,449	7,123
Operating activities	1,860	5,783	2,163	5,441
Revenues from sales of IT services and software	1,860	5,783	2,163	5,441
Total sales revenues	3,931	34,645	10,777	32,282
Cost of sales (-)	(2,455)	(8,176)	(3,087)	(8,674)
Gross profit on sales	1,476	26,469	7,690	23,608
Selling costs (-)	(731)	(2,247)	(656)	(2,000)
General and administrative expenses (-)	(21)	(63)	-	-
Net profit on sales	724	24 159	7,034	21,608
Other operating income	-	921	-	29
Other operating expenses (-)	-	(324)	-	(12)
Operating profit	724	24,756	7,034	21,625
Financial income	354	1,931	842	1,235
Financial expenses (-)	(239)	(472)	(15)	(135)
Pre-tax profit	839	26,215	7,861	22,725
Corporate income tax (current and deferred tax expense)	306	(1,124)	(803)	(1,224)
Net profit for the reporting period	1,145	25,091	7,058	21,501
Earnings per share for the reporting period (in PLN):				
Basic earnings per share from continuing operations for the reporting period	0.02	0.48	0.13	0.41
Diluted earnings per share from continuing operations for the reporting period	0.02	0.48	0.13	0.41

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

	3 months ended 30 Sept. 2015 (unaudited)	9 months ended 30 Sept. 2015 (unaudited)	3 months ended 30 Sept. 2014 (unaudited)	9 months ended 30 Sept. 2014 (unaudited)
Net profit for the reporting period	1,145	25,091	7,058	21,501
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD	1,145	25,091	7,058	21,501

**CONDENSED STATEMENT OF FINANCIAL POSITION
ASSECO SOUTH EASTERN EUROPE S.A.**

ASSETS	30 Sept. 2015	30 June 2015	31 Dec. 2014	30 Sept. 2014
	(unaudited)	(unaudited)	(audited)	(unaudited)
Non-current assets	606,945	604,723	601,402	606,377
Property, plant and equipment	424	420	514	370
Goodwill arising from business combinations	4,567	4,567	4,567	4,567
Intangible assets	98	119	161	184
Investments in subsidiaries	588,566	588,566	588,566	593,686
Deferred tax assets	580	435	997	924
Long-term financial assets	5,008	2,936	-	-
Other long-term receivables	7,702	7,680	6,590	6,590
Long-term prepayments and accrued income	-	-	7	56
Current assets	23,765	42,301	16,716	14,427
Inventories	3	3	2	2
Prepayments and accrued income	1,238	1,279	1,450	1,186
Trade receivables	2,740	2,632	1,740	2,678
Other short-term receivables	4,555	5,737	1,755	1,647
Short-term financial assets	8,451	16,288	3,862	4,232
Cash and short-term deposits	6,778	16,362	7,907	4,682
TOTAL ASSETS	630,710	647,024	618,118	620,804

**CONDENSED STATEMENT OF FINANCIAL POSITION
ASSECO SOUTH EASTERN EUROPE S.A.**

EQUITY AND LIABILITIES	30 Sept. 2015	30 June 2015	31 Dec. 2014	30 Sept. 2014
	(unaudited)	(unaudited)	(audited)	(unaudited)
Equity				
Share capital	518,942	518,942	518,942	518,942
Share premium	38,825	38,825	38,825	38,825
Retained earnings and current net profit	59,198	58,210	54,863	57,603
Total equity	616,965	615,977	612,630	615,370
Non-current liabilities	10,567	5,502	11	86
Long-term deferred income	-	-	11	86
Interest-bearing bank loans and borrowings	10,567	5,502	-	-
Current liabilities	3,178	25,545	5,477	5,348
Trade payables	942	342	2,108	1,780
Liabilities to the state and local budgets	146	139	155	225
Financial liabilities	256	22,696	1,901	1,812
Other liabilities	9	8	131	5
Deferred income	870	1,288	466	981
Accruals	868	964	575	458
Short-term provisions	87	108	141	87
TOTAL LIABILITIES	13,745	31,047	5,488	5,434
TOTAL EQUITY AND LIABILITIES	630,710	647,024	618,118	620,804

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

for the periods of 9 months ended 30 September 2015, 9 months ended 30 September 2014, and 12 months ended 31 December 2014

	Share capital	Share premium	Retained earnings (deficit) and current net profit	Total equity
As at 1 January 2015	518,942	38,825	54,863	612,630
Net profit for the reporting period	-	-	25,091	25,091
Total comprehensive income for the reporting period	-	-	25,091	25,091
Dividends	-	-	(20,756)	(20,756)
As at 30 September 2015 (unaudited)	518,942	38,825	59,198	616,965
As at 1 January 2014	518,942	38,825	52,708	610,475
Net profit for the reporting period	-	-	21,501	21,501
Total comprehensive income for the reporting period	-	-	21,501	21,501
Dividends	-	-	(16,606)	(16,606)
As at 30 September 2014 (unaudited)	518,942	38,825	57,603	615,370
As at 1 January 2014	518,942	38,825	52,708	610,475
Net profit for the reporting period	-	-	18,761	18,761
Total comprehensive income for the reporting period	-	-	18,761	18,761
Dividends	-	-	(16,606)	(16,606)
As at 31 December 2014 (audited)	518,942	38,825	54,863	612,630

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

for the periods of 9 months ended 30 September 2015 and 9 months ended 30 September 2014

	9 months ended 30 Sept. 2015 (unaudited)	9 months ended 30 Sept. 2014 (unaudited)
Pre-tax profit	26,215	22,725
Total adjustments:	(24,825)	(19,609)
Depreciation and amortization	214	199
Change in inventories	(1)	-
Change in receivables	(1,647)	2,527
Change in liabilities, accruals and provisions	(423)	(1,745)
Interest income and expenses	(298)	(87)
Gain (loss) on foreign exchange differences	(582)	(852)
Gain (loss) on investing activities	(22,088)	(19,654)
Other	-	3
Selected operating cash flows	16,986	18,313
Cost of acquisition of shares in subsidiaries	(1,668)	(1,009)
Disposal of shares in subsidiaries	149	230
Dividends received	18,505	19,092
Net cash used in operating activities	18,376	21,429
Corporate income tax recovered (paid)	-	-
Net cash provided by (used in) operating activities	18,376	21,429
Cash flows – investing activities		
Acquisition of property, plant and equipment and intangible assets	(62)	(117)
Disposal of property, plant and equipment	1	31
Disposal/(acquisition) of financial assets carried at fair value through profit or loss	(206)	63
Bank deposits withdrawn	9,800	3,549
Bank deposits made	(9,800)	(2,489)
Loans granted	(10,817)	(4,175)
Loans collected	1,489	-
Interest received	201	-
Net cash provided by (used in) investing activities	(9,394)	(3,138)
Cash flows – financing activities		
Proceeds from bank loans and borrowings	14,302	-
Repayments of bank loans and borrowings	(3,663)	-
Interest repaid	(3)	-
Dividends paid out to shareholders of the Parent Company	(20,757)	(16,606)
Net cash provided by (used in) financing activities	(10,121)	(16,606)
Net increase/(decrease) in cash and cash equivalents	(1,139)	1,685
Net foreign exchange differences	10	47
Cash and cash equivalents as at 1 January	7,907	2,950
Cash and cash equivalents as at 30 September	6,778	4,682