ASSECO SOUTH EASTERN EUROPE SA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

INCLUDING OPINION OF INDEPENDENT CERTIFIED AUDITORS

PREPARED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS

16 March 2010

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FINANCIAL STATEMENTS OF ASSECO SOUTH EASTERN EUROPE SA
FOR THE YEAR ENDED 31 DECEMBER 2009

MANAGEMENT BOARD OF ASSECO SOUTH EASTERN EUROPE SA:

Piotr Jeleński	President of the Management Board	-------------------------
Rafał Kozłowski	Vice President of the Management Board	-------------------------
Calin Barseti	Member of the Management Board	-------------------------
Miljan Mališ	Member of the Management Board	-------------------------
Miodrag Mirčetić	Member of the Management Board	-------------------------
Dražen Pehar	Member of the Management Board	-------------------------

Person responsible for maintaining the accounting books:

Lucyna Pieniążek	Financial Office	-------------------------

OPINION OF INDEPENDENT CERTIFIED AUDITORS

OPINION OF INDEPENDENT CERTIFIED AUDITORS

(in thousands of PLN)

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2009

	Note	*Year ended* ***31 Dec. 2009***	*Year ended* ***31 Dec. 2008***
Continuing operations			
Dividend income	1.1.	20,177	-
Cost of sales (-)		-	-
Gross profit (loss) on sales		**20,177**	**-**
Other operating income	1.2.	1,851	263
General administrative expenses (-)	1.6.	(1,698)	(574)
Other operating expenses (-)	1.3.	(2,882)	-
Operating profit (loss)		**17,448**	**(311)**
Financial income	1.4.	346	299
Financial expenses (-)	1.5.	(1,116)	(9,013)
Gross profit (loss) on sales		**16,678**	**(9,025)**
Corporate income tax (current, deferred, and other tax charges)	1.8.	(69)	24
Net profit (loss) from continuing operations		**16,609**	**(9,001)**
Discontinued operations			
Profit (loss) for the financial year on discontinued operations			-
Net profit (loss) for the financial year		**16,609**	**(9,001)**
Earnings (loss) per share	1.11.		
– basic earnings per share for the financial year		0.43	(0.26)

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2009

		Year ended ***31 Dec. 2009***	*Year ended* ***31 Dec. 2008***
Other comprehensive income	*Note*		
Net profit for the period		**16,609**	**(9,001)**
Other comprehensive income			
Cash flow hedges	2.7.2.	(1,069)	-
Other net comprehensive income		**15,540**	**(9,001)**
COMPREHENSIVE INCOME FOR THE PERIOD		**15,540**	**(9,001)**

(in thousands of PLN)

BALANCE SHEET
as at 31 December 2009

	Note	*31 Dec. 2009*	*31 Dec. 2008*
ASSETS			
Fixed assets			
Investments in subsidiary companies	2.1.	490,281	243,733
Deferred income tax assets	1.9.	301	-
Long-term deferred expenses	2.11.	19	
		490,601	243,733
Current assets			
Inventories	2.4.	700	-
Trade accounts receivable and other receivables	2.5.	1,125	-
Income tax recoverable		-	11
Receivables from the State budget	2.5.	4,611	4,972
Other receivables	2.5.	328	-
Cash and cash equivalents	2.6.	48,014	2,891
Deferred expenses	2.11.	489	568
		55,267	8,442
TOTAL ASSETS		**545,868**	**252,175**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	2.7.1.	480,375	257,700
Share premium	2.7.2.	26,790	-
Subscribed unregistered share capital	2.7.2.	25,897	-
Revaluation capital	2.7.2.	(1,069)	-
Retained earnings (accumulated deficit)		6,881	(9,728)
Total shareholders' equity		**538,874**	**247,972**
Long-term liabilities			
Deferred income tax provision	1.9.	-	1
Accrued expenses	2.11.	24	-
		24	1
Current liabilities			
Trade accounts payable	2.10.	1,968	959
Liabilities to the State budget		21	2
Financial liabilities	2.10.	2,761	2,921
Provisions	2.12.	1,177	-
Accrued expenses	2.11.	805	320
Deferred income	2.11.	238	-
		6,970	4,202
Total liabilities		**6,994**	**4,203**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**545,868**	**252,175**

(in thousands of PLN)

STATEMENT OF CASH FLOWS
for the year ended 31 December 2009

	Note	*Year ended* ***31 Dec. 2009***	*Year ended* ***31 Dec. 2008***
Cash flows - operating activities			
Pre-tax profit (loss)		16,678	(9,025)
Total adjustments:		(19,444)	1,123
Change in inventories		(700)	-
Change in receivables		(401)	(4,462)
Change in liabilities		713	1,149
Change in deferred and accrued expenses		806	(98)
Change in provisions		1,177	-
Interest income		(346)	(104)
Interest expense		-	4,668
Gain (loss) on foreign exchange differences		553	-
Gain (loss) on investing activities		(19,806)	(48)
Other		(1,440)	18
Net cash provided by (used in) operating activities		**(2,766)**	**(7,902)**
Cash flows - investing activities			
Acquisition of investments in subsidiary companies		(58,836)	(89,415)
Dividends received		18,572	-
Interest received		346	104
Cash taken over under the merger with Asseco Romania		-	134
Net cash provided by (used in) investing activities		**(39,918)**	**(89,177)**
Cash flows - financing activities		-	-
Issuance of shares		87,807	256,700
Issuance of debt securities		-	73,267
Redemption of debt securities		-	(228,220)
Interest paid		-	(4,668)
Net cash provided by (used in) financing activities		**87,807**	**97,079**
Net increase in cash and cash equivalents		45,123	-
Net foreign exchange differences		-	-
Cash and cash equivalents at the beginning of the period	2.6.	**2,891**	**2,891**
Cash and cash equivalents at the end of the period	2.6.	**48,014**	**2,891**

(in thousands of PLN)

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2009

	Share capital	*Share premium*	*Subscribed unregistered share capital*	*Retained earnings (accumulated deficit)*	*Revaluation capital*	*Total shareholders' equity*
As at 1 January 2008	500	-	-	(727)		(227)
Changes in the accounting policy (principles)	-	-	-	-		-
As at 1 January 2008	500	-	-	(727)		(227)
Comprehensive income for the period	-	-	-	(9,001)		(9,001)
Issuance of shares	257,200	-	-	-		257,200
As at 31 December 2008	257,700	-	-	(9,728)		247,972
As at 1 January 2009	257,700	-	-	(9,728)		247,972
Comprehensive income for the period		-	-	16,609	(1,069)	15,540
Issuance of shares	222,675	26,790	-	-		249,465
Cost of issuance of shares	-	-	-	-		-
Other	-	-	25,897	-		25,897
As at 31 December 2009	**480,375**	**26,790**	**25,897**	**6,881**	**(1069)**	**538,874**

ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS OF ASSECO SOUTH EASTERN EUROPE MADE FOR 12 MONTHS ENDED 31 DECEMBER 2009

I. GENERAL INFORMATION AND ACCOUNTING PRINCIPLES (POLICY)

1. General information

These financial statements of Asseco South Eastern Europe SA cover the year ended 31 December 2009 and contain comparative data for the year ended 31 December 2008.

Asseco South Eastern Europe SA (the "Company", "entity") was established under notary deed of 10 April 2007. The Company's headquarters are located at 80 Armii Krajowej Av, Rzeszów, Poland. On 11 February 2008, the Company's corporate name was changed from Asseco Adria SA to Asseco South Eastern Europe SA.

The company is entered in the register of entrepreneurs of the National Court Register maintained by the District Court in Rzeszów, XII Commercial Department of the National Court Register, under the number KRS 0000284571.

The Company has been assigned the statistical number REGON 180248803.

The Company's time of duration is indefinite.

The Company's business profile includes:

- Holding operations;
- Reproduction of computer media;
- Manufacture of computers and other information processing equipment;
- Data transmission;
- Letting of own property;
- Renting of office machinery, equipment, and computer hardware;
- Hardware consultancy;
- Software consultancy and supply;
- Data processing;
- Database activities;
- Other computer related activities;
- Research and experimental development on engineering;
- Business and management consultancy activities;
- Business management and administration;
- Advertising;
- Adult and other education.

(in thousands of PLN)

Asseco Poland SA is the direct parent company of Asseco South Eastern Europe SA. Asseco Poland SA is also the parent company of the entire the Asseco Group.

2. Identification of the consolidated financial statements

The Company prepared the consolidated financial statements of its group for the year ended 31 December 2009 which were authorized for publication on 16 March 2010.

3. Management Board composition

As at 31 December 2009, the Company's Management Board was composed of the following persons:

First name and surname	**Position**
Piotr Jeleński	President of the Management Board
Rafał Kozłowski	Vice President of the Management Board
Miljan Mališ	Member of the Management Board
Calin Barseti	Member of the Management Board
Miodrag Mirčetić	Member of the Management Board
Dražen Pehar	Member of the Management Board

Until the date of approval of these financial statements the Management Board composition has remained unchanged.

During the period reported the Management Board composition changed as follows:

- on 27 August 2009 Messrs Calin Barseti, Miodrag Mirčetić, and Dražen Pehar were appointed as Members of the Management Board.

As at 31 December 2009, the Company's Supervisory Board was composed of the following persons:

First name and surname	**Position**
Adam Góral	Chairman of the Supervisory Board
Jacek Duch	Member of the Supervisory Board
Przemysław Sęczkowski	Member of the Supervisory Board
Gabriela Żukowicz	Member of the Supervisory Board
Mihail Petreski	Member of the Supervisory Board
Nicholas Jeffery	Member of the Supervisory Board

During the period reported the Supervisory Board composition changed as follows:

- on 17 August 2009 Mr. Nicholas Jeffery was appointed as Member of the Supervisory Board,
- on 22 May 2009 Mr. Andrzej Gerlach resigned as Member of the Supervisory Board,
- on 22 May 2009 Mr. Mihail Petreski was appointed as Member of the Supervisory Board.

At the date of approval of these financial statements, i.e. on 16 March 2010, the Company's Supervisory Board was composed of the following persons:

First name and surname	**Position**
Adam Góral	Chairman of the Supervisory Board
Przemysław Sęczkowski	Member of the Supervisory Board
Gabriela Żukowicz	Member of the Supervisory Board
Mihail Petreski	Member of the Supervisory Board
Nicholas Jeffery	Member of the Supervisory Board

On 12 January 2010, the Company received a letter of resignation from Mr. Jacek Duch resigning as Member and Vice Chairman of the Supervisory Board with effect from 18 January 2010.

4. Approval of the financial statements

These financial statements were authorized for publication by the Company's Management Board on 16 March 2010.

(in thousands of PLN)

5. Company's equity investments

The Company holds equity in the following subsidiaries:

Company	Seat	Business profile	Equity interest	
			31 Dec. 2009	31 Dec. 2008
Asseco SEE d.o.o., Beograd (former Pexim d.o.o.) [1]	Serbia	Creation of financial applications and provision of comprehensive IT systems for financial institutions	100%	60%
Arbor Informatika d.o.o.	Croatia	Provision of IT services for the sectors of telecommunication, public administration and banking	100%	70%
Asseco SEE d.o.o. (former Logos d.o.o.) [2]	Croatia	Provision of IT services for the banking and finance sector, insurance sector, and large companies	100%	60%
Pexim Cardinfo d.o.o.	Serbia	Provision of IT solutions for the banking sector	100%	60%
Antegra d.o.o.	Serbia	Provision of IT solutions for the banking sector	100%	70%
Asseco SEE Srl (former Net Consulting Srl, after the merger with Fiba Software Srl)[3]	Romania	Integration services and IT solutions for the financial, industrial, and public administration sectors	100%	70%
Asseco SEE Sh.p.k. (former Pronet Sh.p.k) [4]	Kosovo	Integration of IT systems as well as development and implementation of proprietary software for the banking sector and public administration	100%	n/a
Probass S.A.	Romania	Provision of IT solutions for banks and financial institutions	100%	n/a

1) On 23 November 2009, the subsidiary Pexim d.o.o. was renamed as Asseco SEE d.o.o. Beograd.

2) On 4 January 2010, the subsidiary Logos d.o.o. was renamed as Asseco SEE d.o.o.

3) On 15 October 2009, the subsidiary Net Consulting Srl changed its corporate name into Asseco South Eastern Europe Srl, which was subsequently renamed as Asseco SEE Srl on 29 December 2009. The merger of Asseco SEE Srl with Fiba Software Srl was recognized as at 31 December 2009.

4) On 25 January 2010, the subsidiary Pronet Sh.p.k. was renamed as Asseco SEE Sh.p.k.

As at 31 December 2009 and 31 December 2008, voting interests the Company was entitled to exercise in its subsidiary, jointly controlled and associated companies were proportional to the Company's equity holdings in those entities.

6. Significant values based on professional judgement and estimates

6.1. Professional judgement and uncertainty of estimates

Preparation of financial statements in line with the IFRS requires making estimations and assumptions which influence the figures disclosed both in financial statements and notes to financial statements.

Uncertainty of estimates

Below are described the basic assumptions concerning the future as well as other key sources of uncertainty occurring as at the balance sheet date, which involve a high degree of risk of significant adjustments in the book values of assets and liabilities to be made during the next reporting period.

Deferred income tax assets

The Company recognizes deferred income tax assets presuming that in the future taxable income will be achieved enabling utilization of such deferred tax assets. Deterioration in taxable income achieved in the future might cause the above assumption to become unjustified.

Impairment of financial assets

At each balance sheet date, the Company determines if there are any objective indications of impairment of a financial asset or group of financial assets.

7. Basis for preparation of financial statements

These financial statements were prepared in accordance with the historical cost principle, except for hedged assets and liabilities. The balance sheet value of recognized hedged assets and liabilities is adjusted by changes in their fair vale which are attributable to the risk against which such assets and liabilities are hedged.

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

These financial statements were prepared on a going-concern basis, assuming the Company will continue its business activities in the foreseeable future, this is over a period not shorter than 12 months from 31 December 2009. Till the date of approval of these financial statements, there were observed no circumstances indicating a threat to the Company’s ability to continue as a going concern.

7.1. Compliance statement

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

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

7.2. Measurement and reporting currency

The currency of measurement applied by the Company as well as the reporting currency used in these financial statements is the Polish zloty (PLN).

8. Changes in the accounting principles applied

The accounting principles (policy) adopted in preparation of these financial statements are coherent with those applied for preparation of the Company's annual financial statements for the year ended 31 December 2008, except for applying the following amendments to standards and new interpretations effective for annual periods beginning on or after 1 January 2009:

- IFRS 8 *Operating Segments*, which has replaced IAS 14 *Segment Reporting*. Under this standard the identification and measurement of performance of reportable operating segments shall be performed in compliance with the approach used by management personnel.
- IAS 1 *Presentation of Financial Statements* (revised in September 2007). This standard requires separation of changes in equity arising from transactions with owners from non-owner changes in equity. Hence, the statement of changes in equity only provides details of transactions with owners; whereas, all other changes in equity are disclosed as a single line. Additionally, IAS 1 introduces the statement of comprehensive income, which presents all items of income and expense recognized in profit or loss together with all other items of recognized income and expense. Entities may either present all items together in a single statement or present two linked statements. The Company presents the statement of comprehensive income in the form of two linked statements.
- IAS 23 *Borrowing Costs* (revised in March 2007). The revised standard requires that to the extent that borrowing costs relate to the acquisition, construction or production of a qualifying asset, they shall be capitalised as part of the acquisition or production cost of that asset. Adoption of this interpretation affected neither the Company's financial position nor its financial performance as there were no facts subject to the interpretation.
- IFRS 2 *Share–based Payment: Vesting Conditions and Cancellations*. The amendment clarifies the definition of a vesting condition and prescribes the accounting treatment of cancellation of granted awards. Adoption of this interpretation affected neither the Company's financial position nor its financial performance as there were no facts subject to the interpretation.

- Amendments to IAS 32 *Financial Instruments: Presentation* and IAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*. The amendments introduced a limited exception concerning puttable financial instruments, which may be presented as equity provided numerous defined criteria are met. Adoption of these amendments affected neither the Company's financial position nor its financial performance as the Company did not issue any such instruments.

- Interpretation IFRIC 12 *Service Concession Arrangements*. The interpretation provides guidance to private sector operators on recognition of liabilities and rights arising from service concession arrangements. This interpretation does not affect the Company's financial statements as none of the Company's undertakings acts as a private sector operator.

- Interpretation IFRIC 13 *Customer Loyalty Programmes*. This interpretation requires that loyalty award credits be recognized as a separate component of a sales transaction, under which they are awarded. Adoption of this amendment affected neither the Company's financial position nor its financial performance as the Company does not offer any customer loyalty programme.

- Interpretation IFRIC 15 *Agreements for the Construction of Real Estate*. The interpretation determines how and when revenue from sale of real estate and associated expenses should be recognized, if a developer and buyer conclude an agreement before the construction of real estate is finished. Furthermore, IFRIC 15 provides guidance on determining whether a construction agreement falls within the scope of IAS 11 or IAS 18. Adoption of this interpretation will have no impact on the financial statements because the Company is not engaged in this type of business.

- Amendments to IFRS 1 *First-time adoption of International Financial Reporting Standards* and IAS 27 *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*. In accordance with the amended IFRS 1, a first-time adopter of IFRSs may, in its separate financial statements, determine the cost of investments in subsidiaries, jointly controlled entities and associates in accordance with the principles of IAS 27 or at deemed cost. The amended IAS 27 requires all dividends from subsidiaries, jointly controlled entities or associates to be recognized as income in the separate financial statements of a parent, in the profit and loss account. The amendment to IAS 27 shall be applied prospectively. The new requirements are applicable to the consolidated financial statements of the parent company only.

- Amendments to IFRS 7 *Financial Instruments: Disclosures*. The amended standard requires disclosure of additional information about fair value measurement and liquidity risk. Each class of financial instruments measured at fair value must be disclosed with information on their measurement, using a three-level hierarchy of the sources of inputs in determining fair value. In case of fair value measurements in Level 3, disclosures require a reconciliation of movements between the opening balance and closing balance. All substantial transfers between Level 1 and Level 2 of the fair value hierarchy should be also presented.

- Interpretation IFRIC 16 *Hedges of a Net Investment in a Foreign Operation*. This interpretation provides guidance on recognition of hedges of net investments in foreign operations, and in particular on: identifying the foreign currency risks that qualify for hedge accounting in the hedge of a net investment, where within the group the hedging instrument can be held, and how an entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be reclassified from equity to profit or loss when the foreign operation is disposed. Application of IFRIC 16 will have no impact on the financial statements as the Company does not hedge its net investments in foreign operations.
- Interpretation IFRIC 18 *Transfers of Assets from Customers*. This interpretation provides guidelines for recognition of assets received from customers and utilized in the provision of services to such customers. The interpretation is to be applied to transactions conducted on or after 1 July 2009. Application of IFRIC 18 will have no impact on the financial statements as the Company did receive any assets from customers nor did it receive any funds appropriated for the construction of such assets.
- Amendments to IFRIC 9 *Reassessment of Embedded Derivatives* and IAS 39 *Financial Instruments: Recognition and Measurement – Embedded Derivatives*. The amendments require that embedded derivatives are accounted for separately when a hybrid financial instrument is reclassified out of the 'fair value through profit or loss' category. The assessment shall be based on circumstances existing when an entity first became a party to the contract or when there is a change in the contractual terms that significantly modifies the cash flows under the contract, whichever is later. At present, IAS 39 requires that if an entity is unable to reliably measure an embedded derivative, the entire hybrid instrument shall remain classified as a financial asset carried at fair value through profit or loss. Adoption of such amendments will have no impact on these financial statements as the Company has not reclassified any assets financial out of the 'fair value through profit or loss' category nor does it hold any hybrid financial instruments containing embedded derivatives that could not be reliably measured.

9. New standards and interpretations published but not in force yet

The following standards and interpretations were issued by the International Accounting Standards Council and International Financial Reporting Interpretations Committee, but have not come into force:

- IFRS 3 *Business Combinations* (revised in January 2008) – effective for annual periods beginning on or after 1 July 2009;
- IAS 27 *Consolidated and Separate Financial Statements* (revised in January 2008) – effective for annual periods beginning on or after 1 July 2009;
- IAS 39 *Financial Instruments: Recognition and Measurement: Eligible Hedged Items* (amendments published in July 2008) – effective for annual periods beginning on or after 1 July 2009;
- IFRS 1 *First–time Adoption of International Financial Reporting Standards* (amended in November 2008) – effective for annual periods beginning on or after 1 July 2009;

- Interpretation IFRIC 17 *Distributions of Non–cash Assets to Owners* – effective for annual periods beginning on or after 1 July 2009;
- Amendments resulting from the annual review of IFRSs (published in April 2009) – some amendments are effective for annual periods beginning on or after 1 July 2009 and some for annual periods beginning on or after 1 January 2010 – not adopted by the EU till the date of approval of these financial statements;
- Amendments to IFRS 2 *Share–based Payment: Group Cash-settled Share-based Payments* (revised in June 2009) – effective for annual periods beginning on or after 1 January 2010 – not adopted by the EU till the date of approval of these financial statements;
- Amendments to IFRS 1 *First–time Adoption of International Financial Reporting Standards: Additional Exemptions for First-time Adopters of IFRSs* – effective for annual periods beginning on or after 1 January 2010 – not adopted by the EU till the date of approval of these financial statements;
- Amendments to IAS 32 *Financial Instruments: Presentation: Classification of Rights Issues* – effective for annual periods beginning on or after 1 February 2010;
- IAS 24 *Related Party Disclosures* (revised in November 2009) – effective for annual periods beginning on or after 1 January 2011 – not adopted by the EU till the date of approval of these financial statements;
- IFRS 9 *Financial Instruments* – effective for annual periods beginning on or after 1 January 2013 – not adopted by the EU till the date of approval of these financial statements;
- Amendments to IFRIC 14 *IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction: Prepayment of a Minimum Funding Requirement* – effective for annual periods beginning on or after 1 January 2011 – not adopted by the EU till the date of approval of these financial statements;
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* – effective for annual periods beginning on or after 1 July 2010 – not adopted by the EU till the date of approval of these financial statements;
- Amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards: Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters* – effective for annual periods beginning on or after 1 July 2010 – not adopted by the EU till the date of approval of these financial statements.

In the opinion of the Company's Management Board, introduction of the above-mentioned standards and interpretations, despite IFRS 3 and IAS 27, will have no significant impact on the accounting principles (policy) applied by the Company in 2010.

(in thousands of PLN)

10. Changes of estimates

In the period of 12 months ended 31 December 2009, the Company's approach to making estimates was not subject to any substantial changes.

11. Summary of major accounting principles

11.1. Restatement of items expressed in foreign currencies

Transactions denominated in currencies other than Polish zloty are translated to Polish zlotys at the mid exchange rate published by the National Bank of Poland and in effect on the day preceding the transaction date.

As at the balance sheet date, assets and liabilities denominated in currencies other than Polish zloty are translated to Polish zlotys at the mid exchange rates of such currencies as published by the National Bank of Poland and in effect on the last day of the period reported. Foreign currency differences resulting from such restatement are reported respectively as financial income (expenses) or they may be capitalized as assets in case it is provided for in the adopted accounting principles (policy). Non-cash assets and liabilities carried at historical cost expressed in a foreign currency are disclosed the historical exchange rate of the transaction date. Non-cash assets and liabilities carried at fair value expressed in a foreign currency are reported at the exchange rate from the date when fair value measurement was carried out.

The following exchange rates were applied for the purpose of valuation in the balance sheet:

Currency	31 Dec. 2009	31 Dec. 2008
EUR (euro)	4.1082	4.1724
RON (Romanian lei)	0.9698	1.0409
HRK (Croatian kuna)	0.5632	0.5664
RSD (Serbian dinar)	0.0428	0.0465

Average weighted exchange rates for the specified reporting periods were as follows:

Currency	period of 12 months ended 31 Dec. 2009	period of 12 months ended 31 Dec. 2008
EUR (euro)	4.3406	3.5321
RON (Romanian lei)	1.0255	0.9542
HRK (Croatian kuna)	0.5910	0.4879
RSD (Serbian dinar)	0.0459	0.0430

11.2. Property, plant and equipment

Property, plant and equipment are disclosed at the purchase price/production cost decreased by accumulated depreciation and all impairment write-downs. The initial value of tangible assets corresponds to their purchase price increased by expenses related directly to the purchase and adaptation of such assets to their intended use. Such expenses may also include the cost of spare parts to be replaced on machinery or equipment at the time when incurred, when the criteria for such recognition are met. Any costs incurred after a tangible asset is commissioned to use, such as maintenance or repair fees, are expensed in the profit and loss account at the time when incurred.

At the time of purchase tangible assets are divided into components of significant value for which separate periods of useful life may be adopted. General overhaul expenses constitute a component of assets as well.

Such assets are depreciated using the straight-line method over their expected useful lives.

The residual values, useful lives as well as the methods of depreciation of tangible assets are verified on an annual basis and, if necessary, corrected with effect as of the beginning of the financial year just ended.

A tangible asset may be derecognized from the balance sheet after it is disposed or when no economic benefits are expected from its further use. Any gains or losses resulting from removal of a given asset from the balance sheet (calculated as a difference between the net cash obtained from sales and the book value of such item) are recognized in the profit and loss account for the period when such derecognition was effected.

Investments in progress relate to tangible assets under construction or during assembly and are recognized at purchase price or production cost, decreased by any potential impairment write-downs. Tangible assets under construction are not depreciated until their construction is completed and they are commissioned to use.

11.3. Investment property

Investment property is initially recognized at the purchase price or cost of manufacture.

Subsequently to such initial recognition, an investment property is accounted for in accordance with the requirements applicable to tangible fixed assets, this is at purchase price or production cost decreased by accumulated depreciation and accumulated impairment write-downs, except for the investment property that meets the criteria to be qualified as held for sale or is disclosed in the group of assets classified as held for sale.

An investment property shall be removed from the balance sheet after it is disposed or definitely withdrawn from use, when no future economic benefits are expected from its sale. Any gain or loss resulting from removal of an investment property from the balance sheet shall be disclosed in the profit and loss account for the period in which such derecognition was effected.

Such assets are depreciated using the straight-line method over their expected useful lives.

11.4. Intangible assets

Intangible assets purchased in a separate transaction or produced (if qualifying to be recognized as cost of research and development work) shall be initially recognized at their purchase price or production cost. The purchase price of intangible assets acquired under a business combination shall equal their fair value as at the merger date. After the initial recognition, intangible assets are accounted for at their purchase price or production cost decreased by accumulated amortization and impairment charges. Expenditures for intangible assets produced in-house, except for the costs of development work, shall not be capitalized but expensed in the period when they are incurred.

The Company shall determine whether the period of useful life of an intangible asset is definite or indefinite. Intangible assets with a definite period of useful life are amortized over the expected useful life, and are subject to impairment testing each time there are indications of possible impairment. The periods and methods of amortization of intangible assets with a definite period of useful life are subject to verification at least at the end of each financial year. Any changes in the expected useful life, or the expected consumption of economic benefits derived from an intangible asset, are addressed by changing the relevant period or method of amortization, and are treated as changes of estimates. Amortization charges on intangible assets with a definite period of useful life are expensed in the profit and loss account, in the category which corresponds to the function of each individual intangible asset.

Intangible assets with an indefinite period of useful life, as well as those which are no longer used, are subject to impairment testing on an annual basis, with regard to individual assets or at the level of cash-generating unit.

The useful lives are verified on an annual basis and, if necessary, corrected with effect as of the beginning of the financial year just ended.

Research and development work

R&D costs are expensed in the profit and loss account when they are incurred. However, the costs of development work performed under a given undertaking may be carried forward to future periods provided it is probable they will be recovered in the future. Subsequently to the initial recognition, development work is accounted for in accordance with the historical cost model which requires that assets are recognized at their purchase price less any accumulated amortization and accumulated impairment charges. All the expenditures carried forward to future periods are subject to amortization over the estimated period in which the related undertaking generates sales revenues.

The costs of development work are reviewed concerning a possible impairment on an annual basis – if the related asset has not been commissioned to use, or more frequently – if during the reporting period there is an indication of impairment, as a result of which the book value may not be recovered.

Any gains or losses resulting from removal of intangible assets from the balance sheet (calculated as the difference between the net cash obtained from sales and the book value of such item) are recognized in the profit and loss account for the period when such derecognition was effected.

11.5. Leasing

Finance lease agreements, under which substantially all the risks and benefits incidental to ownership of the leased asset are transferred to the Company, are recognized in the balance sheet at the commencement of the lease term, at fair value of the leased tangible asset or at present value of the minimum lease payments, whichever is lower. Lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability so as to obtain a constant periodic rate of interest on the remaining balance of the liability. Financial expenses charged directly as expenses in the profit and loss account.

Property, plant and equipment used under finance lease agreements are subject to depreciation over the estimated useful life or the leasing period, whichever is shorter.

Leasing agreements, whereby the lessor retains substantially all the risks and rewards incidental to ownership of the leased asset, are shall be treated as operating leasing. Lease fees and instalments under operating leasing are recognized as expenses in the profit and loss account on a straight-line basis over the leasing period.

Leasing agreements, whereby the Company retains substantially all the risks and rewards incidental to ownership of the leased asset, are considered as operating leasing. The initial direct costs incurred during the negotiation of operating lease agreements are added to the balance sheet value of the leased asset and are subsequently recognized over the leasing period, on the same basis as revenues from rental. The conditional leasing fees are recognized as income for the period when they become receivable.

11.6. Impairment of non-financial fixed assets

At each balance sheet date, the Company determines whether there are any indications of impairment of any non-financial fixed asset. In the event such indications are detected, or when it is necessary to carry out an annual impairment test, the Company estimates the recoverable value of a given asset or the cash-generating unit to which such asset belongs.

The recoverable value of an asset or cash-generating unit corresponds to the fair value of such asset or cash-generating unit less their selling expenses, or to the value in use of such asset or cash-generating unit, whichever is higher. This value is measured for individual assets unless a given asset does not generate cash flows significantly independent from cash flows generated by other assets or groups of assets. Impairment takes place when the balance sheet value of an asset is higher than its recoverable value, in which case such asset shall be written-down to the determined recoverable amount. In order to determine the value in use, estimated future cash flows shall be discounted to their present value by applying a pre-tax discount rate that reflects the current market assessments of the value of money in time and the risks related to the given asset. Impairment write-downs on assets used in continuing operations are expensed in the cost category which corresponds to the function of the impaired asset.

At each balance sheet date, the Company determines whether there are any indications for reversal or reduction of an impairment charge that was recognized on a given asset in the prior periods. If such indications exist, the Company needs to estimate the recoverable value of relevant asset. A formerly recognized impairment charge may be reversed only when, from the date of the last recognition of impairment, there occurred changes in the estimates applied for determination of the recoverable value of relevant asset. If this is the case, the balance sheet value of such asset shall be increased to its recoverable value. The increased amount cannot exceed the given asset’s book value (net of depreciation) that would be carried in case no impairment charge was recognized on such asset in the prior years. A reversal of an impairment charge shall be immediately recognized as income in the profit and loss account. Following a reversal of an impairment write-down, the depreciation charges made on the relevant asset during subsequent financial periods shall be adjusted in such a way as to enable systematic depreciation of the asset’s verified book vale (net of residual value) over the remaining period of its useful life.

11.7. Costs of external financing

The costs of external financing are capitalized as a part of the production cost of tangible assets, investment property, intangible assets, or finished products, as the case may be. The costs of external financing include any interest computed using the effective interest rate, financial charges under finance lease agreements, or foreign exchange differences that are incurred as a result of external financing up to the amount of interest expense adjustment.

11.8. Shares in subsidiary and associated companies, and in joint ventures

Subsidiary companies are companies where the Company holds more than a half of votes at the general meeting of shareholders or is able to manage the financial and operating policy of such undertakings in any other way. Assessment whether the Company controls other companies is made considering existence and influence of potential votes, which may be used at the general meeting of shareholders of those undertakings.

Associated companies are entities in which the Company holds between 20% and 50% of votes at the general meeting of shareholders and on which the Company exerts a significant influence, however, without the ability to control them. This means they are neither subsidiary companies nor joint ventures.

Investments in subsidiary, jointly controlled and associated companies are recognized by the Company at purchase price. At every balance sheet date, the Company verifies its investments in related companies concerning possible indications of impairment. Furthermore, at the end of each financial year the Company estimates the recoverable value of its financial assets by analyzing and measuring the future cash flows to be generated by such assets.

Jointly controlled companies are entities which are neither subsidiary nor associated companies, in which the Company has the entitlement to no more than 50% of votes at the General Meeting or is able to manage the financial and operating policy of these companies together with other shareholders.

Investments in subsidiary, jointly controlled and associated companies are recognized by the Company at purchase price. At every balance sheet date, the Company makes an assessment its investments in related companies concerning possible indications of impairment. If such indications are detected, the Company shall carry out an impairment test on those investments in compliance with the requirements of IAS 36.

11.9. Financial assets

Financial assets are divided into the following categories:

- Financial assets held to maturity,
- Financial assets carried at fair value through profit or loss,
- Loans granted and receivables,
- Financial assets available for sale.

Financial assets held to maturity are financial assets that are not derivative instruments, have identified or identifiable payments and a fixed maturity date, which the Company intends and is able to hold till maturity, and are different from:

- financial assets designated at the initial recognition as carried at fair value through profit or loss,
- financial assets designated available for sale,
- assets qualifying as loans and receivables.

Financial assets held to maturity are valued at amortized cost using the effective interest rate. Financial assets held to maturity shall be classified as fixed assets if their maturity exceeds 12 months from the balance sheet date.

Financial assets carried at fair value through profit or loss include assets that satisfy one of the following conditions:

a) have been classified as assets held for trading. Financial assets are classified as held for trading if they are:

- purchased for resale in short term,
- a part of the portfolio of specific financial instruments which are managed together, and which are likely to generate short-term gains,
- derivative instruments, except for derivatives which are used as the elements of hedge accounting or financial guarantee contracts.

b) have been classified in this category, in accordance with IAS 39, at the time of initial recognition.

Financial assets valued at fair value through the financial result are measured at the market value of financial instruments as at the balance sheet date with no regard to any costs of their disposal transaction. Changes in the value of such financial instruments are recognized as financial income or expenses in the profit and loss account. In the event a contract includes one or more embedded financial derivatives, the whole contract may be classified as a financial asset valued at fair value through financial result. This is not applicable where an embedded derivative instrument does not significantly affect the cash flows achieved from such a contract or where separation of embedded derivative instruments is explicitly forbidden. Financial assets may be initially recognized as assets valued at fair value through profit or loss provided the following criteria are met: (i) such qualification eliminates or substantially decreases any inconsistency of treatment, when both the valuation and the principles for recognition of losses or gains are governed by different regulations; or (ii) such assets belong to the group of financial assets which are managed and evaluated on a fair value basis, according to a documented risk management strategy; or (iii) such assets contain embedded financial derivatives which should be recognized separately. As at 31 December 2009, none of the Company's financial assets were classified as carried at fair value through profit or loss.

Loans granted and receivables are financial assets, not classified as derivative instruments, with identified or identifiable payments which are not quoted on an active market. They are recognized as current assets unless their maturity periods are longer than 12 months from the balance sheet date. Loans granted and receivables with maturity periods longer than 12 months from the balance sheet date are recognized as fixed assets.

Financial assets available for sale comprise financial assets which are not derivative instruments, and which have been designated as available for sale, or do not belong to any of the above three categories of financial assets. Financial assets available for sale are recognized at fair value, without deducting the transaction-related expenses, taking into consideration their market value as at the balance sheet date. Should financial instruments not be quoted on an active market and should it be impossible to determine their fair value reliably with alternative methods, financial assets available for sale shall be valued at the purchase price adjusted by impairment charges. Provided financial instruments have a market price determined in a regulated active market or it is possible to determine their fair value in other reliable way, the positive and negative differences between the fair value and the purchase price of such assets available for sale (after deducting any deferred tax liabilities) shall be disclosed in the asset revaluation reserve. A decrease in the value of assets available for sale, resulting from their impairment, shall be disclosed as a financial expense in the profit and loss account.

Purchases or disposals of financial assets are recognized in the accounting books at the transaction date. At the initial recognition, financial assets are measured at fair value which, in case of assets not classified as carried at fair value through profit or loss, shall be increased by directly attributable transaction-related expenses.

A financial asset shall be derecognized from the balance sheet if the Company no longer controls the contractual rights arising from such financial instrument; this usually takes place when the instrument is sold or when an independent third party is entitled to all cash flows generated by the instrument.

11.10. Impairment of financial assets

At each balance sheet date, the Company determines if there are any objective indications of impairment of a financial asset or group of financial assets.

Financial assets carried at amortized cost

If there is objective evidence that an impairment loss on loans granted or receivables carried at amortized cost has been incurred, the amount of the impairment write-down is measured as the difference between the asset's book value and the present value of estimated future cash flows (excluding future bad debt losses that have not been incurred yet) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of such assets shall be reduced either directly or by establishing a reserve. The amount of the loss shall be recognized in the profit and loss account.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in the collective assessment of a group of assets for impairment.

If, in a subsequent period, the amount of the impairment loss decreases and such decrease can be objectively attributed to an event occurring after recognition of the impairment, the previously recognized impairment loss shall be reversed. Such reversal of the impairment write-down shall be recognized in profit or loss to the extent that the carrying amount of the financial asset does dot exceed its amortized cost at the date when the impairment is reversed.

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative instrument that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset involved and the present value of estimated future cash flows discounted at the current market rate of return for similar financial assets.

Financial assets available for sale

When there is objective evidence that a financial asset available for sale is impaired, then the amount of difference between the purchase cost of such asset (net of any principal repayments and interest) and its current fair value decreased by any impairment charges on that financial asset as previously recognized in profit or loss, shall be removed from equity and recognized in the profit and loss account. Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available for sale shall not be reversed through profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, then the amount of such impairment loss shall be reversed in the profit and loss account.

11.11. Embedded financial derivatives

Embedded financial derivatives shall be detached from host contracts and presented separately as financial derivatives, if the following conditions are jointly met:

- the economic characteristics and risks of the embedded instrument are not closely related to the economic characteristics and risks of the host contract;
- on a standalone basis, the embedded instrument meets the definition of a derivative financial instrument;
- a hybrid (combined) contract containing the embedded financial derivative is not measured at fair value through profit or loss.

Embedded financial derivatives are accounted for similarly to stand-alone financial derivatives which are not classified as hedging instruments.

In accordance with IAS 39, the economic characteristics and risks of an embedded foreign currency derivative are closely related to the economic characteristics and risks of the host contract also in situations when the host contract is made in the currency deemed as applied customarily in transactions for purchase or sale of non-financial items in the given market environment.

The Company makes an assessment as to whether an embedded derivative should be accounted for separately at the time of its initial recognition.

11.12. Derivative financial instruments and hedges

In order to hedge against the risk of changes in foreign currency exchange rates and in interest rates, the Company utilizes currency forward contracts and interest rate swaps. Such financial derivatives are measured at fair value. Derivative instruments are recognized as assets or liabilities depending on whether their value is positive or negative.

Gains and losses on changes in fair value of derivatives, which do not qualify for hedge accounting, are recognized directly in profit or loss for the financial year.

Fair value of currency forward contracts is determined on the basis of the forward exchange rates available currently for contracts with similar maturity. Fair value of interest rate swap contracts is determined by reference to the market value of similar instruments.

Hedge accounting includes the following types of hedges:

- fair value hedges against the exposure to changes in fair value of a recognized asset or liability, or
- cash flow hedges against the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or with a forecast transaction, or
- hedges of net investments in foreign operations.

Cash flow hedges

Asseco South Eastern Europe SA implemented hedge accounting of future cash flows so that the financial statements fully reflected the economic content of the Company's business activities as well as its acquisitions policy. The hedging instrument is cash deposited at the euro bank accounts which is intended to act as a hedge of the liabilities arising from company acquisitions. As the requirements of cash flow hedge accounting have been fulfilled, in the period reported the effective portions of changes in fair values of hedging instruments and hedged items have been recognized in the income statement, under other comprehensive income. As the base values of hedging instruments and hedged items correspond to each other within the established relationships, and because in the period reported occurred no events that might decrease the probability of making the hedged future payments, the company did not recognize any substantial foreign exchange differences on any ineffective portion of hedges.

At the inception of the hedge, the Company formally designates and documents the hedging relationship as well as its risk management objective and strategy for undertaking the hedge. That documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Company will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. The hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk. The effectiveness of the hedge is assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting periods for which the hedge was designated.

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or with a highly probable forecast transaction, which could affect profit or loss. The portion of gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognized directly in equity; whereas, the ineffective portion of gain or loss on the hedging instrument shall be recognized in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognized directly other comprehensive income and accumulated in equity shall be reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, then the Company removes the associated gains and losses that were recognized directly in equity, and includes them in the purchase cost or other carrying amount of the asset or liability.

Gains and losses on changes in fair value of derivatives, which do not qualify for hedge accounting, are recognized directly in profit or loss for the current financial reporting period.

Hedge accounting is discontinued by the Company if the hedging instrument expires or is sold, terminated or exercised, or if the hedge no longer meets the criteria for hedge accounting. In this case, the cumulative gain or loss on the hedging instrument that was recognized in other comprehensive income and accumulated in equity shall remain separately recognized in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that remains recognized directly in equity shall be recognized in profit or loss for the current financial period.

11.13. Inventories

Inventories are measured at the lower of the following two values: purchase price/production cost or net value realizable upon sale.

The costs incurred in order to bring an inventory item to its present location or condition, irrespective of whether related to the current or the prior year, shall be recognized as follows:

Materials	– at purchase price determined under the "first in first out" method
Finished products and work in progress	– cost of direct materials and work with the addition of indirect production overheads determined assuming the normal utilization of production capacity, excluding the costs of external financing
Goods for resale	– at purchase price determined under the "first in first out" method

Net realizable value is the estimated selling price in the ordinary course of business less the costs of completion and the estimated costs necessary to make the sale.

11.14. Trade accounts receivable and other receivables

Trade accounts receivable are recognized and disclosed at the amounts initially invoiced, less any allowances for uncollectible receivables. An allowance for doubtful accounts shall be determined if it is no longer probable that the entire amount receivable will be collected.

Where the effect of the value of money in time is material, the amount of accounts receivable shall be measured by discounting the expected future cash flows to their present value, using a pre-tax discount rate that reflects current market assessments of the value of money in time. Should the discounting method be used, any increase in receivables over time shall be booked as financial income.

Receivables from the State budget are presented in other non-financial assets, except for the recoverable amounts of corporate income tax which are disclosed as a separate item in the balance sheet.

11.15. Cash and cash equivalents

Cash and cash equivalents, as presented in the balance sheet, comprise cash kept in banks and on hand as well as short-term cash deposits with the original maturity not exceeding 3 months.

The balance of cash and cash equivalents, as disclosed in the statement of cash flows, consists of the above-defined cash and cash equivalents, decreased by any outstanding amounts of current account credit facilities.

Restricted cash is presented in a separate line of the balance sheet.

11.16. Interest-bearing bank credits, loans and debt securities

All the bank credits, loans and debt securities are initially recognized at their fair value decreased by the costs related to obtaining a credit or loan.

Subsequently to such initial recognition, bank credits, loans and debt securities are measured at amortized cost using the effective interest rate.

Determination of the amortized cost shall take into account the costs related to obtaining a credit or loan as well as the discounts and premiums obtained on repayment of a liability.

Any income or expenses shall be recognized in the profit and loss account once a liability has been removed from the balance sheet, but also in case of measurement under the effective interest rate method.

11.17. Trade accounts payable and other liabilities

Short-term trade accounts payable are disclosed at the amounts due for payment.

Financial liabilities measured at fair value through profit or loss include financial liabilities which are held for trading as well as financial liabilities which were originally classified in the category of fair value through profit or loss. Financial liabilities are classified as held for trading if they are purchased for resale in the near future. Derivative instruments, including separated embedded derivatives, are also classified as held for trading unless they are deemed effective hedging instruments. Financial liabilities may be initially recognized as carried at fair value through profit or loss provided the following criteria are met: (i) such qualification eliminates or substantially decreases any inconsistency of treatment, when both the valuation and the principles for recognition of losses or gains are governed by different regulations; or (ii) such liabilities belong to the group of financial liabilities which are managed and evaluated on a fair value basis, according to a documented risk management strategy; or (iii) such liabilities contain embedded financial derivatives which should be recognized separately. As at 31 December 2009 and 31 December 2008, none of the Company's financial liabilities were classified as carried at fair value through profit or loss.

Financial liabilities carried at fair value through profit or loss are measured at fair value which corresponds to their market value as at the balance sheet date, excluding any transaction-related costs. Changes in fair value of such instruments are recognized as financial income or expenses in the profit and loss account.

Financial liabilities other than financial instruments carried at fair value through profit or loss, are measured at amortized cost using the effective interest rate.

A financial liability is derecognized from the balance sheet when it has been extinguished, this is once the contractual obligation is settled, cancelled or expired. If an existing debt instrument is exchanged, between the same parties, for another debt instrument with substantially different terms, the original financial liability shall be extinguished and a new financial liability shall be recognized. Likewise, in a case of substantial modification of the contractual terms of an existing debt instrument, the Company shall derecognize the original financial liability and recognize a new financial liability. The resulting differences in the relevant balance sheet values are recognized in the profit and loss account.

Other non-financial liabilities include, in particular, value added tax payable to the internal revenue service as well as liabilities by virtue of received prepayments that will be settled by delivery of goods, services or tangible assets. Other non-financial liabilities are disclosed at the amounts due for payment.

11.18. Provisions

A provision should be recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and when it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects that the expenditure required to settle a provision is to be reimbursed, e.g. under an insurance contract, this reimbursement should be recognized as a separate asset when, and only when, it is virtually certain that such reimbursement will be received. The expense relating to such provision shall be presented in the profit and loss account, net of the amount of any reimbursements.

Where the effect of the value of money in time is material, the amount of a provision shall be determined by discounting the expected future cash flows to their present value, using a pre-tax discount rate that reflects current market assessments of the value of money in time and the risks related to the liability. Where discounting method is used, the increase in a provision due to the passage of time is recognized as a financial expense.

11.19. Sales revenues

Sales revenues shall be recognized in the amount reflecting probable economic benefits associated with the transaction to be obtained by the Company and when the amount of revenue can be measured reliably. Revenues are recognized at fair value of the received or receivable payment, decreased by the amounts of value added tax, excise tax, or discounts. While recognizing sales revenues the below mentioned criteria are also taken into account.

Sales of merchandise and products

Revenues shall be recognized if the significant risks and benefits resulting from ownership of merchandise and products have been transferred to the buyer and when the amount of revenue can be measured reliably.

Interest income

Interest income is recognized on a time-proportion basis (using the effective interest rate required to discount the stream of future cash receipts expected over the life of a financial asset) to the net book value of such financial asset.

Dividends

Dividends shall be recognized when the shareholders obtain the right to receive such payments.

Revenues from rental (operating lease)

Revenues from rental of investment property are recognized on a straight-line basis over the leasing period determined under ongoing agreements.

11.20. Taxes

Current income tax

Liabilities and receivables by virtue of current income tax, for the current and prior periods, are measured at the amounts of expected payments to the tax authorities (or repayments from the tax authorities), applying the tax rates and tax regulations legally or factually in force at the balance sheet date.

Deferred income tax

For the purpose of financial reporting, deferred income tax is calculated applying the balance sheet liability method to all temporary differences that exist, at the balance sheet date, between the tax base of an asset or liability and its carrying amount disclosed in the balance sheet.

Deferred income tax provisions are established in relation to all positive temporary differences

- except for situations when a deferred tax provision arises from initial recognition of goodwill or initial recognition of an asset or liability on a transaction other than combination of companies, which at the time of its conclusion has no influence on pre-tax profit, taxable income or tax loss, and
- in relation to positive temporary differences arising from investments in subsidiary or associated companies or from participation in joint ventures – except for situations when the investor is able to control the timing of reversal of such temporary differences and when it is probable that such temporary differences will not be reversed in the foreseeable future.

Deferred income tax assets are recognized in relation to all negative temporary differences, as well as unutilized tax allowances or unutilized tax losses carried forward to subsequent years, in such amount that it is probable that future taxable income will be sufficient to allow the above-mentioned temporary differences, assets or losses to be utilized – except for situations when deferred tax assets arise from initial recognition of an asset or liability on a transaction other than combination of companies, which at the time of its conclusion has no influence on pre-tax profit, taxable income or tax loss; as well as in relation to negative temporary differences arising from investments in subsidiary or associated companies or from participation in joint ventures, in which cases deferred tax assets are recognized in the balance sheet in such amount only that it is probable that the above-mentioned temporary differences will be reversed in the foreseeable future and that sufficient taxable income will be available to offset such negative temporary differences.

The book value of an individual deferred tax asset shall be verified at every balance sheet date and shall be adequately decreased if achievement of taxable profit sufficient to utilize such deferred tax asset partially or entirely is no longer probable. An unrecognized deferred tax asset shall be subject to evaluation repeated at each balance sheet date, and subsequently recognized in the amount corresponding to the probability of achieving future taxable income that will enable recovery of such deferred tax asset.

Deferred tax assets and deferred tax provisions shall be measured using the future tax rates anticipated to be applicable at the time when a deferred tax asset is realized or a deferred tax provision is reversed, the basis for which shall be the tax rates and tax regulations legally or factually in force at the balance sheet date, or such tax rates and tax regulations which, as at the balance sheet date, are known to become effective in the future.

Income tax relating to items that are directly recognized in equity shall be disclosed under equity and not in the profit and loss account.

Deferred income tax assets are compensated against deferred income tax provisions only and exclusively when the Company holds an enforceable legal title to make a compensation of current income tax receivables and liabilities, and the deferred income tax is related to the same taxpayer and the same tax authority.

Value added tax

Revenues, expenses, assets and liabilities are recognized net of value added tax, unless:

- value added tax paid at the purchase of assets or services is not recoverable from tax authorities; in such event the value added tax paid shall be recognized as a part of the purchase price of an asset or as an expense, and
- receivables and liabilities are presented including value added tax.

Net amount of value added tax which is recoverable from or payable to tax authorities shall be included in the balance sheet as a part of receivables or liabilities.

11.21. Earnings per share

Basic earnings per share for each reporting period shall be calculated by dividing the net profit for the reporting period by the average weighted number of shares outstanding in the given reporting period. Diluted earnings per share for each reporting period shall be calculated by dividing the net profit for the reporting period by the sum of the average weighted number of shares outstanding in the given reporting period and all potential shares of new issues.

12. Information on operating segments

The Company is engaged solely in holding operations, hence we have not identified any separate operating segments.

(in thousands of PLN)

II. ADDITIONAL INFORMATION AND EXPLANATIONS

1. Information and explanations to the Profit and Loss Account

1.1. Dividend income

	Year ended ***31 Dec. 2009***	*Year ended* ***31 Dec. 2008***
Dividends received from related companies	20,177	–
Total dividend income	**20,177**	**-**

1.2. Other operating income

	Year ended ***31 Dec. 2009***	*Year ended* ***31 Dec. 2008***
Negative goodwill	-	263
Other operating income	1,851	-
	1,851	**263**

Other operating income in the amount of PLN 1,851 thousand resulted from the sale of third party software and work in favour of Bank Pekao SA. As the Company is primarily engaged in holding operations, the above-mentioned income was recognized in other operations.

Negative goodwill of PLN 263 thousand, as presented in the financial statements for 2008, was recognized on the merger of Asseco South Eastern Europe SA with Asseco Romania SA.

1.3. Other operating expenses

	Year ended ***31 Dec. 2009***	*Year ended* ***31 Dec. 2008***
Cost of purchase of third party software and work (-)	(1,615)	-
Deferred income tax provision related to the IPO costs (-)	(1,177)	-
Cost of discontinued investment (-)	(90)	-
Other operating expenses	**(2,882)**	**-**

1.4. Financial income

	Year ended ***31 Dec. 2009***	*Year ended* ***31 Dec. 2008***
Bank interest income	346	299
Total financial income	**346**	**299**

(in thousands of PLN)

1.5. Financial expenses

	Year ended ***31 Dec. 2009***	*Year ended* ***31 Dec. 2008***
Interest on bonds issued (-)	-	(4,668)
Other interest expenses (-)	-	(22)
Loss on foreign exchange differences (-)	(764)	(347)
Cost of issuance of shares (-)	-	(3,262)
Tax on civil law transactions (-)	-	(714)
Provision for financial expenses and losses (-)	(352)	-
Total financial expenses	**(1,116)**	**(9,013)**

1.6. Breakdown of operating costs

	Year ended ***31 Dec. 2009***	*Year ended* ***31 Dec. 2008***
Third party work (-)	(1,300)	(493)
Taxes and charges (-)	(50)	(14)
Employee benefit expenses (-)	(80)	(38)
Other (-)	(268)	(29)
Operating costs by nature, of which:	**(1,698)**	**(574)**
Items recognized in general administrative expenses (-)	(1,698)	(574)

1.7. Employee benefit expenses

	Year ended ***31 Dec. 2009***	*Year ended* ***31 Dec. 2008***
Salaries (-)	(66)	(32)
Social insurance contributions (-)	(11)	(6)
Other benefits (-)	(3)	-
Total employee benefit expenses, of which:	**(80)**	**(38)**
General administrative expenses (-)	(80)	(38)

1.8. Income tax charge

The main components of income tax charge for the years ended 31 December 2009 and 31 December 2008 were as follows:

	Year ended ***31 Dec. 2009***	*Year ended* ***31 Dec. 2008***
Profit and Loss Account		
Current portion of corporate income tax	-	-
Deferred portion of corporate income tax	-	-
Related to occurrence or reversal of temporary differences	302	24
Other charges in the profit and loss account	-	-
Income tax payable on dividends	(371)	-
Income tax expense as disclosed in the profit and loss account	**(69)**	**24**

(in thousands of PLN)

1.9. Reconciliation to the effective tax rate

Reconciliation of the corporate income tax payable on pre-tax profit according to the statutory tax rate versus the corporate income tax computed at the Company's effective tax rate for the years ended 31 December 2009 and 31 December 2008 is presented below:

	Year ended ***31 Dec. 2009***	*Year ended* ***31 Dec. 2008***
Pre-tax profit (loss) from continuing operations	16,678	(9,025)
Pre-tax profit (loss) on discontinued operations	-	-
Pre-tax profit (loss)	16,678	(9,025)
Corporate income tax computed at the Polish statutory tax rate of 19% both in 2009 and 2008	(3,169)	1,715
Allowance for deferred income tax assets	-	(852)
Non-deductible expenses	(315)	(890)
Deductible expenses not recognized in the accounting books	890	-
Non-taxable income	167	51
Taxable income not recognized in the accounting books	(70)	-
Tax exempt income	1,338	-
Tax allowance	1,159	-
Net change in deferred income tax assets and provisions	302	-
Withholding income tax on dividends received	(371)	-
Corporate income tax at the effective tax rate of -0.4% in 2009 and 0.27% in 2008	(69)	24
Corporate income tax (expense) disclosed in the profit and loss account	(69)	24
Corporate income tax attributable to discontinued operations		–
	(69)	24

1.10. Deferred portion of corporate income tax

Deferred income tax results from the following items:	*Balance Sheet*		*Profit and Loss Account for 12 months ended*	
	31 Dec. 2009	***31 Dec. 2008***	***31 Dec. 2009***	***31 Dec. 2008***
Deferred income tax provision				
Gain on foreign exchange differences	-	(1)	1	24
Deferred income tax provision, gross	-	(1)	-	24
Deferred income tax assets				
Loss on foreign exchange differences	-	-	-	(55)
Losses deductible against future taxable income	276	896	(620)	825
Provision for expenses	-	61	67	61
Loss on foreign exchange differences	-	-	-	74
Corporate bonds discount	-	-	-	(53)
Provision for the audit of financial statements	25	-	25	
Deferred income tax assets, gross	301	957		
Write-down due to impossibility to realize a deferred income tax asset	-	(957)	829	(852)
Deferred income tax expense			302	24
Net deferred income tax assets (provision), of which:	301	(1)		-
Deferred income tax assets	301	-		
Deferred income tax provision	-	(1)		-

(in thousands of PLN)

1.11. Earnings per share

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

Diluted earnings per share are computed by dividing the net profit for the period reported attributable to ordinary shareholders of the Company (less interest on redeemable preferred shares that are convertible to ordinary shares) by the average weighted number of ordinary shares outstanding during that period, adjusted by the average weighted number of ordinary shares that would be outstanding if all the equity instruments resulting in potential dilution were converted into ordinary shares.

2. Information and explanations to the Balance Sheet

2.1. Investments in subsidiary companies

	31 Dec. 2009	*31 Dec. 2008*
Shares in companies not listed on any stock exchange		
Asseco SEE d.o.o., Beograd (former Pexim d o.o.) 1)	110,520	64,400
Arbor Informatika d. o. o.	50,498	35,674
Asseco SEE d.o.o. (former Logos d.o.o.) 2)	42,940	25,151
Pexim Cardinfo d. o. o.	63,505	36,294
Antegra d. o. o.	30,652	21,043
Asseco SEE Srl (former Net Consulting Srl, after the merger with Fiba Software Srl)3)	89,063	61,171
Asseco SEE Sh.p.k. (former Pronet Sh.p.k) 4)	44,749	-
Probass S.A.	58,354	-
	490,281	**243,733**

1) On 23 November 2009, the subsidiary Pexim d.o.o. was renamed as Asseco SEE d.o.o. Beograd.

2) On 4 January 2010, the subsidiary Logos d.o.o. was renamed as Asseco SEE d.o.o.

3) On 15 October 2009, the subsidiary Net Consulting Srl changed its corporate name into Asseco South Eastern Europe Srl, which was subsequently renamed as Asseco SEE Srl on 29 December 2009. The merger of Asseco SEE Srl with Fiba Software Srl was recognized as at 31 December 2009.

4) On 25 January 2010, the subsidiary Pronet Sh.p.k. was renamed as Asseco SEE Sh.p.k.

Asseco SEE d.o.o. Beograd (former Pexim d.o.o.)

On 18 December 2007, Asseco South Eastern Europe SA concluded an agreement for acquisition of a 60% stake in Pexim d.o.o. Asseco South Eastern Europe SA started to consolidate Pexim d.o.o. as of 31 December 2007, because already at that time it was able to manage the financial and operational policy of that company in order to obtain economic benefits from its operations. In the period of 12 months ended 31 December 2009, Asseco South Eastern Europe SA acquired the remaining 40% minority interest under the conversion of shares held by minority shareholders into shares in Asseco South Eastern Europe SA (‘swap transactions’). Following that transaction Asseco South Eastern Europe SA has become the owner of 100% of shares in that company.

Arbor Informatika d.o.o.

On 20 December 2007 Asseco South Eastern Europe SA concluded an agreement for acquisition of a 70% stake in Arbor Informatika d.o.o. based in Croatia. The company conducts business activities in the sectors of telecommunication, public administration and banks. The control over that company was taken on 22 January 2008.

In the period of 12 months ended 31 December 2009, Asseco South Eastern Europe SA acquired the remaining 30% minority interest under the conversion of shares held by minority shareholders into shares in Asseco South Eastern Europe SA ('swap transactions'). Following that transaction Asseco South Eastern Europe SA has become the owner of 100% of shares in that company.

Asseco SEE d.o.o. (former Logos d.o.o.)

On 20 December 2007 Asseco South Eastern Europe SA concluded an agreement for acquisition of a 60% stake in Logos d.o.o. based in Croatia. The company conducts business activities in the sectors of banks, financial services, insurance and large companies. The control over that company was actually taken on 8 April 2008.

In the period of 12 months ended 31 December 2009, Asseco South Eastern Europe SA acquired the remaining 40% minority interest under the conversion of shares held by minority shareholders into shares in Asseco South Eastern Europe SA ('swap transactions'). Following that transaction Asseco South Eastern Europe SA has become the owner of 100% of shares in that company.

Pexim Cardinfo d.o.o.

On 6 May 2008 Asseco South Eastern Europe SA concluded an agreement for acquisition of 60% of shares in the company Pexim Cardinfo d.o.o. with the seat in Belgrade. Pexim Cardinfo is a leading producer, supplier and administrator of IT systems for e-banking, ATMs, and POS terminals. The company also provides the banking sector with comprehensive solutions for payment card transactions by delivering both the required products and infrastructure.

In the period of 12 months ended 31 December 2009, Asseco South Eastern Europe SA acquired the remaining 40% minority interest under the conversion of shares held by minority shareholders into shares in Asseco South Eastern Europe SA ('swap transactions'). Following that transaction Asseco South Eastern Europe SA has become the owner of 100% of shares in that company.

Antegra d.o.o.

On 21 May 2008 Asseco South Eastern Europe SA concluded an agreement for acquisition of a 70% stake in Antegra d.o.o. based in Serbia. Antegra is an IT company specialized in development of information technology solutions for banks.

In the period of 12 months ended 31 December 2009, Asseco South Eastern Europe SA acquired the remaining 30% minority interest under the conversion of shares held by minority shareholders into shares in Asseco South Eastern Europe SA ('swap transactions'). Following that transaction Asseco South Eastern Europe SA has become the owner of 100% of shares in that company.

Asseco SEE Srl (former Net Consulting Srl, after the merger with Fiba Software Srl)

On 26 April 2007, Asseco Romania SA concluded agreements for acquisition of shares in two Romanian IT companies: Fiba Software Srl and Net Consulting Srl.

Fiba Software Srl is the largest Romanian provider specialized in IT solutions for the banking sector. The company's technological partners are such world leaders as Oracle, HP, Microsoft, and Fujitsu-Siemens. The company has a broad portfolio of proprietary solutions dedicated to the banking industry, including the transaction and credit management systems, CRM systems, payment card transaction system, and many others. Among the clients of Fiba Software Srl are: the Central Bank of Romania, BRD Societe Generale, Raiffeisen Bank, ABN Amro, Citibank, HVB Bank, just to mention a few.

Net Consulting Srl offers integration services and IT solutions for the financial, industrial, and public administration sectors. The company has got four main lines of business operations: Infrastructure Microsoft related projects, Business continuity, Business automation, Software development. The clients of Net Consulting Srl include: in the industrial sector – Lafarge; in the banking sector – ING bank, Banc Post, Porsche Group; in the public administration sector – Ministry of Finance, Ministry of Health, Central Statistical Office, and many others.

As a result of acquisition of shares in Asseco Romania SA by Asseco South Eastern Europe SA in January 2008 and the subsequent merger of those companies executed on 8 May 2008, Asseco South Eastern Europe SA took over control over the companies of Fiba Software Srl and Net Consulting Srl.

Acquisition of the remaining shares in subsidiary Fiba Software Srl and Net Consulting Srl by the Company's parent Asseco Poland SA and the agreement for conversion of such shares into shares of Asseco South Eastern Europe SA

On 12 May 2009 Asseco Poland SA acquired the remaining stakes in Fiba Software Srl and Net Consulting Srl from their minority shareholders. The subject of the acquisition agreements were the following equity interests:

- Fiba Software Srl 15%
- Net Consulting Srl 3.6%

Subsequently, under the share conversion agreement concluded between Asseco Poland SA and Asseco South Eastern Europe SA on 12 May 2009, Asseco Poland exchanged its shares in the companies of Fiba Software Srl and Net Consulting Srl for shares in Asseco South Eastern Europe SA. Due to specific regulations of the Romanian law, Asseco Poland SA retained one share in Net Consulting Srl.

Mergers of subsidiary companies in Romania

The merger of subsidiary Asseco SEE Srl (the taking-over company, former Net Consulting Srl) with Fiba Software Srl (the acquired company) was recognized as at 31 December 2009.

Asseco SEE Sh.p.k. (former Pronet IT Konsalting Inxhiniering Telekomunikime Sh.p.k. - Pronet Sh.p.k.)

The agreement for acquisition of 100% of shares in Asseco SEE Sh.p.k (former Pronet Sh.p.k.) was signed on 5 November 2009. The purchase price of 60% of shares is split into two portions: the first instalment amounts to EUR 5.4 million; whereas, the second instalment depends on the amount of net profit achieved by Asseco SEE (former Pronet Sh.p.k) for 2009, and in any case it shall not exceed EUR 0.7 million. The remaining 40% of shares were acquired under a ‘swap transaction’, in exchange for 1,078,909 shares in Asseco South Eastern Europe SA. Asseco South Eastern Europe SA gained control over the company of Asseco SEE Sh.p.k. (former Pronet Sh.p.k.) as of 1 July 2009. On 25 January 2010, the subsidiary Pronet Sh.p.k. was renamed as Asseco SEE Sh.p.k.

Asseco SEE (former Pronet Sh.p.k.) is engaged in integration of IT systems as well as in development and implementation of proprietary software for banks and public institutions.

Professional Bank Systems & Software - Probass S.A. (Probass S.A.)

On 11 December 2009, there was signed an agreement for acquisition of 100% of shares in Probass S.A., a company organized under the laws of Romania. The purchase cost of 60% of shares amounted to EUR 7.7 million; whereas, the remaining 40 % of shares were acquired in exchange for 1,524,269 shares in Asseco South Eastern Europe SA (‘swap transaction’). The increase of share capital of Asseco South Eastern Europe SA resulting from such swap transaction was registered after the balance sheet date, on 22 January 2010. Additionally, on the date of the above-mentioned acquisition agreement, Asseco South Eastern Europe SA concluded an agreement to transfer the ownership of one share in Probass S.A. in favour of Asseco Poland SA.

Probass S.A. is engaged primarily in provision and maintenance of proprietary IT solutions for banks and financial institutions.

Agreements for conversion of shares in Asseco South Eastern Europe SA (‘swap transactions’)

On 12 May 2009, Asseco South Eastern Europe SA signed a set of agreements with minority shareholders of seven companies incorporated within the Asseco South Eastern Europe Group. The agreements provided for conversion of shares held by those minority shareholders in individual companies into the shares of Asseco South Eastern Europe SA ('swap transactions'). Subject to such conversion agreements were the following minority stakes:

- Pexim d.o.o. 40%
- Fiba Software Srl 15%
- Net Consulting Srl 26.4%
- Arbor Informatika d.o.o. 30%
- Logos d.o.o. 40%
- Pexim Cardinfo d.o.o. 40%
- Antegra d.o.o. 30%

As a result of the above-mentioned transactions, Asseco South Eastern Europe SA has become a sole shareholder in its seven subsidiaries. Registration of the Company’s ownership of additional stakes of shares was made on the days of 6 May and 27 May 2009 depending on particular local jurisdiction. Whereas, on 16 July 2009 the District Court in Rzeszów registered an increase of the Company's share capital by the amount of PLN 142,777 thousand, which resulted from the swap transactions. For the purpose of these financial statements, the swap transactions were accounted for by measuring goodwill arising from the acquisition of minority interests as at 15 May 2009. The common transaction settlement date was adopted bearing in mind a multitude of individual transactions as well as insignificant differences in relation to the accounting for these transactions at their actual dates. Such simplification also enabled unifying the date of recognition of each of the above-mentioned transactions.

(in thousands of PLN)

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

As at 31 December 2009, the Asseco South Eastern Europe Group recognized a liability by virtue of future payment to minority shareholders in the company of Multicard d.o.o. Determination of the amount of such liability required making estimates of the company's financial results. As at 31 December 2009, such liability equalled PLN 9,658 thousand and was disclosed in the consolidated financial statements.

2.2. Impairment testing of investments

Investments in subsidiary companies are subject to impairment testing on an annual basis, or more frequently if there are indications of impairment. Recoverable value of those investments is determined on the basis of their value in use, applying the forecasts of free cash flow to firm (FCFF) based on financial budgets approved by the management stuff. Both during 2009 and 2008, no indications of impairment were detected, hence the Company did not recognize any impairment write-downs of its investments in subsidiary companies.

2.3. Business combinations

In the period of 12 months ended 31 December 2009, Asseco South Eastern Europe SA did not take party in any mergers.

2.4. Inventories

	31 Dec. 2009	*31 Dec. 2008*
Value of tokens returned under complaints	700	-
	700	-
Total inventories	**700**	**-**

As at 31 December 2009, the Company's inventories amounted to PLN 700 thousand.

2.5. Trade accounts receivable and other receivables

	31 Dec. 2009	*31 Dec. 2008*
Trade accounts receivable	1,125	–
Receivables from subsidiary and associated companies	352	–
Receivables on taxes and other regulatory payments (VAT)	4,611	4,972
Income tax recoverable	-	11
Receivables from dividends	328	–
Total receivables, net	**6,416**	**4,983**
Revaluation write-downs on accounts receivable	(352)	–
Total receivables, gross	**6,064**	**4,983**

(in thousands of PLN)

2.6. Cash and cash equivalents

The interest on cash at bank is calculated with variable interest rates which depend on bank overnight deposit rates. Short-term deposits are made for varying periods, of between one day and one month depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. As at 31 December 2009 and 31 December 2008 the fair values of cash and cash equivalents equalled PLN 48,014 thousand and PLN 2,891 thousand, respectively.

The balance of cash and cash equivalents disclosed in the statement of cash flows consists of the following items:

	31 Dec. 2009	*31 Dec. 2008*
Cash at bank and on hand	48,014	491
Short-term deposits	–	2,400
	48,014	2,891
Cash at bank and on hand attributable to discontinued operations	–	–
	48,014	**2,891**

2.7. Share capital and reserve capitals

2.7.1 Share capital

Share capital			*31 Dec. 2009*		*31 Dec. 2008*	
Shares	*Series*	*Par value per share*	*Number of shares*	*Value of shares*	*Number of shares*	*Value of shares*
Ordinary registered shares	A*	0.1	5,000,000	500	5,000,000	500
Ordinary registered shares	B*	0.1	5,000,000	500	5,000,000	500
Ordinary registered shares	C*	0.1	2,567,000,900	256,700	2,567,000,900	256,700
Ordinary registered shares	D	10	25,770,009	257,700	25,770,009	257,700
Ordinary registered shares	E	10	956,447	9,565	-	-
Ordinary registered shares	F	10	1,475,509	14,755	-	-
Ordinary registered shares	G	10	2,708,378	27,084	-	-
Ordinary registered shares	H	10	1,062,030	10,620	-	-
Ordinary registered shares	I	10	1,770,609	17,706	-	-
Ordinary registered shares	J	10	1,714,209	17,142	-	-
Ordinary registered shares	K	10	4,590,470	45,905	-	-
Ordinary registered shares	L	10	2,100,000	21,000	-	-
Ordinary registered shares	M	10	4,810,880	48,109	-	-
Ordinary registered shares	N	10	1,078,909	10,789	-	-
Total			**48,037,450**	**480,375**	**25,770,009**	**257,700**

***** *Shares of series D following a reverse stock split*

(in thousands of PLN)

During the financial year reported, the Company's share capital was increased by the total amount of PLN 222,674,410 through the issuance of 22,267,441 new ordinary shares, with a par value of PLN 10 each, in the following portions:

- issuances of shares of series E – K conducted under the 'swap transactions' in the amount of PLN 142,777 thousand, registered by the District Court in Rzeszów on 16 July 2009;
- issuance of series L shares conducted under the public offering in the amount of PLN 21,000 thousand, registered by the District Court in Rzeszów on 24 July 2009;
- issuance of series M shares conducted under the private subscription in favour the European Bank for Reconstruction and Development in the amount of PLN 48,109 thousand, registered by the District Court in Rzeszów on 19 October 2009;
- issuance of series N shares in the amount of PLN 10,789 thousand, registered by the District Court in Rzeszów on 1 December 2009.

Par value on shares

All the issued shares have the par value of PLN 10.00 per share and have been fully paid up.

2.7.2 Share premium, subscribed unregistered share capital, and revaluation capital

The Company recognized in equity the share premium in the amount of PLN 30,395 thousand arising on the issuance of shares of series L, M, and N, which was decreased by the incurred share issuance costs of PLN 3,605 thousand.

The item 'subscribed unregistered share capital' includes the issuance of 1,524,269 shares of series P with the total issue value of PLN 25,897 thousand, which was effected under the 'swap transaction' in exchanged for 40% of shares in Probass S.A. The share capital increase resulting from the issuance of series P shares was registered after the balance sheet date, on 22 January 2010.

During the period of 12 months ended 31 December 2009, the Company recognized in other comprehensive income the amount of PLN 1,069 thousand arising from the valuation of a hedging instrument, and transferred the total amount of PLN 51 thousand from equity to the value of investments in the companies of Asseco SEE Sh.p.k. (former Pronet Sh. p.k.) and Probass S.A.

The table below presents information on the applied hedging instruments along with their fair values and maturities of the related payments:

Hedged item	*Hedged risk*	*Hedging instrument*	*Fair value of hedging instrument PLN '000*	*Maturity of cash flows*
Cash flows	Foreign currency	Cash	35,605	2010-2014

(in thousands of PLN)

2.7.3 Major Shareholders and changes in significant equity interests

According to the best knowledge of the Management Board of Asseco South Eastern Europe SA, the Shareholders who as at 31 December 2009, either directly or through their subsidiaries, held at least a 5% voting interest at the General Meeting of Shareholders were as follows:

Name of shareholder	*Number of shares and votes at GMS*	*Equity interest and voting interest at GMS*
Asseco Poland SA	26,494,676	55.15%
EBRD	4,810,880	10.01%
Liatris d.o.o.	3,842,683	8.00%
Other shareholders	12,889,211	26.84%
	48,037,450	**100.00%**

As at 31 December 2009, the share capital of Asseco South Eastern Europe SA amounted to PLN 480,374,500.00 and it was divided into 48,037,450 ordinary shares with a par value of PLN 10 each, which entitled to 48,037,450 votes at the Company's General Meeting of Shareholders.

To the best knowledge of the Company's Management Board, as at the date of approval of these financial statements, i.e. on 16 March 2010, the Shareholders who, either directly or through their subsidiaries, held at least 5% of the total number of votes at the General Meeting of Shareholders were as follows:

Name of shareholder	*Number of shares and votes at GMS*	*Equity interest and voting interest at GMS*
Asseco Poland SA	26,494,676	53.46%
EBRD	4,810,880	9.71%
Liatris d.o.o.	3,842,683	7.75%
Other shareholders	14,413,480	29.08%
	49,561,719	**100.00%**

During the period of 12 months ended 31 December 2009, Asseco Poland SA decreased its equity interest as well as voting interest at the General Meeting of Shareholders of Asseco South Eastern Europe SA from 99.97% to 55.15%.

During the period of 12 months ended 31 December 2009, the Company's shareholder structure changed as follows:

- *Increase of share capital within the authorized capital*

  On 28 January 2009, the District Court in Rzeszów made a decision on registration of an amendment of the Articles of Association of Asseco South Eastern Europe SA empowering the Management Board of Asseco South Eastern Europe SA to increase its share capital within the authorized capital, by implementing one or several increases of the share capital by the amount of PLN 193,275 thousand, up to the maximum amount of PLN 450,975 thousand. Such authorization of the Management Board shall continue in effect until 1 January 2012.

- *Agreements for conversion of Asseco South Eastern Europe SA shares*

  On 12 May 2009, Asseco South Eastern Europe SA signed a set of agreements with minority shareholders of seven companies incorporated within the Asseco South Eastern Europe Group. The agreements provided for conversion of shares held by those minority shareholders in individual companies into the shares of Asseco South Eastern Europe SA ('swap transactions'). As a result of the above-mentioned transactions, Asseco South Eastern Europe SA has become a sole shareholder in its seven subsidiaries. Registration of the Company's ownership of additional stakes of shares was made on the days of 6 May and 27 May 2009 depending on particular local jurisdiction. Whereas, on 16 July 2009 the District Court in Rzeszów registered the increase of the Company's share capital by the amount of PLN 142,777 thousand, which resulted from the 'swap transactions'.

- *Increase of share capital through a public offering*

  On 18 February 2009, the Company's Management Board passed a resolution on increasing the share capital within the authorized capital, through the issuance of up to 10,000,000 ordinary bearer shares of series L, with a par value of PLN 10 each, to be acquired in private subscription under the public offering. According to the said resolution, the public offering of series L shares was addressed exclusively to the qualified investors as understood by the Law of 29 July 2005 on public offering, conditions governing the introduction of financial instruments to organized trading, and on public companies (Journal of Laws No. 184, item 1539, as amended). In June 2009, after completion of the book building process, the company's Management Board determined the list of qualified shareholders to whom the Series L shares were offered. Under this public offering investors purchased 2,100,000 shares with the total issuance value of PLN 29,400 thousand. The series L shares were registered by the District Court in Rzeszów on 24 July 2009.

- *Increase of share capital under the private subscription in favour the European Bank for Reconstruction and Development*

  On 17 August 2009, Asseco South Eastern Europe SA signed with the European Bank for Reconstruction and Development (EBRD) an agreement for acquisition of series M shares. Under this agreement, on 16 September 2009, EBRD acquired 4,810,880 newly issued shares with the total issuance value of EUR 15,000 thousand. The share capital was increased within the authorized capital established by resolutions of the General Meeting of Shareholders passed on 28 August 2009 and 9 January 2009. As a result of this transaction the share capital of Asseco SEE increased from PLN 421,477 thousand to PLN 469,585 thousand. The series M shares were registered by the District Court in Rzeszów on 19 October 2009.

(in thousands of PLN)

- *Increase of the share capital through the issuance of series N shares*

  Following a resolution of the Management Board of Asseco South Eastern Europe SA of 28 October 2009, the Company's share capital was increased by the amount of PLN 10,789 thousand through the issuance of series N shares with a par value of PLN 10 each. The series N shares were paid up with non-cash contribution of 40% of shares in the company Asseco SEE Sh.p.k. (former Pronet Sh.p.k) seated in Kosovo. On 1 December 2009 the District Court in Rzeszów registered the share capital increase corresponding to the issuance of series N shares.

In the period from the balance sheet date till approval of these financial statements, the Company's shareholders structure changed as follows:

- *Increase of the share capital through the issuance of series P shares*

  Following a resolution of the Management Board of Asseco South Eastern Europe SA, the Company's share capital was increased by the amount of PLN 15,243 thousand through the issuance of 1,524,269 ordinary bearer shares of series P, with a par value of PLN 10 each. The series P shares were paid up with non-cash contribution of shares representing 40% of the share capital of Professional Bank Systems & Software Probass SA seated in Bucharest. The share capital increase corresponding to the issuance of series P shares was registered by the District Court in Rzeszów on 22 January 2010.

The Shareholders who as at 31 December 2008, either directly or through their subsidiary companies, held at least a 5% voting interest at the Company's General Meeting of Shareholders were as follows:

Name of shareholder	*Number of shares and votes at GMS*	*Equity interest and voting interest at GMS*
Asseco Poland SA	25,763,000	99.97%
Other shareholders	7,009	0.03%
	25,770,009	**100%**

As at 31 December 2008, the share capital of Asseco South Eastern Europe SA amounted to PLN 257,700,090.00 and it was divided into 25,770,009 ordinary shares with a par value of PLN 10 each, which entitled to 25,770,009 votes at the Company's General Meeting of Shareholders.

(in thousands of PLN)

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

	Number of shares as at:			
	16 March 2010	**31 Dec. 2009**	**13 Nov. 2009**	**31 Dec. 2008**
Management Board				
Piotr Jeleński	550	550	550	550
Rafał Kozłowski	150	150	150	150
Miljan Mališ	-	-	-	n/a
Dražen Pehar (1)	779,068	779,068	779,068	n/a
Calin Barseti (1)	-	-	-	n/a
Miodrag Mirčetić (1)****	-	-	-	n/a
Supervisory Board				
Adam Góral **	-	-	-	-
Jacek Duch (2)	n/a	-	-	-
Nicholas Jeffery (3)	-	-	-	n/a
Mihail Petreski (4) ***	-	-	-	n/a
Przemysław Sęczkowski	2,500	2,500	2,500	2,500
Gabriela Żukowicz	150	150	150	150
Andrzej Gerlach (5)	n/a	n/a	n/a	300

1) Appointed as Member of the Management Board on 27 August 2009
2) Resigned as Member of the Supervisory Board as of 18 January 2010
3) Appointed as Member of the Supervisory Board as of 17 August 2009
4) Appointed as Member of the Supervisory Board as of 22 May 2009
5) Resigned as Member of the Supervisory Board as of 22 May 2009

*) Miljan Mališ, Member of the Management Board of Asseco South Eastern Europe SA, a shareholder in the company Mini Invest d o.o. which in turn is a shareholder in Asseco South Eastern Europe SA, as at 31 December 2009 Mini Invest d o.o. held 839,597 shares in Asseco South Eastern Europe SA
**) Adam Góral, Member of the Supervisory Board of Asseco South Eastern Europe SA, a shareholder in Asseco Poland SA which in turn is a shareholder in Asseco South Eastern Europe SA, as at 31 December 2009 Asseco Poland SA held 26,494,676 shares in Asseco South Eastern Europe SA
***) Mihail Petreski, Member of the Supervisory Board of Asseco South Eastern Europe SA, a shareholder in the company Liatris d o.o. which in turn is a shareholder in Asseco South Eastern Europe SA, as at 31 December 2009 Liatris d o.o. held 3,842,683 shares in Asseco South Eastern Europe SA
****) Miodrag Mirčetić, Member of the Management Board of Asseco South Eastern Europe SA, a shareholder in the company 14-INVENTION d o.o. which in turn is a shareholder in Asseco South Eastern Europe SA, as at 31 December 2009 14-INVENTION d o.o. held 1,776,971 shares in Asseco South Eastern Europe SA

2.8. Retained earnings and restrictions on dividend payments

As at 31 December 2009, retained earnings in the amount of PLN 6,881 thousand comprised: net profit of PLN 16,609 thousand for the year 2009, net loss of PLN 9,001 thousand for the year 2008, as well as net loss of PLN 727 thousand for the year 2007. Losses for the years 2007 and 2008 will be covered from income achieved in the future years.

(in thousands of PLN)

2.9. Interest-bearing bank credits and loans

As at 31 December 2009 and 31 December 2008, the Company had no liabilities by virtue of interest-bearing bank credits and loans.

On 30 December 2009, Asseco South Eastern Europe SA signed with the European Bank for Reconstruction and Development an agreement for an investment credit in the maximum amount of EUR 7 million. The credit interest rate equals 3M EURIBOR + margin. The repayment deadline specified in the agreement is 31 January 2016. As at 31 December 2009, the Company had no liabilities under this credit.

2.10. Trade accounts payable and other short-term financial liabilities

	31 Dec. 2009	*31 Dec. 2008*
Trade accounts payable		
To related companies	1,894	14
To other companies	74	945
	1,968	959
Financial liabilities		
Liabilities due to acquisition of shares in subsidiaries	2,761	2,921
	2,761	2,921
Total	4,729	3,880

Transactions with the Company's related companies have been presented in note 4 to the financial statements.

Trade accounts payable are not interest-bearing and their usual payment term ranges from 14 to 21 days. As at 31 December 2009, financial liabilities were related the second instalment for the acquisition of shares in Asseco SEE Sh. p.k. (former Pronet Sh. p.k.) in the amount of EUR 672 thousand.

As at 31 December 2008, trade accounts payable to other companies in the amount of PLN 1,225 included the cost of the audit of financial statements for the year 2008 (PLN 230) as well as the costs of IPO and SWAP transactions (PLN 995).

2.11. Deferrals and accruals

	31 Dec. 2009	*31 Dec. 2008*
Deferred expenses by virtue of:		
Expenditures for company acquisitions	42	111
Cost of the share capital increase under ‘swap transactions’	-	454
Payments for support and maintenance of software for Pekao SA	254	-
VAT related to 2010	212	-
Interest recognized on bank deposits	-	3
Total	**508**	**568**
- short-term	489	568
- long-term	19	-

(in thousands of PLN)

	31 Dec. 2009	*31 Dec. 2008*
Accrued expenses by virtue of:		–
Provision for the audit of financial statements	130	230
Other	675	90
Total	**805**	**320**
- short-term	805	320
- long-term	-	-
Deferred income by virtue of:		
Payments for support and maintenance of software for Pekao SA	262	-
Total	**262**	-
- short-term	238	-
- long-term	24	-

2.12. Provisions

As at 31 December 2009, the Company recognized a provision in the amount of PLN 1,177 thousand for contingent income tax liabilities which resulted from ambiguity in the applicable taxation regulations.

2.13. Contingent liabilities

As at the balance sheet dates of 31 December 2009 and 31 December 2008, the Company had no contingent liabilities.

2.14. Cases in court

There are no pending judicial proceedings against the Company.

3. Information and explanations to the Statement of Cash Flows

The table below presents items comprising changes in working capital as disclosed in the statement of cash flows:

Changes in working capital	*Year ended* *31 Dec. 2009*
Change in inventories	(700)
Change in receivables	(401)
Change in liabilities	713
Change in deferred and accrued expenses	806
Change in provisions	1,177
	1,595

The following tables present the reconciliation between the balance sheet changes in working capital and the changes that affect operating cash flows as reported in the statement of cash flows:

	Year ended *31 Dec. 2009*
Changes in liabilities as per the balance sheet	868
Change in liabilities arising from company acquisitions	(154)
Total changes affecting operating cash flows	713

(in thousands of PLN)

	Year ended **31 Dec. 2009**
Changes in receivables as per the balance sheet	(1,081)
Withholding income tax on dividends	352
Receivables from dividends and prepaid shares	327
Total changes affecting operating cash flows	(401)

4. Information on related companies

The following table discloses the total amounts of transactions concluded with the Company's related entities during the current and prior financial year:

Related entity		***Sales to related companies***	***Purchases from related companies***	***Receivables from related companies***	***of which past-due***	***Liabilities to related companies***	***of which past-due, after the payment deadline***
Parent company:							
Asseco Poland SA	*2009*	–	2,468	–	–	1,828	
	2008	–	286	–	–	14	–
Subsidiary companies:							
	2009		908				
	2008	–	–	–	–	–	–
Transactions participated by Members of the Supervisory Board							
	2009	–	–	–	–	–	–
	2008	–	3,600	–	–	–	–

Transactions conducted through the Key Management Personnel or with the Key Management Personnel of Asseco South Eastern Europe SA

As at 31 December 2009, the Group had a liability of PLN 3,136 thousand by virtue of a loan from the companies of Liatris d o.o. and I4 Invention d o.o.; 100% of shares in Liatris d o.o. are owned by Mihail Petreski, Member of the Supervisory Board of Asseco South Eastern Europe SA; whereas, I4 Invention is a shareholder in Asseco South Eastern Europe SA.

In the period of 12 months ended 31 December 2009, Asseco SEE d.o.o., Beograd (former Pexim d o.o.) and the related entities MHM d o.o.[1] and DM3 d.o.o.[1] carried out a transaction concerning rental of space for the total amount of PLN 6,219 thousand.

Additionally, in Macedonia Asseco SEE incurred the space rental costs of PLN 129 thousand, directly and indirectly through MPS company, in favour of Mihail Petreski, Member of the Supervisory Board of Asseco South Eastern Europe SA.

[1] Mihail Petreski, Member of the Supervisory Board of Asseco South Eastern Europe SA is a shareholder in Liatris d.o.o. As at 31 December 2009, Liatris d.o.o. held 7, 75% of shares in Asseco South Eastern Europe SA. Mihail Petreski and Liatris d.o.o. hold 40% of shares in MHM d.o.o. and 50% of shares in DM3 d.o.o. Furthermore, President of the Management Board of Asseco South Eastern Europe SA holds 15% of shares in MHM d o.o. indirectly through his wholly-owned Kompania Petyhorska d o.o. 20% of shares in MHM d o.o. are held by I4 Invention d o.o. which is also a shareholder in Asseco South Eastern Europe SA (3,6% of shares as at 31 December 2009). 100% of shares in I4 Invention d o.o. are held by Miodrag Mirčetić, President of the Management Board of Asseco SEE d o.o. (former Pexim d o.o.) and Member of the Management Board of Asseco South Eastern Europe SA.

In the period of 12 months ended 31 December 2009, Pexim Cardinfo d o.o. incurred costs of PLN 753 thousand in favour of Mini Invest d.o.o. whose shareholder is Miljan Mališ, Member of the Management Board of Asseco South Eastern Europe SA.

'Swap transactions'

The following related entities were parties to the 'swap transactions':

1. Asseco Poland SA (transaction described in item 2.1. of these financial statements),
2. Liatris d o.o. (whose shareholder is Mihail Petreski, Member of the Supervisory Board of Asseco South Eastern Europe SA); in exchange for non-cash contribution of shares in its subsidiaries, Liatris d o.o. received 3,842,683 shares in Asseco South Eastern Europe SA with a par value of PLN 10 each,
3. Mini Invest d o.o. (whose shareholder is Miljan Malis, Member of the Management Board of Asseco South Eastern Europe SA); in exchange for non-cash contribution of shares in its subsidiary, Mini Invest d o.o. received 839,597 shares in Asseco South Eastern Europe SA with a par value of PLN 10 each,
4. I4-Invention d o.o. (whose shareholder is Miodrag Mirčetić, Member of the Management Board of Asseco South Eastern Europe SA); in exchange for non-cash contribution of shares in its subsidiary, I4-Invention d o.o. received 1,776,971 shares in Asseco South Eastern Europe SA with a par value of PLN 10 each.

Transactions with the related companies were carried out on terms and conditions equivalent to those applied in free market transactions.

4.1. Parent company of the entire the Asseco Group

As at 31 December 2009, Asseco Poland SA held 55.15% of ordinary shares in Asseco South Eastern Europe SA (vs. 99.97% held as at 31 December 2008).

4.2. Remuneration of the Company's management staff

Remuneration paid or payable to Members of the Company's Management Board and Supervisory Board

In the period of 12 months ended 31 December 2009 just as during 12 months ended 31 December 2008, Asseco South Eastern Europe SA did not pay any remuneration or net profit bonuses for members of its management and supervisory bodies. Members of the Management Board of Asseco South Eastern Europe SA were not employed by the Company and the costs of their remuneration were subject to reinvoicing.

(in thousands of PLN)

5. Remuneration due to certified auditors or the entity authorized to audit financial statements

The table below discloses the amounts due to entities authorized to audit financial statements, paid or payable for the years ended 31 December 2009 and 31 December 2008, in breakdown by type of service:

Type of service	*Year ended* ***31 Dec. 2009***	*Year ended* ***31 Dec. 2008***
Obligatory audit of the annual financial statements	*222	*420
Other certification services	***67	**32
Other certification services	****9	*351
Total	298	803

* for Ernst& Young Audit Sp. z o.o

** for Zespół Ekspertów Finansowych i Rachunkowości „ZEFIR" – Hlx Sp. z o

*** for Bartłomiej Korzeniewski

**** for Change Sp. z o.o

6. Objectives and principles of financial risk management

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

Foreign currency exposure risk

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

Interest rate risk

Changes in the market interest rates may have a negative influence on the Company's financial results. The Company's exposure to the above-mentioned risk may result in changes of the amounts of interest charged on third-party borrowings which are based on variable interest rates. However, as at 31 December 2009 the Company was not exposed to any interest rate risk.

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

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

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

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

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

Credit risk

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

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

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

Financial liquidity risk

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

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

(in thousands of PLN)

The following table reveals the Company's trade accounts payable based on the contractual undiscounted payments as at 31 December 2009, by period of maturity.

Trade accounts payable as at 31 December 2009	*Amount*	*Structure*
Within 30 days	1,954	99.29%
Within 30 to 90 days	14	0.71%
	1,968	100.0%

Trade accounts payable as at 31 December 2008	*Amount*	*Structure*
Within 30 days	959	100.0%
	959	100.0%

Fair value

As at 31 December 2009, the book values of financial assets and liabilities held by the Company did not significantly differ from their fair values.

7. Equity management

The main objective of the Company's equity management is to maintain favourable credit rating and safe level of equity ratios that would support the Company's operating activities and increase the value for our shareholders.

The Company manages its equity structure which is altered in response to changing economic conditions. In order to maintain or adjust its equity structure, the Company may change its dividend payment policy, return some capital to its shareholders or issue new shares. During the years ended 31 December 2009 and 31 December 2008, the Company did not introduce any changes to its objectives, principles and processes adopted in this area.

8. Structure of employment

The Company's average workforce during the years ended 31 December 2009 and 31 December 2008 was as follows:

	Year ended ***31 Dec. 2009***	*Year ended* ***31 Dec. 2008***
Management Board	–	–
Administration	1	1
Total	1	1

9. Approval of the financial statements

These financial statements were authorized for publication by the Company's Management Board on 16 March 2010.

10. Information on continuation of operations

To the best knowledge of the Management Board, there is no uncertainty as to the Asseco South Eastern Europe SA ability to continue as going concern.

11. Significant events after the balance sheet date

After the balance sheet date and until the date of approval of these financial statements, there took place no significant events which would be required for disclosure in these financial statements.

After the balance sheet date and until the date of approval of these financial statements, there occurred the following events which do not necessitate introduction of any corrections.

Increase of the share capital through the issuance of series P shares

Following a resolution of the Management Board of Asseco South Eastern Europe SA, the Company's share capital was increased by the amount of PLN 15,243 thousand through the issuance of 1,524,269 ordinary bearer shares of series P, with a par value of PLN 10 each. The series P shares were paid up with non-cash contribution of shares representing 40% of the share capital of Professional Bank Systems & Software Probass SA seated in Bucharest. The share capital increase corresponding to the issuance of series P shares was registered by the District Court in Rzeszów on 22 January 2010.