

*THE ASSECO SOUTH EASTERN EUROPE GROUP*

**REPORT SUPPLEMENTING  
INDEPENDENT STATUTORY AUDITOR'S OPINION  
FROM THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
ON 31 DECEMBER 2009**

## **I. GENERAL INFORMATION**

### **1. General Information**

Asseco South Eastern Europe S.A. (the "Holding Company", the "Company") is the holding company of Group (hereinafter the "Group").

The Holding Company was incorporated by Notarial Deed dated 10 April 2007. The Holding Company's registered office is located in Rzeszów, Al. Armii Krajowej 80.

The Holding Company is the issuer of securities, referred to in art. 4 of the Regulation of the European Parliament and Council of 19 July 2002 no. 1606/2002/EC on the application of the international accounting standards (OJ L 243 EC of 11 September 2002, p. 1; OJ EU Polish special edition, section 13, v. 29, p. 609) and pursuant to art. 55.5 of the Accounting Act of 29 September 1994 (unified text: Dz. U. of 2009 no. 152 item 1223 as amended - the "Accounting Act") the Holding Company prepares the Group's consolidated financial statements in accordance with the International Financial Reporting Standards, as adopted by the EU.

On 11 July 2007 the Holding Company was registered in the enterprise register at the National Court Register under number KRS 0000284571.

The Holding Company uses tax identification number 8133513607 assigned on 12 September 2007 and uses REGON symbol: 180248803 assigned on 25 February 2008.

Currently the Holding Company is a member of the ASSECO Poland S.A. Group.

The scope of business activities of the subsidiaries, joint ventures and affiliates is as follows:

- Software related activities;
- Other information technology related activities;

On 31 December 2009 the Holding Company's subscribed capital totalled PLN 480,375 thousand. As at that date the Group's equity totalled 578,611 thousand zlotys.

According to information provided by the Company the ownership structure of the Holding Company's subscribed capital as at 16 March 2010 was as follows:

	Number of shares	Number of votes	Share par value	Share in capital
Asseco Poland S.A.	26,494,676	26,494,676	264,946,760	53.46%
European Bank of Reconstruction and Development	4,810,880	4,810,880	48,108,800	9.71%
Liatris d o.o.	3,842,683	3,842,683	38,426,830	7.75%
Other	14,413,480	14,413,480	144,134,800	29.08%
<b>Total</b>	<b>49,561,719</b>	<b>49,561,719</b>	<b>495,617,190</b>	<b>100%</b>

According to information provided by the Holding Company, during the financial year and between the balance sheet date and the date of the opinion there have been the following changes in the ownership structure of the Holding Company's subscribed capital.

- Asseco Poland S.A. decreased its stake in the share capital and the number of votes at the Shareholders Meeting of ASSECO South Eastern Europe S.A. from 99.97% to 53.46%;

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- EBRD and Liatris d o.o. increased their stake in the share capital by 9.71% and 7.75% respectively.

Changes in the Holding Company's subscribed capital in the financial year are presented below:

	Number of shares	Share par value
Opening balance	25,770,009	257,700,090
Increase in capital		
Series E, F, G, H, I, J, K shares	14,277,652	142,776,520
Series L shares	2,100,000	21,000,000
Series M shares	4,810,880	48,108,800
Series N shares	1,078,909	10,789,090
Closing balance	48,037,450	480,374,500

As at 31 December 2009 series P shares of PLN 15,242,690 of nominal value have not been registered at the National Court Register. Registration took place on 22 January 2010.

As at 16 March 2010 the Holding Company's Management Board was composed of:

Piotr Jeleński	- Chairman of the Management Board
Rafał Kozłowski	- Vice Chairman of the Management Board
Calin Barseti	- Management Board Member
Miodrag Mircetic	- Management Board Member
Drazen Pehar	- Management Board Member
Miljan Malis	- Management Board Member

During the year there were the following changes in the Company's Management Board:

- on 27 August 2009 the Supervisory Board appointed the following Management Board members: Calin Barseti, Miodrag Mircetic, Drazen Pehar.

## 2. Composition of the Capital Group

As at 31 December 2009 the following companies have been a part of the Asseco South Eastern Europe Group:

name of the company	consolidation method	type of opinion on the audited financial statements	licensed entity that audited the financial statements	balance sheet date, as at which the financial statements were prepared
Antegra d.o.o.	full consolidation	Unqualified	Deloitte d.o.o.	31.12.2009
Arbor Informatika d.o.o.	full consolidation	Unqualified	Emst&Young d.o.o.	31.12.2009
Fiba Software S.R.L.	full consolidation	Unqualified	Ernst&Young d.o.o.	31.12.2009
Logos d.o.o.	full consolidation	Unqualified	Ernst&Young d.o.o.	31.12.2009
Net Consulting S.R.L.	full consolidation	Unqualified	Ernst&Young d.o.o.	31.12.2009
Pexim Cardinfo d.o.o.	full consolidation	Unqualified	Deloitte d.o.o.	31.12.2009
Pexim do.o.	full consolidation	Unqualified	Deloitte d.o.o.	31.12.2009
Probass S.A.	full consolidation	Unqualified	Ernst&Young d.o.o.	31.12.2009
Pronet do.o.	full consolidation	Unqualified	Deloitte d.o.o.	31.12.2009

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Type of changes and result of the changes as compared to the previous year in terms of the consolidated entities was presented in section II.2.2 of the general information and accounting principles (policy) as well as notes to the consolidated financial statements of the Group for the year ended on 31 December 2009.

### **3. Consolidated Financial Statements**

#### **3.1 Auditor's opinion and audit of the consolidated financial statement**

Ernst & Young Audit Sp. z o.o. with its registered office in Warsaw at Rondo ONZ 1 is an entity licensed to audit financial statements, registered under no. 130.

On 1 March 2010 Ernst & Young Audit Sp. z o.o. was selected by the Supervisory Board as the auditor of the Group's consolidated financial statements.

Ernst & Young Audit Sp. z o.o. and the key statutory auditor fulfil the requirements defined in art. 56 par. 3 and 4 of the Act on statutory auditors and their self-government, entities licensed to audit financial statements and on the public oversight of 7 May 2009 (Dz. U. of 2009 No. 77 item 649) necessary to express an impartial and independent opinion on the consolidated financial statements.

Pursuant to agreement concluded on 4 March 2009 with the Holding Company's Management Board we have audited the consolidated financial statements for the year ended on 31 December 2009.

It was our task to express an opinion about the consolidated financial statements on the basis of the conducted audit. Procedures used during the audit of the consolidated financial statements were designed to obtain an opinion regarding the consolidated financial statement as a whole. Our procedures did not include supplementary information, which did not affect the consolidated financial statement as a whole.

On 16 March 2010 on the basis of our audit we have issued the following "unqualified" auditor's opinion:

#### **"For the Supervisory Board of Asseco South Eastern Europe S.A.**

1. We have audited the consolidated financial statements of the Asseco South Eastern Europe Group (the "Group"), the holding company of which is Asseco South Eastern Europe S.A. (the "Company") with its registered office in Rzeszów, Al. Armii Krajowej 80, for the financial year ended on 31 December 2009, comprised of:
  - consolidated balance sheet drafted as at 31 December 2009 on the side of assets, equity and liabilities stating the amount of 683,113 thousand zlotys,
  - consolidated profit and loss account for the period from 1 January 2009 to 31 December 2009 stating net profit of 47,379 thousand zlotys,
  - consolidated comprehensive income statement for the period from 1 January 2009 to 31 December 2009 stating total income of 15,255 thousand zlotys,
  - consolidated statement of changes in equity for the period from 1 January 2009 to 31 December 2009 stating an increase in equity by 280,107 thousand zlotys,
  - consolidated cash flow statement for the period from 1 January 2009 to 31 December 2009 stating an increase in net cash by the amount of 65,808 thousand zlotys, and

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- general information and accounting principles (policy) as well as notes to the financial statements
- (“enclosed consolidated financial statements”).
2. Reliability, correctness and clarity of the enclosed consolidated financial statements, their preparation in accordance with the applicable accounting principles (policy) as well as of the consolidation documentation is the responsibility of the Management Board of the Company. Our responsibility was to audit the enclosed consolidated financial statement and based on the audit to express an opinion whether the financial statements, in all the essential aspects, comply with the applicable accounting principles (policy) and reliably and clearly present the Company’s assets and financial condition as well as the financial result in all the essential aspects.
  3. The enclosed consolidated financial statements have been audited in compliance with:
    - section 7 of the Accounting Act dated 29 September 1994 (unified text in Dz. U. of 2009 no. 152 item 1223 as amended - the “Accounting Act”),
    - Polish financial statements audit practice (based on the previous audit standards issued by the National Council of Statutory Auditors taking into account the regulations of the Act on Statutory Auditors and their Self-government, Entities Licensed to Audit Financial Statements and on Public Oversight of 7 May 2009 - Dz. U. of 2009 no. 77 item 649),in order to obtain reasonable certainty that the statements do not contain any material misstatements. In particular the audit comprised examination – mainly on random basis – of documentation containing the amounts and information provided in the enclosed consolidated financial statements. We have also audited the accounting principles adopted and used by the Management Board and material estimates made by the Company’s Management Board as well as the general presentation of the enclosed consolidated financial statements. We are certain that the audit provided us with sufficient basis to express an opinion on the enclosed consolidated financial statements as a whole.
  4. In our opinion, the enclosed consolidated financial statements, in all essential aspects:
    - reliably and clearly present all information of material importance for the assessment of financial result for the year from 1 January 2009 to 31 December 2009 as well as of the assets and financial condition of the audited Group as at 31 December 2009;
    - have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU.
    - comply with the regulations of the law affecting the form and contents of the financial statement.
  5. We have examined the Company Management Board's report on the Group’s activities in the period from 1 January 2009 to 31 December 2009 and principles of preparing annual consolidated financial statements ("activity report") and we have concluded that the information taken from the enclosed consolidated financial statements comply with the activity report. Information presented in the activity

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report comply with applicable provisions of the Regulation of the Minister of Finance of 19 February 2009 on the current and periodical reports submitted by the issuers of securities and on the terms of recognising the equivalency of information required by the regulations of the law of a country other than an EU member state (Dz. U. no. 33 item 259 - "Regulation of the current and periodical reports").

6. By the date of this opinion the consolidated financial statements for the year ended on 31 December 2008 has not been filed for publication in Monitor Polski B despite the fact that the regulations of the Accounting Act do so require.

We audited the Company's consolidated financial statements between 22 February 2010 and 16 March 2010.

### **3.2 Received declarations and data availability**

Holding Company's Management Board of the confirmed its responsibility for the correctness, reliability and clarity of the consolidated financial statement and the correctness of the consolidation documentation. It stated that it provided us with all financial statements of the entities included in the consolidated financial statement, consolidation documentation and other required documents and it also provided necessary explanations. We have also received a written statement of the Holding Company's Management Board of 16 March 2010 concerning:

- all information were included in the consolidation documentation,
- all conditional liabilities were stated in the consolidated financial statement, and
- disclosure of all significant events occurring after the balance sheet date until the date of the statement in the consolidated financial statements.

The statement confirmed that information provided to us was credible and true according to the best knowledge and belief of the Holding Company's Management Board and comprised all events which might affect the consolidated financial statements.

### **3.3 Information about consolidated financial statement of the Group for the preceding financial year**

The Company's consolidated financial statements for the year ended on 31 December 2008 was audited by Sebastian Łuczyba, key statutory auditor no. 9946 acting on behalf of Ernst & Young Audit Sp. z o.o., license no. 130. The key statutory auditor acting on behalf of the licensed entity issued an unqualified opinion concerning the consolidated financial statements for the year ended on 31 December 2008. The consolidated financial statements of the Group for the year ended on 31 December 2008 were approved by the Shareholders Meeting on 22 May 2009.

The Group's consolidated financial statement for financial year ended on 31 December 2008 with an opinion of the statutory auditor, transcript of resolution accepting the consolidated financial statements, activity report of the Holding Company were filed with the National Court Register on 10 June 2009.

Until 16 March 2010 the consolidated balance sheet as at 31 December 2009, the consolidated profit and loss account, the statement of changes in the consolidated equity and the consolidated cash flow statement for the year ended on 31 December 2009 with the statutory auditor's opinion, transcript of resolution on the acceptance of the financial statements, have not been filed for publication in Monitor Polski B.

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**4. Financial condition**

**4.1 Primary financial data and indicators**

Selected indicators characterising the Group's financial condition in the years 2007-2009, calculated on the basis of financial data disclosed in the financial statements for the years closed on 31 December 2008 and on 31 December 2009, were presented below.

	<b>2009</b>	<b>2008</b>	<b>for the period from 10 April to 31 December 2007</b>
<b>balance sheet total</b>	683,113	631803	270,443
<b>equity</b>	578,611	298,504	1095
<b>net financial result</b>	47,379	31336	-727
return on assets (%)	6.9%	5.0%	-0.3%
$\frac{\text{net financial result} \times 100}{\text{total assets}}$			
equity profitability (%)	15.9%	2861.7%	-
$\frac{\text{net financial result} \times 100}{\text{equity at the beginning of the period}}$			
net return on sale (%)	10.9%	9.2%	-
$\frac{\text{net financial result} \times 100}{\text{revenue from sale of products, goods and raw materials}}$			
	<b>2009</b>	<b>2008</b>	<b>for the period from 10 April to 31 December 2007</b>
<b>liquidity ratio I</b>	<b>2.3</b>	1.7	<b>0.7</b>
$\frac{\text{total current assets}}{\text{short-term liabilities}}$			
<b>liquidity ratio III</b>	<b>1.1</b>	0.5	<b>0.5</b>
$\frac{\text{cash and cash equivalents}}{\text{short-term liabilities}}$			
<b>receivable days</b>	44 days	56 days	-
$\frac{\text{trade receivables} \times 365 \text{ days}}{\text{revenue from sale of products, goods and raw materials}}$			
<b>liability days</b>	37 days	45 days	-
$\frac{\text{trade liabilities} \times 365 \text{ days}}{\text{value of goods and supplies sold} + \text{production cost of products sold}}$			
<b>inventory days</b>	28 days	46 days	-
$\frac{\text{inventories} \times 365 \text{ days}}{\text{value of goods and supplies sold} + \text{production cost of products sold}}$			
financing structure durability (%)	86.6%	86.6%	<b>29.9%</b>
$\frac{(\text{equity} + \text{provisions} + \text{long-term liabilities and provisions}) \times 100}{\text{total equity and liabilities}}$			

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indebtedness to assets (%)	15.3%	52.8%	<b>99.6%</b>
$\frac{\text{(total equity and liabilities – equity) x 100}}{\text{total assets}}$			
<b>inflation ratio:</b>			
annual average	3.50%	3.30%	<b>2.50%</b>
December to December	3.50%	4.20%	<b>4.00%</b>

#### **4.2 Comment**

Primary indicators show the following trends:

- Return on assets increased to 6.9% in 2009 as compared to -0.3% in 2007 and 5.0% in 2008.
- The return on equity was 15.9% in 2009 as compared to 2861.7% in 2008.
- Return on sales increased from 9.2% in 2008 to 10.9% in 2009.
- Liquidity ratio I increased from 0.7 in 2007 to 1.7 in 2008 and 2.3 in 2009.
- Liquidity ratio III increased from 0.5 in 2007 and 2008 to 1.1 in 2009.
- In 2009 receivables in days decreased by 12 days as compared to 56 days in 2008.
- In 2009 liabilities in days decreased by 8 days as compared to 45 days in 2008.
- In 2009 inventory in days decreased by 18 days as compared to 46 days in 2008.
- Financing structure durability increased from 29.9% in 2007 to 86.6% in 2008 and in 2009.
- Liability to assets ratio decreased from 99.6% in 2007 to 52.8% in 2008 and 15.3% in 2009.

#### **4.3 Going concern**

During our audit nothing attracted our attention that would convince us that the Holding Company is unable to continue its activities for 12 months after 31 December 2009 as a result of intentional or compulsory discontinuation or significant reduction of current activities.

In point 1.6 of general information and accounting principles (policy) and notes to financial statements to the audited consolidated financial statements of the Group for the year ended on 31 December 2009 the Holding Company's Management Board stated that the individual financial statements of the Group companies constituting the basis of the consolidated financial statements have been drafted on the going concern basis that these entities would continue activities for at least 12 months after 31 December 2009 and that there have been no circumstances threatening these entities' activities in the future.

## **II. DETAILED INFORMATION**

### **1. Completeness and correctness of consolidation documentation**

During the audit we have found no irregularities in the consolidation documentation, which would not be removed, including in the scope of requirements for such consolidation documentation (in particular exclusions regarding consolidation adjustments) that might affect the consolidated financial statement.



## **2. Assets, equity and liability valuation methods**

The Group's accounting principles (policy) and data presentation methods used were presented in point 1.9 of the notes to the Group's financial statements for the year ended on 31 December 2009.

## **3. Characteristics of the elements of the consolidated financial statement**

Structure of assets, equity and liabilities of the Group was presented in the consolidated financial statements for the year ended on 31 December 2009.

Data presented in the consolidated financial statement complies with the consolidation documentation.

### **3.1 Consolidated goodwill and write-off methods**

The method of determining the consolidation goodwill, principles of assessing the impairment and making impairment write-downs for the financial year and until the balance sheet date were presented in point 1.9.2 of the notes to the consolidated financial statements for the year ended on 31 December 2009.

### **3.2 Equity, including equity of minority shareholders**

Disclosed equity balance, including equity of minority shareholder equity complies with the consolidation documentation and corresponding legal documents. As at 31 December 2009 equity of minority shareholders amounted to PLN 102 thousand. Equity of minority shareholders was determined correctly and complies with the consolidation documentation.

Data related to equity was presented in points II.2.7, II.2.8 and II.2.9 of notes to the consolidated financial statements for the year ended on 31 December 2009.

### **3.3 Financial Year**

The financial statements of all the Group companies, constituting the basis of the consolidated financial statements, have been drafted as at 31 December 2009 and include financial data for the reporting period from 1 January 2009 to 31 December 2009.

## **4. Consolidation exclusions**

### **4.1 Exclusion of mutual settlements (of receivables and liabilities) and internal turnover (income and costs) of consolidated entities**

Excluded mutual settlements (of receivables and liabilities) and internal turnover (income and costs) of consolidated entities comply with the consolidation documentation.

### **4.2 Excluded results not realised by consolidated entities, included in the assets resulting from dividends**

Excluded results not realised by consolidated entities, included in the assets resulting from dividends comply with the consolidation documentation.

## **5. Sale of all or some shares in a subordinated entity**

In the financial year the Group did not sell any shares in the subordinated entities.

## **6. Items affecting the Group's operating result**

Characteristics of items affecting the Group's operating result were presented in the audited consolidated financial statements for the year ended on 31 December 2009.

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**7. Correctness of the consolidation exemptions and the application of the equity method of consolidation defined in the International Financial Reporting Standards as adopted by the EU**

During the preparation of the consolidated financial statements there were no exemptions from the consolidation principle and the application of the equity method.

**8. General information and accounting principles (policy) as well as notes to the financial statements (“notes”)**

Notes to consolidated financial statements for the year ended on 31 December 2009, in all material aspects, have been prepared in compliance with the International Financial Reporting Standards, as adopted by the European Union.

**9. Report on Group's activities**

We have examined the Company Management Board's report on the Group's activities in the period from 1 January 2009 to 31 December 2009 and principles of preparing annual consolidated financial statements ("activity report") and we have concluded that the information taken from the enclosed consolidated financial statements comply with the activity report. Information presented in the activity report comply with applicable provisions of the Regulation of the Minister of Finance of 19 February 2009 on the current and periodical reports submitted by the issuers of securities and on the terms of recognising the equivalency of information required by the regulations of the law of a country other than an EU member state (Dz. U. no. 33 item 259).

**10. Compliance with the law**

We have received a written confirmation from the Holding Company's Management Board that in the financial year no regulations of the law or provisions of the Group entities' articles of association affecting the consolidated financial statements have been violated.

on behalf of

Ernst & Young Audit Sp. z o.o.

Rondo ONZ 1, 00-124 Warsaw

license no. 130

Key Statutory Auditor

Sebastian Łyczba

Statutory Auditor

no. 9946

Warsaw, 16 March 2010