

ASSECO SOUTH EASTERN EUROPE GROUP

**REPORT FROM THE AUDIT OF
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2011**

TRANSLATION FORM POLISH

The Polish original should be referred to in matters of interpretations.
Translation of audit report originally issued in Polish.
(Translation performed by Asseco South Eastern Europe S.A.)

I. GENERAL INFORMATION SECTION

1. General information

The parent company of the Asseco South Eastern Europe Group (hereinafter the "Group", "Capital Group") is Asseco South Eastern Europe S.A. (the "Parent Company", "Company").

The Parent Company was established by a notary deed dated 10 April 2007. The Parent Company's registered office is located at 14 Olchowa St., Rzeszów, Poland.

The Parent Company is an issuer of securities, as referred to in art. 4 of the Regulation No. 1606/2002/EC of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (Official Journal EC L 243 of 11 September 2002, p. 1; Official Journal UE Polish special edition, chapter 13, v. 29, p. 609), and pursuant to art. 55.5 of the Polish Accounting Act of 29 September 1994 (Journal of Laws of 2009 No. 152, item 1223, as amended – the "Accounting Act") it prepares consolidated financial statements of the Group in accordance with the International Financial Reporting Standards as adopted by the European Union.

On 11 July 2007, the Company was entered in the register of entrepreneurs of the National Court Register under the number KRS 0000284571.

The Parent Company's tax identification number (NIP) is 8133513607 (assigned on 12 September 2007); whereas, its statistical identification number (REGON) is 180248803 (assigned on 25 February 2008).

The Parent Company is a member of the Asseco Poland Group.

The business profile of the Parent Company's subsidiary, jointly controlled and associated companies 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.

The business profile of subsidiary companies is closely related to the business operations of the Parent Company.

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for the year ended 31 December 2011
(in thousands of PLN)

As at 31 December 2011, the Company's share capital amounted to PLN 518,942 thousand; whereas, shareholders' equity of the Group totalled PLN 705,811 thousand.

According to information provided by the Company, the ownership structure of the Parent Company's share capital as at 23 February 2012 was as follows:

	Number of shares	Number of votes	Par value of shares	Equity interest
Asseco Poland S.A.	26,494,676	26,494,676	264,946,760	51.06%
EBRD	4,810,880	4,810,880	48,108,800	9.27%
Liatris d.o.o.	3,838,683	3,838,683	38,386,830	7.40%
Other shareholders	16,750,012	16,750,012	167,500,120	32.27%
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Total	51,894,251	51,894,251	518,942,510	100.00%
	=====	=====	=====	=====

According to information provided by the Company, during the financial year reported and from the reporting date till the publication of our opinion, the Parent Company's ownership structure changed as follows:

- Asseco Poland S.A. reduced its equity interest from 51.96% to 51.06%;
- EBRD and Liatris d.o.o. reduced their equity interests to 9.27% and 7.40%, respectively.

During the financial year reported, the Parent Company's share capital changed as follows:

	Number of shares	Par value of shares
Balance at the beginning of period	50,992,132	509,921
Issuance of series T shares	902,119	9,021
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Balance at the end of period	51,894,251	518,942
	=====	=====

As at 23 February 2012, the Company's Management Board was composed of the following persons:

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

During the financial year reported and from the reporting date till the publication of our opinion, the composition of the Company's Management Board remained unchanged.

2. Composition of the Capital Group

As at 31 December 2011, the Asseco South Eastern Europe Group was composed of the following direct and indirect subsidiaries:

Name of entity	Consolidation method	Type of opinion on the financial statements	Authorized entity that audited the financial statements	Reporting date of the financial statements
Asseco South Eastern Europe S.A.	full consolidation	without reservations	Ernst & Young	31.12.2011
Asseco SEE s.r.l., (Bucharest)	full consolidation	audit in progress	Ernst & Young	31.12.2011
Asseco SEE d.o.o., Beograd	full consolidation	audit in progress	Deloitte	31.12.2011
Asseco SEE d.o.o., (Zagreb)	full consolidation	audit in progress	Ernst & Young	31.12.2011
Asseco SEE Sh.p.k. (Pristina)	full consolidation	audit in progress	Deloitte	31.12.2011
Asseco SEE d.o.o. (Sarajevo)	full consolidation	audit in progress	Deloitte	31.12.2011
Asseco SEE Teknoloji A.Ş. (Istanbul)	full consolidation	audit in progress	Ernst & Young	31.12.2011
Asseco SEE o.o.d., Sofia	full consolidation	audit in progress	Deloitte	31.19.2011
Asseco SEE d.o.o., (Grosuplje)	full consolidation	audit not required	-	31.12.2011
Altius Bulgaria EOOD, (Sofia)	full consolidation	audit not required	-	31.12.2011
ITD Polska Sp. z o.o. (Warsaw)	full consolidation	audit not required	-	31.12.2011

The types and results of changes within the entities subject to consolidation in comparison to the prior year were presented in note VI.28 under the supplementary information and explanatory notes to the Group's consolidated financial statements for the year ended 31 December 2011.

3. Consolidated financial statements

3.1 Certified auditor's opinion and audit of the consolidated financial statements

Ernst & Young Audit Sp. z o.o. seated at Rondo ONZ 1, Warsaw, Poland is an entity authorized to audit financial statements, licensed under the number 130.

On 29 July 2011, the Supervisory Board selected Ernst & Young Audit Sp. z o.o. to carry out an audit of the Company's financial statements.

Ernst & Young Audit Sp. z o.o. and the key certified auditor satisfy the conditions for issuing an impartial and independent opinion on the consolidated financial statements, in line with art. 56 sect. 3 and 4 of the Act of 7 May 2009 on certified auditors, their self-government, entities authorized to audit financial statements, and on public supervision (Journal of Laws of 2009 No. 77, item 649, as amended).

We have audited the financial statements for the year ended on 31 December 2011 pursuant to the agreement concluded with the Company's Management Board on 29 July 2011.

Our assignment was to express an opinion on those consolidated financial statements on the basis of the carried out audit. The procedures performed during our audit of the consolidated financial statements were designed in such a way as to enable issuance of an opinion on the consolidated financial statements treated as a whole. Our procedures did not cover the supplementary information, which have no impact of the consolidated financial statements treated as a whole.

Based on the conducted audit, on 23 February 2012 we issued the following certified auditor's opinion without any reservations:

"To the Supervisory Board of Asseco South Eastern Europe S.A.

1. We have audited the accompanying consolidated financial statements of the Asseco South Eastern Europe Group (the "Group"), the parent company of which is Asseco South Eastern Europe S.A. (the "Company") with registered seat at 14 Olchowa St., Rzeszów, Poland, for the year ended 31 December 2011, comprising the consolidated statement of financial position made as at 31 December 2011, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the period from 1 January 2011 to 31 December 2011, as well as the summary of significant accounting policies and explanatory notes (collectively the "accompanying consolidated financial statements").
2. The Management Board of the Company is responsible for reliability and fairness of the accompanying consolidated financial statements, for their preparation in compliance with the applicable accounting principles (policy), as well as for proper maintenance of the accounting documentation for consolidation. Furthermore, the Company's Management Board and members of the Supervisory Board are obliged to ensure that the accompanying consolidated financial statements and the Management's Report on the Group's business operations both satisfy the requirements under the Accounting Act of 29 September 1994

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(Journal of Laws of 2009 No. 152, item 1223, as amended – the "Accounting Act"). Our responsibility was to audit the accompanying consolidated financial statements and, on the basis of such audit, express an opinion whether they comply in all material respects with the applicable accounting principles (policy), and whether they in all material respects present a true and fair view of the assets and financial position as well as financial results of the Group.

3. We have audited the accompanying consolidated financial statements in accordance with the provisions of:

- chapter 7 of the Accounting Act,
- national financial auditing standards set forth by the National Council of Statutory Auditors in Poland,

and in such a way as to obtain reasonable assurance that these financial statements are free from any material misstatements. Our audit included in particular an examination, largely on a test basis, of the accounting documentation underlying the amounts and disclosures presented in the accompanying consolidated financial statements. The audit also comprised an assessment of correctness of the accounting principles adopted and applied by the Group and significant estimates made by the Company's Management Board, as well as an evaluation of the overall presentation of the accompanying consolidated financial statements. We believe that our audit provided a reasonable basis to express an opinion on the accompanying consolidated financial statements treated as a whole.

4. In our opinion the accompanying consolidated financial statements, in all material respects:

- present truly and fairly all information which is essential for assessing the Group's financial results on business operations in the period from 1 January 2011 to 31 December 2011, as well as the Group's assets and financial position as at 31 December 2011;
- have been prepared in compliance with the International Financial Reporting Standards as adopted by the European Union;
- comply, in respect of their form and content, with the applicable regulations pertaining to the preparation of financial statements.

5. We have read the Management's Report on the Group's business operations conducted in the period from 1 January 2011 to 31 December 2011 and on the principles for preparation of the annual consolidated financial statements (the "Management's Report"), and concluded it is consistent with the disclosures made in the accompanying consolidated financial statements. The information provided in the Management's Report complies with the applicable provisions of the Regulation of the Minister of Finance of 19 February 2009 regarding current and periodic information to be published by issuers of securities and conditions for recognizing as equivalent the information required by laws of non-EU member states (Journal of Laws of No. 33, item 259 – the "Regulation regarding current and periodic information")."

We conducted the audit of the Group's consolidated financial statements in the period from 6 February 2012 to 23 February 2012, of which in the period from 6 February 2012 to 17 February 2012 at the seat of the Company's Management Board.

3.2 Declarations received and availability of data

The Management Board of the Parent Company acknowledged its responsibility for reliability and fairness of the financial statements, for their preparation in compliance with the applicable accounting principles (policy) as well as for accuracy of the accounting records for consolidation. The Management Board declared that it provided us with financial statements of all the entities included in the consolidated financial statements, consolidation documentation and other required documents and, furthermore, it provided us with all necessary explanations. We have also received a written statement made by the Parent Company's Management Board on 23 February 2012 confirming that:

- the consolidation documentation contains complete information,
- any contingent liabilities have been disclosed in the consolidated financial statements, and that
- any significant events, which took place after the reporting date and before submitting the said statement, have been disclosed in the consolidated financial statements.

The statement also confirmed that the information provided to us was accurate and true according to the best knowledge and belief of the Management Board of the Parent Company and that it comprised all the events which might affect the consolidated financial statements.

3.3 Information of the Group's prior year financial statements

The Group's consolidated financial statements for the year ended 31 December 2010 were audited by Sebastian Łyczba, key certified auditor holding the license no. 9946, who acted on behalf of Ernst & Young Audit Sp. z o.o. registered under the number 130. Acting on behalf of the authorized entity, the key certified auditor issued an opinion without any reservations on those consolidated financial statements for the year ended 31 December 2010. The Group's consolidated financial statements for the year ended 31 December 2010 were approved by the General Meeting of Shareholders on 29 April 2011.

Subsequently, on 10 May 2011, the Group's consolidated financial statements for the year ended 31 December 2010 along with the certified auditor's opinion, copy of the resolution on approval of those consolidated financial statements, and the Management's Report on the Group's business operations were submitted to the National Court Register.

The consolidated statement of financial position made as at 31 December 2010, as well as the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year ended 31 December 2010, along with the certified auditor's opinion, and a copy of the resolution on approval of those consolidated financial statements were all announced in Monitor Polski B no. 2360 on 25 November 2011.

4. Financial position

4.1 Key financial data and ratios

Below are presented the selected financial ratios characterising the Group's financial position in the years from 2009 to 2011, which were computed on the basis of financial data disclosed in the financial statements for the years ended 31 December 2010 and 31 December 2011.

	2011	2010	2009
balance sheet total	821,016	728,634	683,113
shareholders' equity	705,811	597,264	578,509
net profit	54,653	43,600	47,379
return on assets (%)	6.7%	6.0%	6.9%
$\frac{\text{net profit} \times 100}{\text{total assets}}$			
return on equity (%)	9.2%	7.5%	16.0%
$\frac{\text{net profit} \times 100}{\text{equity the beginning of the period}}$			
net profit margin (%)	11.8%	9.7%	10.9%
$\frac{\text{net profit} \times 100}{\text{sales revenues}}$			
liquidity ratio I	2.4	1.8	2.3
$\frac{\text{total current assets}}{\text{current liabilities}}$			
liquidity ratio III	0.95	0.81	1.14
$\frac{\text{cash and cash equivalents}}{\text{current liabilities}}$			
receivables collection period	68 days	58 days	44 days
$\frac{\text{trade accounts receivable} \times 365 \text{ days}}{\text{sales revenues}}$			

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liabilities payment period	41 days	39 days	37 days
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trade accounts payable x 365 days			
cost of sales			
days to sell inventory	14 days	15 days	28 days
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inventory x 365 days			
cost of sales			
durability of financing structure (%)	87.5%	83.7%	86.6%
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(equity + provisions + long-term liabilities) x 100			
total equity and liabilities			
debt ratio (%)	14%	18.0%	15.3%
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(total equity and liabilities – equity) x 100			
total assets			
inflation rate			
annual average	4.3%	2.6%	3.5%
December to December	4.6%	3.1%	3.5%

4.2 Commentary

The above presented ratios demonstrated the following tendencies:

- Return on assets as well as return on equity increased in comparison with 2010, but they were lower than in 2009;
- Net profit margin improved both in relation to 2010 and 2009;
- Liquidity ratio I increased in comparison with both 2010 and 2009;
- Liquidity ratio III increased in comparison with 2010, but decreased in comparison with 2009;
- Average receivables collection period was longer than both in 2010 and 2009;
- Average liabilities payment period was longer than both in 2010 and 2009;
- Average days to sell inventory were reduced in comparison with both 2010 and 2009;
- Metric of durability of financing structure increased in comparison with both 2010 and 2009;
- Debt ratio decreased in comparison with both 2010 and 2009.

4.3 Going concern

During our audit we have observed no indications that would pose a threat to the Parent Company's ability to continue as a going concern for at least 12 months after 31 December

2011 as a result of any deliberate or compulsory discontinuation or significant reduction of its existing business operations.

In note IV.1 under the supplementary information and explanatory notes to the Group's consolidated financial statements for the year ended 31 December 2011, the Management Board of the Parent Company informed that the financial statements of individual companies of the Group, which constituted the basis of the consolidated financial statements, were all prepared on a going-concern basis, assuming those companies would continue their business operations for at least 12 months after 31 December 2011 and that there were no indications threatening those companies' ability to continue as going concerns.

II. DETAILED INFORMATION SECTION

1. Completeness and accuracy of the consolidation documentation

During our audit we have detected no irregularities in the consolidation documentation which might have significant impact on the audited consolidated financial statements and would not be removed, in particular with respect to compliance with the applicable requirements for preparing such consolidation documentation (inclusive of the eliminations due to consolidation adjustments).

2. Principles and methods of measurement of assets, liabilities and equity

The accounting principles (policy) and data disclosure methods applied by the Group were presented in note IV.8 under the supplementary information and explanatory notes to the Group's consolidated financial statements for the year ended 31 December 2011.

3. Characteristics of components of the consolidated financial statements

The structure of the Group's assets, liabilities and equity has been presented in its consolidated financial statements for the year ended 31 December 2011.

Data disclosures provided in the consolidated financial statement are consistent with the consolidation documentation.

3.1 Goodwill arising from consolidation and write-down methods

The methods for recognition of goodwill arising from consolidation, principles for impairment testing as well as any impairment write-downs made during the financial year reported were all presented in notes IV.8.iii and VI.10 under the supplementary information and explanatory notes to the consolidated financial statements for the year ended 31 December 2011.

3.2 Shareholders' equity and non-controlling interests

The disclosed balance of shareholders' equity, inclusive of non-controlling interests, complies with the consolidation documentation and respective legal documents. As at 31 December 2011, non-controlling interests amounted to PLN 0 (nil). The measurement of non-controlling interests is correct and in accordance with the consolidation documentation.

Information on shareholders' equity has been presented in notes VI.17 to VI.19 under the supplementary information and explanatory notes to the consolidated financial statements.

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3.3 Financial year

The financial statements of individual companies incorporated within the Group, which constituted the basis for preparation of the consolidated financial statements, were all drawn up as at 31 December 2011 and include financial data for the reporting period from 1 January 2011 to 31 December 2011.

4. Consolidation eliminations

4.1 Eliminations of mutual settlements (receivables and liabilities) and intra-group transactions (revenues and expenses) between consolidated entities

Eliminations of mutual settlements (receivables and liabilities) and intra-group transactions (revenues and expenses) between consolidated entities were performed in accordance with the consolidation documentation.

4.2 Eliminations of unrealized profits of consolidated entities, recognized in assets and resulting from dividends

Eliminations of unrealized profits of consolidated entities, recognized in assets and resulting from dividends were performed in accordance with the consolidation documentation.

5. Disposal of a portion or all shares in a subsidiary

In the financial year reported the Group did not sell any shares in any of its subsidiary companies.

6. Items affecting the Group's financial results

The items with impact on the financial results of the Group have been presented in the audited consolidated financial statements for the year ended 31 December 2011.

7. Justification of departures from the consolidation rules and equity valuation methods defined in the International Financial Reporting Standards as adopted by the European Union

In the process of preparation of the consolidated financial statements, there were no departures from the applicable consolidation rules and equity valuation methods.

8. Supplementary information and explanatory notes ("Supplementary information")

The supplementary information and explanatory notes provided in the consolidated financial statements for the year ended 31 December 2011 have been, in all material respects, prepared in compliance with the International Financial Reporting Standards as adopted by the European Union.

9. Management's Report on the Group's business operations

We have read the Management's Report on the Group's business operations conducted in the period from 1 January 2011 to 31 December 2011 and on the principles for preparation of the annual consolidated financial statements (the "Management's Report"), and concluded it is consistent with the disclosures made in the accompanying consolidated financial statements. The information provided in the Management's Report complies with the applicable provisions of the Regulation of the Minister of Finance of 19 February 2009 regarding current and periodic information to be published by issuers of securities and conditions for recognizing as equivalent the information required by laws of non-EU member states (Journal of Laws of No. 33, item 259, as amended).

10. Legal compliance

We have received a written confirmation issued by the Parent Company's Management Board that during the financial year reported there were no cases of violation of any legal regulations or provisions of the articles of association of the Group companies that would affect the consolidated financial statements.

Warsaw, 23 February 2012