



**REPORT OF ASSECO SOUTH EASTERN EUROPE GROUP
FOR THE 1ST QUARTER OF 2014**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
OF ASSECO SOUTH EASTERN EUROPE GROUP
FOR THE 1ST QUARTER OF 2014**

Rzeszów, 5 May 2014

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
OF ASSECO SOUTH EASTERN EUROPE GROUP
FOR THE 1ST QUARTER OF 2014**

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**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
OF ASSECO SOUTH EASTERN EUROPE GROUP
FOR THE 1ST QUARTER OF 2014**

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

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

| | |
|----------------|-----------------------------------|
| Piotr Jeleński | President of the Management Board |
|----------------|-----------------------------------|

| | |
|---------------|--------------------------------|
| Calin Barseti | Member of the Management Board |
|---------------|--------------------------------|

| | |
|--------------|--------------------------------|
| Miljan Mališ | Member of the Management Board |
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| Miodrag Mirčetić | Member of the Management Board |
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| | |
|-----------------|--------------------------------|
| Marcin Rulnicki | Member of the Management Board |
|-----------------|--------------------------------|

FINANCIAL HIGHLIGHTS OF ASSECO SOUTH EASTERN EUROPE GROUP

| | 3 months ended 31 March 2014 (unaudited) | 3 months ended 31 March 2013 (restated) | 3 months ended 31 March 2014 (unaudited) | 3 months ended 31 March 2013 (restated) |
|--|--|---|--|---|
| | PLN'000 | PLN'000 | EUR'000 | EUR'000 |
| I. Sales revenues | 99,281 | 100,633 | 23,698 | 24,111 |
| II. Operating profit | 8,004 | 9,857 | 1,911 | 2,362 |
| III. Pre-tax profit | 8,027 | 10,401 | 1,916 | 2,492 |
| IV. Net profit for the reporting period | 7,014 | 7,796 | 1,674 | 1,868 |
| V. Net profit attributable to Shareholders of the Parent Company | 7,015 | 7,808 | 1,674 | 1,871 |
| VI. Net cash provided by (used in) operating activities | 3,448 | 2,128 | 823 | 510 |
| VII. Net cash provided by (used in) investing activities | (25,220) | (14,266) | (6,020) | (3,418) |
| VIII. Net cash provided by (used in) financing activities | 20,711 | (127) | 4,944 | (30) |
| IX. Cash and cash equivalents at the end of period | 57,531 | 62,425 | 13,792 | 14,944 |
| X. Basic earnings per ordinary share attributable to Shareholders of the Parent Company (in PLN/EUR) | 0.14 | 0.15 | 0.03 | 0.04 |
| XI. Diluted earnings per ordinary share for the reporting period attributable to Shareholders of the Parent Company (in PLN/EUR) | 0.14 | 0.15 | 0.03 | 0.04 |

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

- items of the interim condensed consolidated income statement and statement of cash flows were translated into EUR at the arithmetic average of mid exchange rates as published by the National Bank of Poland and in effect on the last day of each month. These exchange rates were as follows:
 - for the period from 1 January 2014 to 31 March 2014: EUR 1 = PLN 4.1894
 - for the period from 1 January 2013 to 31 March 2013: EUR 1 = PLN 4.1738
- the Group's cash and cash equivalents as at the end of the reporting period and the comparable period of the previous year have been translated into EUR at the mid exchange rates as published by the National Bank of Poland. These exchange rates were as follows:
 - exchange rate effective on 31 March 2014: EUR 1 = PLN 4.1713
 - exchange rate effective on 31 March 2013: EUR 1 = PLN 4.1774

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

| | Note | 3 months ended 31 March 2014 (unaudited) | 3 months ended 31 March 2013 (restated) |
|--|------|---|--|
| Sales revenues | 1 | 99,281 | 100,633 |
| Cost of sales (-) | 2 | (75,647) | (74,802) |
| Gross profit on sales | | 23,634 | 25,831 |
| Selling costs (-) | 2 | (7,935) | (8,200) |
| General administrative expenses (-) | 2 | (7,880) | (7,935) |
| Net profit on sales | | 7,819 | 9,696 |
| Other operating income (+) | | 507 | 236 |
| Other operating expenses (-) | | (414) | (218) |
| <i>Share in profits of associates (+/-)</i> | | 92 | 143 |
| Operating profit | | 8,004 | 9,857 |
| Financial income (+) | 3 | 399 | 1,132 |
| Financial expenses (-) | 3 | (376) | (588) |
| Pre-tax profit | | 8,027 | 10,401 |
| Corporate income tax (current and deferred tax expense) (+/-) | | (1,013) | (2,605) |
| Net profit for the reporting period | | 7,014 | 7,796 |
| Attributable to: | | | |
| Shareholders of the Parent Company | | 7,015 | 7,808 |
| Non-controlling interests | | (1) | (12) |
| Consolidated earnings per share for the reporting period attributable to Shareholders of ASECO S.A. (in PLN): | | | |
| Basic consolidated earnings per share from continuing operations for the reporting period | 4 | 0.14 | 0.15 |
| Diluted consolidated earnings per share from continuing operations for the reporting period | 4 | 0.14 | 0.15 |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | 3 months ended 31 March 2014 (unaudited) | 3 months ended 31 March 2013 (restated) |
|---|---|--|
| Net profit for the reporting period | 7,014 | 7,796 |
| Other comprehensive income, of which: | | |
| <i>Components that may be reclassified to profit or loss:</i> | | |
| | 1,488 | 18,842 |
| Exchange differences on translation of foreign operations | 1,488 | 18,842 |
| TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD | 8,502 | 26,638 |
| Attributable to: | | |
| <i>Shareholders of the Parent Company</i> | 8,506 | 26,668 |
| <i>Non-controlling interests</i> | (4) | (30) |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| ASSETS | Note | 31 March 2014 | 31 Dec. 2013 | 31 March 2013 |
|--|-----------|----------------|----------------|----------------|
| | | (unaudited) | (restated) | (restated) |
| Non-current assets | | 587,496 | 564,377 | 561,465 |
| Property, plant and equipment | <u>6</u> | 54,831 | 33,897 | 21,068 |
| Investment property | | 1,226 | 1,230 | 798 |
| Intangible assets | <u>6</u> | 33,954 | 32,772 | 30,227 |
| Goodwill arising from consolidation | <u>7</u> | 492,617 | 491,656 | 502,433 |
| Investments accounted for using the equity method | | 1,462 | 1,374 | 1,407 |
| Investments in subsidiaries | | 11 | 11 | 11 |
| Long-term financial assets | <u>9</u> | 154 | 155 | 171 |
| Long-term receivables | | 343 | 300 | 259 |
| Deferred income tax assets | | 2,434 | 2,562 | 3,802 |
| Long-term prepayments and accrued income | <u>11</u> | 464 | 420 | 1,289 |
| Current assets | | 191,796 | 212,438 | 211,991 |
| Inventories | | 17,695 | 17,669 | 18,776 |
| Prepayments and accrued income | <u>11</u> | 9,465 | 7,395 | 7,153 |
| Trade receivables | <u>8</u> | 77,692 | 107,274 | 61,641 |
| Corporate income tax receivable | | 2,380 | 1,997 | 1,606 |
| Other receivables from the state and local budgets | | 1,842 | 416 | 1,234 |
| Receivables arising from valuation of IT contracts | | 10,288 | 8,193 | 16,685 |
| Other receivables | <u>8</u> | 10,931 | 9,703 | 13,483 |
| Short-term financial assets | <u>9</u> | 3,972 | 1,438 | 28,988 |
| Cash and short-term deposits | <u>10</u> | 57,531 | 58,353 | 62,425 |
| TOTAL ASSETS | | 779,292 | 776,815 | 773,456 |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| EQUITY AND LIABILITIES | Note | 31 March 2014 | 31 Dec. 2013 | 31 March 2013 |
|--|-----------|----------------|----------------|----------------|
| | | (unaudited) | (restated) | (restated) |
| Equity (attributable to shareholders of the Parent Company) | | 656,759 | 648,253 | 691,336 |
| Share capital | | 518,942 | 518,942 | 518,942 |
| Share premium | | 38,825 | 38,825 | 38,825 |
| Exchange differences on translation of foreign operations | | (73,388) | (74,879) | (44,996) |
| Retained earnings and current net profit | | 172,380 | 165,365 | 178,565 |
| Non-controlling interests | | 167 | 171 | 155 |
| Total equity | | 656,926 | 648,424 | 691,491 |
| Non-current liabilities | | 32,057 | 12,353 | 6,533 |
| Interest-bearing bank loans and borrowings | <u>13</u> | 26,682 | 7,157 | 24 |
| Deferred income tax liabilities | | 2,656 | 2,422 | 2,853 |
| Long-term provisions | | 1,300 | 1,373 | 1,510 |
| Long-term financial liabilities | <u>12</u> | 782 | 718 | 761 |
| Long-term deferred income | <u>15</u> | 637 | 683 | 1,198 |
| Other long-term liabilities | | - | - | 187 |
| Current liabilities | | 90,309 | 116,038 | 75,432 |
| Interest-bearing bank loans and borrowings | <u>13</u> | 8,275 | 6,314 | 316 |
| Trade payables | <u>14</u> | 30,243 | 52,253 | 26,324 |
| Corporate income tax payable | <u>14</u> | 238 | 66 | 1,600 |
| Other liabilities to the state and local budgets | <u>14</u> | 5,974 | 13,998 | 6,187 |
| Financial liabilities | <u>12</u> | 2,087 | 2,073 | 235 |
| Liabilities arising from valuation of IT contracts | | 549 | 1,270 | 943 |
| Other current liabilities | <u>14</u> | 15,021 | 13,870 | 15,923 |
| Short-term provisions | | 2,238 | 2,682 | 3,177 |
| Deferred income | <u>15</u> | 9,017 | 7,863 | 8,431 |
| Accruals | <u>15</u> | 16,667 | 15,649 | 12,296 |
| TOTAL LIABILITIES | | 122,366 | 128,391 | 81,965 |
| TOTAL EQUITY AND LIABILITIES | | 779,292 | 776,815 | 773,456 |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for 3 months ended 31 March 2014

| | Share capital | Share premium | Exchange differences on translation of foreign operations | Retained earnings and current net profit | Equity attributable to shareholders of the Parent Company | Non-controlling interests | Total equity |
|--|----------------|---------------|---|--|---|---------------------------|----------------|
| As at 1 January 2014 | 518,942 | 38,825 | (74,879) | 165,365 | 648,253 | 171 | 648,424 |
| Net profit (loss) for the reporting period | - | - | - | 7,015 | 7,015 | (1) | 7,014 |
| Other comprehensive income | - | - | 1,491 | - | 1,491 | (3) | 1,488 |
| Total comprehensive income for the reporting period | - | - | 1,491 | 7,015 | 8,506 | (4) | 8,502 |
| As at 31 March 2014 (unaudited) | 518,942 | 38,825 | (73,388) | 172,380 | 656,759 | 167 | 656,926 |

for 3 months ended 31 March 2013

| | Share capital | Share premium | Exchange differences on translation of foreign operations | Retained earnings and current net profit | Equity attributable to shareholders of the Parent Company | Non-controlling interests | Total equity |
|---|----------------|---------------|---|--|---|---------------------------|----------------|
| As at 1 January 2013 | 518,942 | 38,825 | (63,856) | 170,761 | 664,672 | 181 | 664,853 |
| Net profit (loss) for the reporting period | - | - | - | 7,808 | 7,808 | (12) | 7,796 |
| Other comprehensive income | - | - | 18,860 | - | 18,860 | (18) | 18,842 |
| Total comprehensive income for the reporting period | - | - | 18,860 | 7,808 | 26,668 | (30) | 26,638 |
| Recognition of financial result attributable to non-controlling interests | - | - | - | (4) | (4) | 4 | - |
| As at 31 March 2013 (restated) | 518,942 | 38,825 | (44,996) | 178,565 | 691,336 | 155 | 691,491 |

for 12 months ended 31 December 2013

| | Share capital | Share premium | Exchange differences on translation of foreign operations | Retained earnings and current net profit | Equity attributable to shareholders of the Parent Company | Non-controlling interests | Total equity |
|--|----------------|---------------|---|--|---|---------------------------|-----------------|
| As at 1 January 2013 | 518,942 | 38,825 | (63,856) | 170,761 | 664,672 | 181 | 664,853 |
| Net profit (loss) for the reporting period | - | - | - | 35,949 | 35,949 | 18 | 35,967 |
| Other comprehensive income | - | - | (11,021) | - | (11,021) | (60) | (11,081) |
| Total comprehensive income for the reporting period | - | - | (11,021) | 35,949 | 24,928 | (42) | 24,886 |
| Changes in the Group structure, of which: | - | - | - | 86 | 86 | (53) | 33 |
| Acquisition of shares in a subsidiary | - | - | - | - | - | 33 | 33 |
| Acquisition of non-controlling interests | - | - | - | 86 | 86 | (86) | - |
| Change in valuation of liabilities under put options of non-controlling shareholders | - | - | - | 686 | 686 | - | 686 |
| Recognition of financial result attributable to non-controlling interests | - | - | (2) | (83) | (85) | 85 | - |
| Dividend | - | - | - | (42,034) | (42,034) | - | (42,034) |
| As at 31 December 2013 (restated) | 518,942 | 38,825 | (74,879) | 165,365 | 648,253 | 171 | 648,424 |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Note | 3 months ended 31 March 2014 (unaudited) | 3 months ended 31 March 2013 (restated) |
|--|------|--|---|
| Cash flows – operating activities | | | |
| Pre-tax profit | | 8,027 | 10,401 |
| Total adjustments: | | (3,736) | (5,792) |
| Depreciation and amortization | | 4,626 | 3,275 |
| Change in inventories | | (1,667) | (2,258) |
| Change in receivables | | 25,165 | 9,309 |
| Change in liabilities | | (31,442) | (11,716) |
| Change in prepayments and accruals | | 32 | (2,981) |
| Change in provisions | | (513) | (773) |
| Interest income and expenses | | (12) | (550) |
| Gain (loss) on foreign exchange differences | | 126 | - |
| Gain (loss) on investing activities | | 7 | (56) |
| Other | | (58) | (42) |
| Net cash generated from operating activities | | 4,291 | 4,609 |
| Corporate income tax paid | | (843) | (2,481) |
| Net cash provided by (used in) operating activities | | 3,448 | 2,128 |
| Cash flows – investing activities | | | |
| Disposal of property, plant and equipment and intangible assets | | 188 | 144 |
| Acquisition of property, plant and equipment and intangible assets | | (20,854) | (2,651) |
| Expenditures for development projects | | (2,149) | (3,254) |
| Acquisition of financial assets carried at fair value through profit or loss | | - | (4,000) |
| Disposal of financial assets carried at fair value through profit or loss | | 28 | - |
| Bank deposits made | | (2,558) | (3,300) |
| Dividends paid out to former shareholders of subsidiaries | | - | (1,736) |
| Loans collected (granted) | | (42) | 161 |
| Interest received | | 167 | 370 |
| Net cash provided by (used in) investing activities | | (25,220) | (14,266) |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Note | 3 months ended 31 March 2014 (unaudited) | 3 months ended 31 March 2013 (restated) |
|--|-----------|--|---|
| Cash flows – financing activities | | | |
| Proceeds from (repayments of) short-term bank loans and borrowings | | 4 | (63) |
| Proceeds from other bank loans and borrowings | | 21,621 | - |
| Repayments of other bank loans and borrowings | | (656) | - |
| Finance lease liabilities paid | | (96) | (39) |
| Interest paid | | (162) | - |
| Other | | - | (25) |
| Net cash provided by (used in) financing activities | | 20,711 | (127) |
| Net increase (decrease) in cash and cash equivalents | | (1,061) | (12,265) |
| Net foreign exchange differences | | 247 | 1,717 |
| Cash and cash equivalents as at 1 January | | 58,327 | 72,949 |
| Cash and cash equivalents as at 31 March | 10 | 57,513 | 62,401 |

SUPPLEMENTARY INFORMATION AND EXPLANATORY NOTES

I. GENERAL INFORMATION

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

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

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

Asseco South Eastern Europe Group is engaged in the sale of its own and third-party software as well as in the provision of implementation, integration and outsourcing services. The Group provides IT systems to support banking, insurance and leasing operations, offers authentication solutions and online payment systems, delivers and performs maintenance of ATMs and POS terminals, as well as provides integration and implementation services for IT systems and hardware. The Group conducts business operations in the markets of Poland, South Eastern Europe, and Turkey.

The Group's business profile and product portfolio have been described in detail in its financial statements for the year 2013 which are available at the Issuer's website: www.asseco.com/see.

These interim condensed consolidated financial statements cover the interim period ended 31 March 2014 and contain comparable data for the interim period ended 31 March 2013 in case of the statement of comprehensive income, statement of changes in equity, and statement of cash flows; and comparable data as at 31 December 2013 and 31 March 2013 in case of the statement of financial position.

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

These interim consolidated financial statements have been approved for publication by the Management Board of ASEE S.A. on 5 May 2014.

II. MAJOR SHAREHOLDERS

According to the best knowledge of the Management Board of ASEE S.A. as at the date of publication of this report, i.e. on 5 May 2014, the shareholders who, either directly or through their subsidiaries, hold at least a 5% voting interest at the General Meeting of Shareholders are as follows:

| Name of shareholder | Number of shares held and votes at GMS | Equity interest and voting interest at GMS |
|----------------------------|---|---|
| Asseco Poland S.A. | 26,494,676 | 51.06% |
| EBRD | 4,810,880 | 9.27% |
| Liatris d.o.o. | 3,838,683 | 7.40% |
| Aviva Pension Fund | 3,820,000 | 7.36% |
| Other shareholders | 12,930,012 | 24.91% |
| | 51,894,251 | 100.00% |

To the best knowledge of the Management Board of ASEE S.A. as at 31 March 2014 and 31 December 2013, the shareholders who, 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 held and votes at GMS | Equity interest and voting interest at GMS |
|----------------------------|---|---|
| Asseco Poland S.A. | 26,494,676 | 51.06% |
| EBRD | 4,810,880 | 9.27% |
| Liatris d.o.o. | 3,838,683 | 7.40% |
| Aviva Pension Fund | 2,746,061 | 5.29% |
| Other shareholders | 14,003,951 | 26.98% |
| | 51,894,251 | 100.00% |

As at 31 March 2014, on the date of publication of this report, i.e. on 5 May 2014, as well as at 31 March 2013, the share capital of ASEE S.A. amounted to PLN 518,942,510 and it was divided into 51,894,251 ordinary shares with a par value of PLN 10.00 each, which entitled to 51,894,251 votes at the Company's General Meeting of Shareholders.

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

| Supervisory Board Members | Number of shares held as at | | | |
|-------------------------------|-----------------------------|------------------|-----------------|-----------------|
| | 5 May 2014 | 31 March 2014 | 19 Feb. 2014 | 31 Dec. 2013 |
| Adam Góral ¹⁾ | - | - | - | - |
| Jacek Duch | - | - | - | - |
| Jan Dauman | - | - | - | - |
| Andrzej Mauberg | - | - | - | - |
| Mihail Petreski ²⁾ | - | - | - | - |
| Przemysław Sęczkowski | - | - | - | - |
| Gabriela Żukowicz | 150 | 150 | 150 | 150 |

1) Adam Góral, Chairman of the Supervisory Board of ASEE S.A. and a shareholder in Asseco Poland S.A. which in turn is a shareholder in ASEE S.A.; as at 31 March 2014, Asseco Poland S.A. held 26,494,676 shares in ASEE S.A.

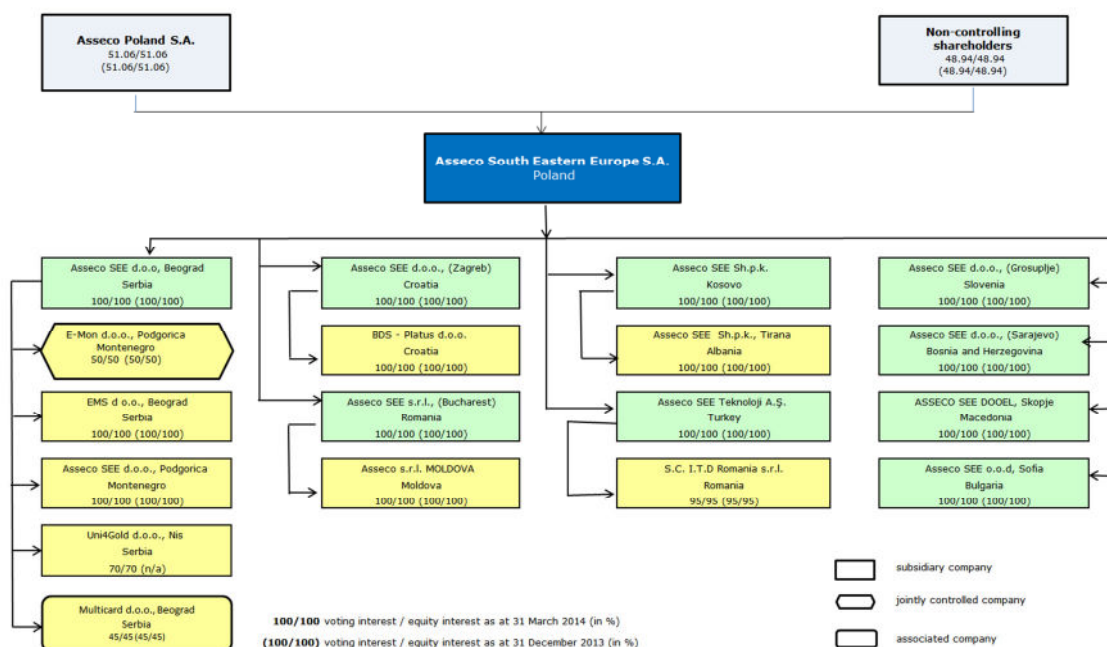
2) Mihail Petreski, Member of the Supervisory Board of ASEE S.A. and a shareholder in the company Liatriis d.o.o. which in turn is a shareholder in ASEE S.A.; as at 31 March 2014, Liatriis d.o.o. held 3,838,683 shares in ASEE S.A.

| Management Board Members | Number of shares held as at | | | |
|--------------------------------|-----------------------------|------------------|-----------------|-----------------|
| | 5 May 2014 | 31 March 2014 | 19 Feb. 2014 | 31 Dec. 2013 |
| Piotr Jeleński | 550 | 550 | 550 | 550 |
| Calin Barseti | - | - | - | - |
| Miljan Mališ ³⁾ | - | - | - | - |
| Miodrag Mirčetić ⁴⁾ | - | - | - | - |
| Marcin Rułnicki | - | - | - | - |

3) Miljan Mališ, Member of the Management Board of ASEE S.A. and a shareholder in the company Mini Invest d.o.o. which in turn is a shareholder in ASEE S.A.; as at 31 March 2014, Mini Invest d.o.o. held 835,597 shares in ASEE S.A.

4) Miodrag Mirčetić, Member of the Management Board of ASEE S.A. and a shareholder in the company I4-INVENTION d.o.o. which in turn is a shareholder in ASEE S.A.; as at 31 March 2014, I4-INVENTION d.o.o. held 1,522,971 shares in ASEE S.A.

IV. ORGANIZATIONAL STRUCTURE OF ASSECO SOUTH EASTERN EUROPE GROUP



The chart above presents the structure of ASEE Group along with equity interests and voting interests at the general meetings of shareholders/partners as at 31 March 2014.

The parent of Asseco South Eastern Europe S.A. is Asseco Poland S.A. (the higher-level parent company). As at 31 March 2014, Asseco Poland S.A. held a 51.06% stake in the share capital of ASEE S.A.

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

Multicard Serbia is an associated company accounted for using the equity method. Up until 30 September 2013, Multicard Serbia was treated as a subsidiary and subject to full consolidation.

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

Both as at 31 March 2014 and 31 December 2013, voting interests the Group was entitled to exercise in its subsidiaries were proportional to the Group's equity interests in these entities.

V. EFFECTS OF CHANGES IN THE ORGANIZATIONAL STRUCTURE

During the period of 3 months ended 31 June 2014, the organizational structure of the Issuer's Group changed as follows:

- On 2 January 2014, a merger of our two Croatian subsidiaries, namely ASEE Croatia (the taking-over company) and EŽR Croatia (the acquired company) was registered. The above-mentioned transaction has had no impact on the consolidated financial statements of the Group.

VI. ACCOUNTING POLICIES APPLIED WHEN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Till the date of approving these financial statements, we have not observed any circumstances that would threaten the Company and the Group companies' ability to continue as going concerns in the period of at least 12 months following the balance sheet date.

2. Compliance statement

These interim condensed consolidated financial statements have been prepared in conformity with the International Financial Reporting Standards ("IFRS") as adopted by the European Union and, in particular, in accordance with the International Accounting Standard 34 Interim Financial Reporting. In these interim consolidated financial statements, the Group has not opted for the early adoption of any standards or interpretations which have not become effective yet.

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

3. Significant accounting policies

The significant accounting policies adopted by ASEE Group have been described in the consolidated financial statements for the year ended 31 December 2013, which were published on 19 February 2014 and are available at the Issuer's website: www.asseco.com/see. These interim condensed consolidated financial statements do not include all the information and disclosures required for annual consolidated financial statements and therefore they should be read together with the Group's consolidated financial statements for the year ended 31 December 2013.

Starting from 1 January 2014, the Group has changed the method of accounting for its jointly controlled company, from the proportionate method to the equity method, in connection with the entry into force of IFRS 11 *Joint Arrangements*.

The above-mentioned change has been described in detail in items VI.9. and VI.11. of the Accounting policies applied when preparing the consolidated financial statements.

Other accounting policies adopted for drawing up this report are coherent with those applied for the preparation of the Group's consolidated financial statements for the year ended 31 December 2013, except for applying the amendments to standards and new interpretations effective for annual periods beginning on or after 1 January 2014, including in particular IFRS 11 *Joint Arrangements*.

4. Functional currency and reporting currency

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

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

5. Changes in estimates

In the period of 3 months ended 31 March 2014, our approach to making estimates was not subject to any substantial change.

6. Professional judgement

Preparing consolidated financial statements in accordance with IFRS requires making estimates and assumptions which impact the data disclosed in such financial statements. Despite the estimates and assumptions have been adopted based on the Group's management best knowledge on the current activities and occurrences, the actual results may differ from those anticipated. The main areas which, in the process of applying the accounting policies, were largely subject to the management's professional judgement remained unchanged as compared with their description presented in the annual financial statements for the year 2013.

7. Seasonal nature of business

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

8. Changes in the presentation methods

In the reporting period, for the sake of consistent presentation of financial data within Asseco Poland Group, we have restored our consolidated income statement back to the layout that was used up until 2012.

In comparison with 2013, the change made in 2014 involved replacing the lines of '*cost of goods and third-party services sold*' and '*production costs*' with a single line called '*cost of sales*'. We have also resumed the presentation of the '*gross profit on sales*' which is calculated by deducting the '*cost of sales*' from '*sales revenues*'.

In 2014, we have ceased to present the '*surplus of revenues over third-party costs*' that was calculated by deducting the '*cost of goods and third-party services sold*' from '*sales revenues*'.

In addition, in the 1st quarter of 2014, we have changed the method of allocating some of the managerial staff remuneration to production costs, selling costs or general administrative expenses, in order to unify the recognition of such remuneration costs across the entire ASEE Group. Financial data for the 1st quarter of 2013 have been adjusted to ensure comparability. The effects of the above described changes have been described in item 11 below.

9. Changes in the accounting policies applied

In the reporting period, the Group has not introduced any changes to the applied accounting policies, except for adopting the amendments to standards and new interpretations effective for annual periods beginning on or after 1 January 2014, including in particular IFRS 11 *Joint Arrangements*. The effects of adopting IFRS 11 have been described in item 11 below.

The Group has not changed the method for valuation of financial instruments measured at fair value.

10. Corrections of material errors

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

11. Changes in the comparable data

In these interim consolidated financial statements, the comparable data have been subject to the following restatements:

Change in the accounting for E-Mon Montenegro

ASEE Group holds a 50% stake in E-mon Montenegro which is a provider of online payment solutions. Until 31 December 2013, this company was classified as a jointly controlled entity and accounted for using the proportionate method under the provisions of IAS 31 *Interests in Joint Ventures*. Due to the entry into force of IFRS 11 *Joint Arrangements*, which shall be effective in the European Union at the latest for annual periods beginning on or after 1 January 2014, and the resulting impossibility of applying the proportionate method, in these interim consolidated financial statements the company of E-mon Montenegro has been accounted for using the equity method. The equity method has been also applied retrospectively to the comparable data reported for 3 months

ended 31 March 2013 and as at 31 December 2013 and 31 March 2013. The impact on the comparable data resulting from changing the recognition method, from proportionate to equity-based, has been shown in the tables below.

Changes due to the process of fair value measurement of assets and liabilities of Sigma Turkey

As a result of fair value measurement of assets and liabilities of Sigma Turkey, the Group's balance sheet data as at 31 March 2013 have been changed retrospectively. ASEE Group acquired a 98.68% stake in Sigma Turkey on 14 September 2012. The process of fair value measurement of assets and liabilities of the acquired company, carried out as part of the purchase price allocation, was not completed until 31 March 2013. Therefore, goodwill arising from the purchase of shares in Sigma Turkey, which was recognized in the consolidated financial statements as at 31 March 2013, was estimated on the basis of provisional values of identifiable assets, liabilities and contingent liabilities.

In 2013, such estimated value of goodwill was changed due to the recognition of an additional liability relating to a contract executed by Sigma Turkey before being taken over by ASEE S.A. The valuation process was completed in the 3rd quarter of 2013.

The impact of the said change on the comparable data has been presented in the table below.

Changes in the allocation of remuneration costs to production costs, selling costs or general administrative expenses

Due to unifying the presentation of the costs of remuneration of managerial staff of the Group companies in the 1st quarter of 2014, we have changed the method of allocating some of such costs to production costs, selling costs or general administrative expenses. Financial figures for the 1st quarter of 2013 have been adjusted accordingly to ensure comparability. The resulting changes to the comparable data have been presented in the tables below.

Impact of the above described changes on the comparable data

| Changes in the comparable data | Report for 3 months ended 31 March 2013 | Change in the method of accounting for E-Mon | Changes resulting from purchase price allocation | Restated Statement of Financial Position as at 31 March 2013 |
|---|--|---|---|---|
| Consolidated Statement of Financial Position as at 31 March 2013 | (published) | | | (restated) |
| Non-current assets | 559,581 | 964 | 920 | 561,465 |
| Property, plant and equipment | 21,269 | (201) | - | 21,068 |
| Intangible assets | 30,345 | (118) | - | 30,227 |
| Goodwill arising from consolidation | 501,513 | - | 920 | 502,433 |
| Investments accounted for using the equity method | - | 1,407 | - | 1,407 |
| Long-term financial assets | 295 | (124) | - | 171 |
| Other non-current assets | 6,159 | - | - | 6,159 |
| Current assets | 213,645 | (1,654) | - | 211,991 |
| Inventories | 18,796 | (20) | - | 18,776 |
| Prepayments and accrued income | 7,164 | (11) | - | 7,153 |
| Trade receivables | 61,976 | (335) | - | 61,641 |
| Other receivables | 13,556 | (73) | - | 13,483 |
| Cash and short-term deposits | 63,640 | (1,215) | - | 62,425 |
| Other current assets | 48,513 | - | - | 48,513 |
| TOTAL ASSETS | 773,226 | (690) | 920 | 773,456 |
| Total equity | 691,930 | (439) | - | 691,491 |
| Non-current liabilities | 6,533 | - | - | 6,533 |
| Current liabilities | 74,763 | (251) | 920 | 75,432 |
| Trade payables | 26,396 | (72) | - | 26,324 |
| Liabilities to the state and local budgets | 7,816 | (29) | - | 7,787 |
| Accruals | 12,302 | (6) | - | 12,296 |
| Other liabilities | 28,249 | (144) | 920 | 29,025 |
| TOTAL LIABILITIES | 81,296 | (251) | 920 | 81,965 |
| TOTAL EQUITY AND LIABILITIES | 773,226 | (690) | 920 | 773,456 |

| Changes in the comparable data | Report for the year ended 31 Dec. 2013 | Change in the method of accounting for E-Mon | Changes resulting from purchase price allocation | Restated Statement of Financial Position as at 31 Dec. 2013 |
|---|--|--|--|---|
| Consolidated Statement of Financial Position as at 31 December 2013 | (audited) | | | (restated) |
| Non-current assets | 563,393 | 984 | - | 564,377 |
| Property, plant and equipment | 34,090 | (193) | - | 33,897 |
| Intangible assets | 32,890 | (118) | - | 32,772 |
| Investments accounted for using the equity method | - | 1,374 | - | 1,374 |
| Long-term financial assets | 234 | (79) | - | 155 |
| Other non-current assets | 496,179 | - | - | 496,179 |
| Current assets | 213,958 | (1,520) | - | 212,438 |
| Inventories | 17,694 | (25) | - | 17,669 |
| Prepayments and accrued income | 7,422 | (27) | - | 7,395 |
| Trade receivables | 107,480 | (206) | - | 107,274 |
| Receivables from the state and local budgets | 2,370 | 43 | - | 2,413 |
| Short-term financial assets | 1,915 | (477) | - | 1,438 |
| Cash and short-term deposits | 59,126 | (773) | - | 58,353 |
| Other current assets | 17,951 | (55) | - | 17,896 |
| TOTAL ASSETS | 777,351 | (536) | - | 776,815 |
| Total equity | 648,949 | (525) | - | 648,424 |
| Non-current liabilities | 12,353 | - | - | 12,353 |
| Current liabilities | 116,049 | (11) | - | 116,038 |
| Trade payables | 52,264 | (11) | - | 52,253 |
| Other current liabilities | 63,785 | - | - | 63,785 |
| TOTAL LIABILITIES | 128,402 | (11) | - | 128,391 |
| TOTAL EQUITY AND LIABILITIES | 777,351 | (536) | - | 776,815 |

| Changes in the comparable data | Report for 3 months ended 31 March 2013 | Change in the method of accounting for E-Mon | Changes in the presentation of managerial staff remuneration | Restated Income Statement for 3 months ended 31 March 2013 |
|--|---|--|--|--|
| Consolidated Income Statement for 3 months ended 31 March 2013 | (published) | | | (restated) |
| Sales revenues | 100,967 | (334) | - | 100,633 |
| Cost of sales (-) | (73,948) | 191 | (1,045) | (74,802) |
| Gross profit on sales | 27,019 | (143) | (1,045) | 25,831 |
| Selling costs (-) | (8,900) | - | 700 | (8,200) |
| General administrative expenses (-) | (8,280) | - | 345 | (7,935) |
| Net profit on sales | 9,839 | (143) | - | 9,696 |
| Other operating income (+) | 236 | - | - | 236 |
| Other operating expenses (-) | (218) | - | - | (218) |
| <i>Share in profits of associates</i> | - | 143 | - | 143 |
| Operating profit | 9,857 | - | - | 9,857 |

| Changes in the comparable data | Report for 3 months ended 31 March 2013 | Change in the method of accounting for E-Mon | | Restated Statement of Cash Flows for 3 months ended 31 March 2013 |
|---|---|--|---|---|
| Consolidated Statement of Cash Flows for 3 months ended 31 March 2013 | (published) | | | (restated) |
| Net cash provided by (used in) operating activities | 2,128 | - | - | 2,128 |
| Net cash provided by (used in) investing activities | (14,266) | - | - | (14,266) |
| Net cash provided by (used in) financing activities | (127) | - | - | (127) |
| Net increase (decrease) in cash and cash equivalents | (12,265) | - | - | (12,265) |
| Net foreign exchange differences | 1,748 | (31) | - | 1,717 |
| Cash and cash equivalents as at 1 January | 74,133 | (1,184) | - | 72,949 |
| Cash and cash equivalents as at 31 March | 63,616 | (1,215) | - | 62,401 |

VII. INFORMATION ON OPERATING SEGMENTS

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

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

Banking Solutions

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

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

This segment also provides systems enabling secure authentication of bank clients or IT system users, as well as e-banking solutions available on mobile phones. These solutions are marketed as an integral part of the core and multi-channel banking systems offered by the Group companies, or separately for the purpose of being integrated with legacy IT solutions or third-party software already utilized by banks.

Furthermore, the product portfolio of the Banking Solutions segment includes LeaseFlex, a fully-fledged lease and asset lifecycle management solution.

Payment Solutions

This segment is engaged in the sale and maintenance of ATMs and POS terminals as well as in the provision of related support services. ATMs and POS terminals are also offered by the Group in the outsourcing model, which allows customers to just rent the equipment from ASECO Group and take advantage of our maintenance and infrastructure management services.

This operating segment also provides IT systems for the settlement of internet credit card payments as well as for fast and direct online money transfers.

Systems Integration

This segment is engaged in the development of customized IT systems, integration of third-party software and elements of infrastructure, as well as in the sale and installation of hardware solutions. Furthermore, the Systems Integration segment includes the presentation of sales of a number of the Group's proprietary solutions that do not qualify for any of the operating segments described above.

The Group's business profile and product portfolio have been described in detail in its financial statements for the year 2013.

| For 3 months ended 31 March 2014 and as at 31 March 2014 in PLN thousands (unaudited) | Banking Solutions (I) | Payment Solutions (II) | Total Banking Business (I-II) | Systems Integration (III) | Unallocated | Eliminations / Reconcilia- tions | Total |
|---|-----------------------------|------------------------------|--|---------------------------------|--------------|--|----------------|
| Sales revenues: | 28,057 | 29,953 | 58,010 | 45,172 | 2,217 | (6,118) | 99,281 |
| Sales to external customers | 25,554 | 29,098 | 54,652 | 44,629 | - | - | 99,281 |
| Inter/intra segment sales | 2,503 | 855 | 3,358 | 543 | 2,217 | (6,118) | - |
| Gross profit on sales | 6,293 | 9,311 | 15,604 | 8,030 | - | - | 23,634 |
| Selling costs (-) | (2,342) | (1,880) | (4,222) | (3,713) | - | - | (7,935) |
| General administrative expenses (-) | (3,201) | (2,648) | (5,849) | (2,031) | - | - | (7,880) |
| Net profit on sales | 750 | 4,783 | 5,533 | 2,286 | - | - | 7,819 |
| <i>goodwill arising from consolidation</i> | 195,218 | 112,495 | 307,713 | 184,904 | - | - | 492,617 |

| For 3 months ended 31 March 2014 in EUR thousands (unaudited) | Banking Solutions (I) | Payment Solutions (II) | Total Banking Business (I-II) | Systems Integration (III) | Unallocated | Eliminations / Reconcilia- tions | Total |
|--|-----------------------------|------------------------------|--|---------------------------------|-------------|--|---------------|
| Sales revenues: | 6,697 | 7,150 | 13,847 | 10,782 | 529 | (1,460) | 23,698 |
| Sales to external customers | 6,100 | 6,946 | 13,046 | 10,652 | - | - | 23,698 |
| Inter/intra segment sales | 597 | 204 | 801 | 130 | 529 | (1,460) | - |
| Gross profit on sales | 1,502 | 2,222 | 3,724 | 1,917 | - | - | 5,641 |
| Selling costs (-) | (559) | (449) | (1,008) | (886) | - | - | (1,894) |
| General administrative expenses (-) | (764) | (632) | (1,396) | (485) | - | - | (1,881) |
| Net profit on sales | 179 | 1,141 | 1,320 | 546 | - | - | 1,866 |

The above figures have been converted at the average exchange rate for the period from 1 January 2014 to 31 March 2014: EUR 1 = PLN 4.1894

| For 3 months ended 31 March 2013 and as at 31 March 2013 in PLN thousands (restated) | Banking Solutions (I) | Payment Solutions (II) | Total Banking Business (I-II) | Systems Integration (III) | Unallocated | Eliminations / Reconcilia- tions | Total |
|--|-----------------------------|------------------------------|--|---------------------------------|--------------|--|----------------|
| Sales revenues: | 33,237 | 25,903 | 59,140 | 48,473 | 2,623 | (9,603) | 100,633 |
| Sales to external customers | 28,853 | 24,626 | 53,479 | 47,154 | - | - | 100,633 |
| Inter/intra segment sales | 4,384 | 1,277 | 5,661 | 1,319 | 2,623 | (9,603) | - |
| Gross profit on sales | 9,793 | 8,819 | 18,612 | 7,219 | - | - | 25,831 |
| Selling costs (-) | (2,556) | (1,802) | (4,358) | (3,842) | - | - | (8,200) |
| General administrative expenses (-) | (3,552) | (2,247) | (5,799) | (2,136) | - | - | (7,935) |
| Net profit on sales | 3,685 | 4,770 | 8,455 | 1,241 | - | - | 9,696 |
| <i>goodwill arising from consolidation</i> | 200,387 | 107,752 | 308,139 | 194,294 | - | - | 502,433 |

| For 3 months ended 31 March 2013 in EUR thousands (restated) | Banking Solutions (I) | Payment Solutions (II) | Total Banking Business (I-II) | Systems Integration (III) | Unallocated | Eliminations / Reconcilia- tions | Total |
|---|-----------------------------|------------------------------|--|---------------------------------|-------------|--|---------------|
| Sales revenues: | 7,963 | 6,206 | 14,169 | 11,614 | 629 | (2,301) | 24,111 |
| Sales to external customers | 6,913 | 5,900 | 12,813 | 11,298 | - | - | 24,111 |
| Inter/intra segment sales | 1,050 | 306 | 1,356 | 316 | 629 | (2,301) | - |
| Gross profit on sales | 2,346 | 2,113 | 4,459 | 1,730 | - | - | 6,189 |
| Selling costs (-) | (612) | (432) | (1,044) | (921) | - | - | (1,965) |
| General administrative expenses (-) | (851) | (538) | (1,389) | (512) | - | - | (1,901) |
| Net profit on sales | 883 | 1,143 | 2,026 | 297 | - | - | 2,323 |

The above figures have been converted at the average exchange rate for the period from 1 January 2013 to 31 March 2013: EUR 1 = PLN 4.1738

VIII. INFORMATION ON GEOGRAPHICAL STRUCTURE OF FINANCIAL RESULTS

| For 3 months ended 31 March 2014 in PLN thousands | Albania | Bosnia | Bulgaria | Croatia | Montenegro | Kosovo | Macedonia | Poland | Romania | Serbia | Slovenia | Turkey | Total |
|---|------------|--------------|--------------|---------------|--------------|--------------|---------------|--------------|---------------|---------------|--------------|---------------|---------------|
| Sales revenues | 406 | 3,028 | 544 | 14,905 | 1,658 | 3,950 | 13,172 | 1,341 | 20,076 | 27,539 | 1,412 | 11,250 | 99,281 |
| Cost of sales (-) | (185) | (2,013) | (604) | (12,554) | (1,167) | (3,411) | (10,165) | (1,236) | (16,517) | (20,335) | (1,134) | (6,326) | (75,647) |
| Gross profit on sales | 221 | 1,015 | (60) | 2,351 | 491 | 539 | 3,007 | 105 | 3,559 | 7,204 | 278 | 4,924 | 23,634 |
| Selling costs (-) | (53) | (248) | (107) | (1,230) | (84) | (163) | (832) | (260) | (1,168) | (2,584) | (67) | (1,139) | (7,935) |
| General administrative expenses (-) | (94) | (259) | (227) | (1,389) | (113) | (294) | (659) | 36 | (1,241) | (1,969) | (176) | (1,495) | (7,880) |
| Net profit (loss) on sales | 74 | 508 | (394) | (268) | 294 | 82 | 1,516 | (119) | 1,150 | 2,651 | 35 | 2,290 | 7,819 |
| Other operating income | 1 | 17 | 93 | 132 | (5) | 20 | 145 | 33 | 49 | 26 | - | (4) | 507 |
| Other operating expenses | - | (93) | (83) | (98) | - | (13) | (89) | (14) | (1) | (21) | - | (2) | (414) |
| Share in profits of associates | - | - | - | - | 92 | - | - | - | - | - | - | - | 92 |
| Operating profit (loss) | 75 | 432 | (384) | (234) | 381 | 89 | 1,572 | (100) | 1,198 | 2,656 | 35 | 2,284 | 8,004 |

| For 3 months ended 31 March 2014 in EUR thousands | Albania | Bosnia | Bulgaria | Croatia | Montenegro | Kosovo | Macedonia | Poland | Romania | Serbia | Slovenia | Turkey | Total |
|---|-----------|------------|-------------|--------------|------------|------------|--------------|-------------|--------------|--------------|------------|--------------|---------------|
| Sales revenues | 97 | 723 | 130 | 3,558 | 396 | 943 | 3,144 | 320 | 4,792 | 6,573 | 337 | 2,685 | 23,698 |
| Cost of sales (-) | (44) | (480) | (144) | (2,997) | (279) | (814) | (2,426) | (295) | (3,943) | (4,854) | (271) | (1,510) | (18,057) |
| Gross profit on sales | 53 | 243 | (14) | 561 | 117 | 129 | 718 | 25 | 849 | 1,719 | 66 | 1,175 | 5,641 |
| Selling costs (-) | (13) | (59) | (26) | (294) | (20) | (39) | (199) | (62) | (279) | (615) | (16) | (272) | (1,894) |
| General administrative expenses (-) | (22) | (62) | (54) | (332) | (27) | (70) | (157) | 9 | (296) | (471) | (42) | (357) | (1,881) |
| Net profit (loss) on sales | 18 | 122 | (94) | (65) | 70 | 20 | 362 | (28) | 274 | 633 | 8 | 546 | 1,866 |
| Other operating income | - | 4 | 22 | 32 | (1) | 5 | 35 | 8 | 12 | 5 | - | - | 122 |
| Other operating expenses | - | (23) | (20) | (23) | - | (4) | (21) | (3) | - | (5) | - | - | (99) |
| Share in profits of associates | - | - | - | - | 22 | - | - | - | - | - | - | - | 22 |
| Operating profit (loss) | 18 | 103 | (92) | (56) | 91 | 21 | 376 | (23) | 286 | 633 | 8 | 546 | 1,911 |

| For 3 months ended 31 March 2013 in PLN thousands | Albania | Bosnia | Bulgaria | Croatia | Montenegro | Kosovo | Macedonia | Poland | Romania | Serbia | Slovenia | Turkey | Total |
|---|------------|--------------|------------|--------------|--------------|--------------|---------------|--------------|---------------|---------------|------------|---------------|----------------|
| Sales revenues | 551 | 4,274 | 887 | 9,928 | 1,474 | 3,937 | 17,234 | 1,896 | 18,324 | 29,353 | 951 | 11,824 | 100,633 |
| Cost of sales (-) | (341) | (3,001) | (657) | (7,880) | (1,036) | (3,393) | (13,446) | (1,318) | (15,603) | (20,441) | (519) | (7,167) | (74,802) |
| Gross profit on sales | 210 | 1,273 | 230 | 2,048 | 438 | 544 | 3,788 | 578 | 2,721 | 8,912 | 432 | 4,657 | 25,831 |
| Selling costs (-) | (52) | (267) | (147) | (1,283) | (115) | (244) | (590) | (516) | (1,529) | (2,356) | (96) | (1,005) | (8,200) |
| General administrative expenses (-) | (77) | (472) | (89) | (1,131) | (102) | (296) | (850) | 12 | (1,041) | (1,912) | (180) | (1,797) | (7,935) |
| Net profit (loss) on sales | 81 | 534 | (6) | (366) | 221 | 4 | 2,348 | 74 | 151 | 4,644 | 156 | 1,855 | 9,696 |
| Other operating income | 10 | 19 | 13 | 27 | 10 | 19 | 76 | 9 | - | (14) | - | 67 | 236 |
| Other operating expenses | - | - | (4) | (52) | - | (17) | (6) | - | (16) | (24) | (33) | (66) | (218) |
| Share in profits of associates | - | - | - | - | 143 | - | - | - | - | - | - | - | 143 |
| Operating profit (loss) | 91 | 553 | 3 | (391) | 374 | 6 | 2,418 | 83 | 135 | 4,606 | 123 | 1,856 | 9,857 |

| For 3 months ended 31 March 2013 in EUR thousands | Albania | Bosnia | Bulgaria | Croatia | Montenegro | Kosovo | Macedonia | Poland | Romania | Serbia | Slovenia | Turkey | Total |
|---|------------|--------------|------------|--------------|------------|------------|--------------|------------|--------------|--------------|------------|--------------|---------------|
| Sales revenues | 132 | 1,024 | 213 | 2,379 | 353 | 943 | 4,129 | 454 | 4,390 | 7,033 | 228 | 2,833 | 24,111 |
| Cost of sales (-) | (81) | (719) | (157) | (1,888) | (248) | (813) | (3,222) | (316) | (3,738) | (4,897) | (125) | (1,718) | (17,922) |
| Gross profit on sales | 51 | 305 | 56 | 491 | 105 | 130 | 907 | 138 | 652 | 2,136 | 103 | 1,115 | 6,189 |
| Selling costs (-) | (12) | (64) | (35) | (307) | (28) | (58) | (141) | (123) | (367) | (567) | (23) | (240) | (1,965) |
| General administrative expenses (-) | (18) | (113) | (21) | (271) | (25) | (71) | (204) | 3 | (249) | (459) | (43) | (430) | (1,901) |
| Net profit (loss) on sales | 21 | 128 | - | (87) | 52 | 1 | 562 | 18 | 36 | 1,110 | 37 | 445 | 2,323 |
| Other operating income | 2 | 5 | 3 | 6 | 2 | 4 | 18 | 2 | - | (1) | - | 16 | 57 |
| Other operating expenses | - | - | (1) | (12) | - | (4) | (1) | - | (4) | (6) | (8) | (16) | (52) |
| Share in profits of associates | - | - | - | - | 34 | - | - | - | - | - | - | - | 34 |
| Operating profit (loss) | 23 | 133 | 2 | (93) | 88 | 1 | 579 | 20 | 32 | 1,103 | 29 | 445 | 2,362 |

IX. SUMMARY AND ANALYSIS OF FINANCIAL RESULTS OF ASSECO SOUTH EASTERN EUROPE GROUP

| PLN'000 | 3 months ended 31 March 2014 | 3 months ended 31 March 2013 | Change |
|--|---|---|---------------|
| | (unaudited) | (restated) | % |
| Sales revenues | 99,281 | 100,633 | -1% |
| Gross profit on sales | 23,634 | 25,831 | -9% |
| Net profit on sales | 7,819 | 9,696 | -19% |
| Operating profit | 8,004 | 9,857 | -19% |
| EBITDA | 12,630 | 13,132 | -4% |
| Net profit for the reporting period | 7,014 | 7,796 | -10% |
| Net profit attributable to Shareholders of the Parent Company | 7,015 | 7,808 | -10% |
| Normalized profit for the reporting period* | 7,014 | 7,796 | -10% |

| EUR'000 | 3 months ended 31 March 2014 | 3 months ended 31 March 2013 | Change |
|--|---|---|---------------|
| | (unaudited) | (restated) | % |
| Sales revenues | 23,698 | 24,111 | -2% |
| Gross profit on sales | 5,641 | 6,189 | -9% |
| Net profit on sales | 1,866 | 2,323 | -20% |
| Operating profit | 1,911 | 2,362 | -19% |
| EBITDA | 3,015 | 3,146 | -4% |
| Net profit for the reporting period | 1,674 | 1,868 | -10% |
| Net profit attributable to Shareholders of the Parent Company | 1,674 | 1,871 | -11% |
| Normalized profit for the reporting period | 1,674 | 1,868 | -10% |

*Normalized profit for the reporting period is calculated as "Net profit for the reporting period" adjusted for gains on non-recurring transactions recognized as financial income. No one-time events occurred during both the 1st quarter of 2014 and the 1st quarter of 2013.

In the 1st quarter of 2014, our sales revenues presented in PLN and EUR dropped by 1% and 2%, respectively, both in comparison to the corresponding period of 2013. Such deterioration resulted primarily from weaker revenues generated in the Banking Solutions segment (a decrease by EUR 813 thousand) as well as in the Systems Integration segment (a decrease by EUR 646 thousand), which were partially offset by robust revenues generated in the Payment Solutions segment (an increase by EUR 1,046 thousand).

A decrease in revenues of the Banking Solutions segment in the 1st quarter of 2014 was caused primarily by lower sales of products and services for the banking industry clients in Serbia (a decrease by EUR 510 thousand) and in Romania (a decrease by EUR 260 thousand), where we completed the implementation of large core banking systems at the end of 2013 and no significant projects have been commenced during the last three months. A slightly smaller decrease in revenues (by EUR 170 thousand) was experienced in Macedonia which, within the Banking Solutions segment, is in close cooperation with Serbia. However, our banking solutions revenues generated in Turkey increased by EUR 300 thousand, basically owing to new contracts for the implementation and modification of LeaseFlex system.

In the 1st quarter of 2014, weaker revenues of the Systems Integration segment resulted chiefly from lower sales of hardware and integration services in Macedonia (a decrease by EUR 730 thousand) as well as a smaller number of call-center system implementations in Turkey (a decrease in sales by EUR 380 thousand). Such deterioration was partially compensated by stronger sales of

integration services in Romania (an increase by EUR 590 thousand in comparison to the 1st quarter of 2013).

Higher revenues in the Payment Solutions segment were achieved largely due to the consolidation of financial results of EŽR Croatia, which was taken over by ASEE S.A. on 23 October 2013.

A decrease in total sales revenues by EUR 413 thousand that was accompanied by an increase in the cost of sales by EUR 125 thousand (mainly due to higher production costs following the acquisition of EŽR Croatia, depreciation of POS terminals and ATMs purchased for outsourcing purposes, as well as amortization of internally generated products that have been capitalized) all caused a decline in our gross profit on sales by EUR 548 thousand or by 9% in comparison to the 1st quarter of 2013.

By implementing savings on selling expenses and general administrative expenses, we managed to somewhat reduce the scale of deterioration in our net profit on sales, which declined by EUR 457 thousand or by 20% if compared to the first three months of 2013.

In the 1st quarter of 2014, operating profit amounted to EUR 1,911 thousand, suffering a decrease by EUR 451 thousand or by 19% in comparison to the corresponding quarter last year.

Lower operating profit of ASEE Group resulted from weaker sales generated by our Banking Solutions segment. Within this segment, the level of revenues deteriorated primarily in Serbia, Romania and Macedonia, and also in these countries our operating profits suffered the largest declines by EUR 490 thousand, EUR 130 thousand and EUR 180 thousand, respectively, in comparison to

the corresponding period last year. Operating profit decreased also in the Banking Solutions segment in Croatia, where we completed the implementation of a core banking system at Podravska Banka, made investments to reinforce our mobile solutions team, and incurred amortization costs of internally generated products. The said decreases have been partially offset by a stronger operating profit achieved in Turkey, which improved by EUR 240 thousand in comparison to the 1st quarter of 2013, primarily owing to higher sales of LeaseFlex leasing management solution. Operating profit of the whole Banking Solutions segment dropped from EUR 919 thousand in the 1st quarter of 2013 down to EUR 211 thousand in the corresponding period this year.

Operating profit reported by the Payment Solutions segment for the 1st quarter of 2014 amounted to EUR 1,148 thousand, remaining at a similar level as in the corresponding period last year.

Despite lower sales revenues, operating profit of the Systems Integration segment increased from EUR 299 thousand for the 1st quarter of 2013 up to EUR 552 thousand in the corresponding period this year. This was achieved owing to much stronger results of the Systems Integration segment in Romania whose operating profit improved by EUR 370 thousand, partially due to a reversal of an allowance for receivables under the e-Romania project (in the amount of EUR 189 thousand). Stronger operating performance of the Systems Integration segment in Romania was partially offset by the segment's weaker operating profit in Turkey, which dropped by EUR 170 thousand.

Net profit for the 1st quarter of 2014 amounted to EUR 1,674 thousand, declining by EUR 194 thousand or by 10% in comparison to the corresponding period last year. In percentage

terms, our net profit decreased less than operating profit, chiefly due to the lower amounts of income tax and withholding tax charged on the holding company, which recorded a significantly lower dividend income from subsidiaries in the 1st quarter of 2014.

Net profit on sales by segments

| PLN'000 | 3 months ended | 3 months ended | Change |
|---------------------|------------------------------|-----------------------------|-------------|
| | 31 March 2014 (unaudited) | 31 March 2013 (restated) | |
| Banking Solutions | 750 | 3,685 | -80% |
| Payment Solutions | 4,783 | 4,770 | 0% |
| Systems Integration | 2,286 | 1,241 | 84% |
| | 7,819 | 9,696 | -19% |

| EUR'000 | 3 months ended | 3 months ended | Change |
|---------------------|------------------------------|-----------------------------|-------------|
| | 31 March 2014 (unaudited) | 31 March 2013 (restated) | |
| Banking Solutions | 179 | 883 | -80% |
| Payment Solutions | 1,141 | 1,143 | 0% |
| Systems Integration | 546 | 297 | 84% |
| | 1,866 | 2,323 | -20% |

In the 1st quarter of 2014, consolidated net profit on sales amounted to EUR 1,866 thousand, decreasing by EUR 457 thousand or by 20% as compared with the corresponding period a year ago. Net profit on sales decreased by EUR 704 thousand in the Banking Solutions segment, remained at a stable level in the Payment Solutions segment, while it improved by EUR 249 thousand in the Systems Integration segment.

The amounts of net profit on sales achieved by the Group's individual operating segments have been affected by the same factors as the results of our operations. These factors have been described above, in the comments on our consolidated operating profit.

Analysis of financial ratios

| PLN'000 | 3 months ended 31 March 2014 (unaudited) | 3 months ended 31 March 2013 (restated) |
|-------------------------|--|---|
| Gross profit margin | 24% | 26% |
| EBITDA margin | 13% | 13% |
| Operating profit margin | 8% | 10% |
| Net profit margin | 7% | 8% |
| Return on assets (ROA) | 5% | 7% |
| Return on equity (ROE) | 5% | 6% |

The above ratios have been computed using the following formulas:

Gross profit margin = gross profit on sales / sales

EBITDA margin = (operating profit + depreciation and amortization) / sales

Operating profit margin = operating profit / sales

Net profit margin = net profit for the reporting period attributable to Shareholders of the Parent Company / sales

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

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

Despite the weaker sales revenues (especially in the Banking Solutions segment), our gross profit margin decreased from 26% in the 1st quarter of 2013 to 24% in the corresponding period of this year, primarily due to the lower gross profit margin achieved by the Banking Solutions segment as its production costs decreased less than its sales revenues.

EBITDA margin equalled 13% in the 1st quarter of 2014, remaining at a similar level as in the first three months last year. Concurrently, our operating profit margin dropped by 2 percentage points to the level of 8% in the 1st quarter of 2014. The main reasons for this decline in individual segments have been already described above.

Net profit margin for the reporting period dropped to 7%, down from 8% achieved in the first three months of 2013. This margin decreased slightly less than our operating profit margin, chiefly due to the lower amount of withholding tax and income tax charged on the holding company, which recorded a significantly lower income from dividends in the 1st quarter of 2014.

Lower margins of profit resulted in a decline in the values of ROE and ROA ratios. Return on equity equalled 5%, decreasing by 1 pp as compared with the prior year level. Whereas, return on assets equalled also 5% and was by 2 pp lower than in the 1st quarter of 2013.

| | 31 March 2014 (unaudited) | 31 Dec. 2013 (restated) | 31 March 2013 (restated) |
|---------------------------------------|---------------------------------|-------------------------------|--------------------------------|
| Working capital (in PLN thousands) | 101,487 | 96,400 | 136,559 |
| Current liquidity ratio | 2.12 | 1.83 | 2.81 |
| Quick liquidity ratio | 1.82 | 1.61 | 2.47 |
| Absolute liquidity ratio | 0.68 | 0.52 | 1.21 |

The above ratios have been computed using the following formulas:

Working capital = current assets – current liabilities

Current liquidity ratio = current assets / current liabilities

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

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

Our liquidity ratios have been slightly better at the end of March 2014 than at the end of December 2013.

During the 1st quarter of 2014, we incurred no unusual expenses, which resulted in an increase of working capital. Whereas, in comparison with the level of 31 March 2013, our working capital decreased chiefly due to the payment of dividend amounting to PLN 42 million in July 2013, as well as the acquisition of EŽR Croatia for PLN 10.4 million in October 2013.

Statement of cash flows

| | 3 months ended 31 March 2014 (unaudited) | 3 months ended 31 March 2013 (restated) |
|---|--|---|
| Cash and cash equivalents at the beginning of the period | 58,327 | 72,949 |
| Net cash provided by (used in) operating activities | 3,448 | 2,128 |
| Net cash provided by (used in) investing activities | (25,220) | (14,266) |
| Net cash provided by (used in) financing activities | 20,711 | (127) |
| Net foreign exchange differences | 247 | 1,717 |
| Cash and cash equivalents at the end of period | 57,513 | 62,401 |

During the first three months of 2014, the balance of our cash and cash equivalents dropped by PLN 0.8 million.

Net cash provided by operating activities in the 1st quarter of 2014 reached PLN 3.4 million, accounting for 43% of our operating profit for this period. Low cash conversion is primarily the result of payments of tax liabilities and variable remunerations that were made in the 1st quarter of 2014 and related to the Group's operations conducted in 2013.

In the 1st quarter of 2014, our investing activities were dominated by acquisitions of property, plant and equipment amounting to PLN 20.3 million, including primarily POS terminals and automatic teller machines to be outsourced to our clients in the Payment Solutions segment.

These expenditures are largely financed with external funds, which requires significant cash inflows from financing activities. Therefore, in the 1st quarter of 2014, ASEE Group obtained PLN 21.4 million in proceeds from bank loans to purchase POS terminals mainly in Croatia and Serbia.

The second largest component of our investing activities is represented by capitalized software development costs which consumed PLN 2.1 million in the 1st quarter of 2014. Our development projects have been carried out mainly in Turkey and Serbia.

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

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

The factors that may affect the Group's financial performance in 2014 have been also described in the Management report on the Group's business operations for the year 2013.

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

XI. EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Breakdown of sales revenues

During the 1st quarter of 2014 and in the comparable period, operating revenues were as follows:

| Sales revenues by type of products | 3 months ended 31 March 2014 (unaudited) | 3 months ended 31 March 2013 (restated) |
|---|---|--|
| Proprietary software and services | 58,490 | 54,836 |
| Third-party software and services | 14,559 | 14,277 |
| Hardware and infrastructure | 26,232 | 31,520 |
| | 99,281 | 100,633 |

2. Breakdown of operating costs

| | 3 months ended 31 March 2014 (unaudited) | 3 months ended 31 March 2013 (restated) |
|---|---|--|
| Employee benefits (-) | (36,927) | (34,180) |
| Third-party non-project services and outsourcing of employees (-) | (4,274) | (4,679) |
| Depreciation and amortization (-) | (4,626) | (3,275) |
| Maintenance costs of property and business cars (-) | (7,364) | (6,276) |
| Business trips (-) | (1,181) | (1,022) |
| Advertising (-) | (941) | (1,677) |
| Other expenses (-) | 385 | 199 |
| | (54,928) | (50,910) |
| Production costs (-) | (39,113) | (34,775) |
| Selling costs (-) | (7,935) | (8,200) |
| General administrative expenses (-) | (7,880) | (7,935) |
| Cost of goods and third-party services sold (-) | (36,534) | (40,027) |

3. Financial income and expenses

| Financial income | 3 months ended 31 March 2014 (unaudited) | 3 months ended 31 March 2013 (restated) |
|--|---|--|
| Interest income on loans granted and bank deposits | 261 | 705 |
| Gain on exercise of derivative instruments | 34 | - |
| Positive foreign exchange differences | 104 | 427 |
| Total financial income | 399 | 1,132 |
| Financial expenses | 3 months ended 31 March 2014 (unaudited) | 3 months ended 31 March 2013 (restated) |
| Interest expense (-) | (133) | (14) |
| Bank fees and commissions (-) | (37) | (32) |
| Negative foreign exchange differences (-) | (143) | (503) |
| Interest expenses under finance leases (-) | (12) | (4) |
| Loss on settlement or fair valuation of derivative instruments (-) | (50) | (23) |
| Other financial expenses | (1) | (12) |
| Total financial expenses | (376) | (588) |

4. Earnings per share

Basic earnings per share are computed by dividing net profit for the reporting period attributable to shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during that financial year. Both during the reporting period and the prior year's comparable period, no events occurred that would result in a dilution of earnings per share.

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

| | 3 months ended 31 March 2014 (unaudited) | 3 months ended 31 March 2013 (restated) |
|---|--|---|
| Consolidated net profit for the reporting period attributable to Shareholders of ASEE S.A. | 7,015 | 7,808 |
| Weighted average number of ordinary shares outstanding, used for calculation of basic earnings per share | 51,894,251 | 51,894,251 |
| Consolidated earnings per share for the reporting period attributable to Shareholders of ASEE S.A. (in PLN): | | |
| Basic consolidated earnings per share from continuing operations for the reporting period | 0.14 | 0.15 |
| Diluted consolidated earnings per share from continuing operations for the reporting period | 0.14 | 0.15 |

5. Information on dividends paid out or declared

a) the amount of PLN 3,224,924.03 from the net profit for the financial year 2013 shall be allocated to the reserve capital pursuant to art. 396 § 1 of the Commercial Companies Code;

b) the amount of PLN 16,606,160.32 shall be distributed among all the Company's shareholders through payment of a dividend amounting to PLN 0.32 per share.

The remaining portion of the net profit for 2013 amounting to PLN 20,480,466.03 has been retained as prior years' earnings.

The Company's Ordinary General Meeting of Shareholders established 11 July 2014 as the dividend record date and 30 July 2013 as the dividend payment date. The number of shares eligible for dividend is 51,894,251.

6. Property, plant and equipment, and intangible assets

| | Tangible assets | Intangible assets |
|---|-----------------|-------------------|
| Net book value as at 1 January 2014 | 33,897 | 32,772 |
| Purchases (+) | 22,495 | 526 |
| Capitalization of project development costs (+) | - | 2,149 |
| Assets transferred from inventories and held under finance leases (+) | 1,908 | - |
| Depreciation/amortization charge (-) | (3,262) | (1,387) |
| Disposal and liquidation (-) | (186) | - |
| Exchange differences on translation of foreign operations (+/-) | (21) | (106) |
| Net book value as at 31 March 2014 | 54,831 | 33,954 |

An increase in the value of tangible assets as at 31 March 2014 (PLN 54,831 thousand) and 31 December 2013 (PLN 33,897 thousand) both in comparison to those of 31 March 2013 (PLN 21,068 thousand) resulted primarily from purchases of ATMs, POS terminals and other elements of infrastructure to be offered in the outsourcing model.

In the 1st quarter of 2014, capitalized costs of development projects amounted to PLN 2,149 thousand as compared with PLN 3,266 thousand in the comparable period of 2013. The capitalization of project development costs is related to the continuation of projects carried out as at 31 December 2013. A detailed description of these projects is provided in the Group's annual report for the year 2013.

Liabilities resulting from purchases of property, plant and equipment and intangible assets amounted to PLN 3,304 thousand as at 31 March 2014, as compared with PLN 704 thousand as at 31 December 2013 and PLN 156 thousand as at 31 March 2013. A substantial portion of such liabilities outstanding as at 31 March 2014 was represented by unpaid invoices for ATMs and POS terminals purchased by ASEE Slovenia and ASEE Serbia.

7. Goodwill arising from consolidation

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

| | 3 months ended 31 March 2014 (unaudited) | 12 months ended 31 Dec. 2013 (restated) | 3 months ended 31 March 2013 (restated) |
|--|---|--|--|
| Goodwill from consolidation at the beginning of the period | 491,656 | 488,031 | 488,031 |
| Banking Solutions | 194,480 | 194,684 | 194,684 |
| Payment Solutions | 112,685 | 104,156 | 104,156 |
| Systems Integration | 184,491 | 189,191 | 189,191 |
| Change in consolidation goodwill due to the acquisition of shares (+/-) | - | 12,064 | - |
| Banking Solutions | - | - | - |
| Payment Solutions | - | 11,674 | - |
| Systems Integration | - | 390 | - |
| Exchange differences on translation of goodwill in foreign subsidiaries (+/-) | 961 | (8,439) | 14,402 |
| Banking Solutions | 738 | (204) | 5,703 |
| Payment Solutions | (190) | (3,145) | 3,596 |
| Systems Integration | 413 | (5,090) | 5,103 |
| Total book value at the end of period | 492,617 | 491,656 | 502,433 |
| Banking Solutions | 195,218 | 194,480 | 200,387 |
| Payment Solutions | 112,495 | 112,685 | 107,752 |
| Systems Integration | 184,904 | 184,491 | 194,294 |

8. Short-term receivables

| | 31 March 2014 (unaudited) | 31 Dec. 2013 (restated) | 31 March 2013 (restated) |
|--|---------------------------------|-------------------------------|--------------------------------|
| Trade receivables | | | |
| Trade receivables, of which: | 80,794 | 111,468 | 64,765 |
| From related companies | 1,590 | 1,318 | 319 |
| From other companies | 79,204 | 110,150 | 64,446 |
| Allowance for doubtful receivables (-) | (3,102) | (4,194) | (3,124) |
| | 77,692 | 107,274 | 61,641 |
| Other receivables | | | |
| Receivables from uninvoiced deliveries | 5,866 | 4,269 | 7,472 |
| Advance payments to other suppliers | 3,987 | 3,794 | 3,739 |
| Receivables from grants | - | - | 144 |
| Security deposits receivable | 247 | 201 | 208 |
| Other receivables | 831 | 1,600 | 2,082 |
| Allowances for other receivables (-) | - | (161) | (162) |
| | 10,931 | 9,703 | 13,483 |

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

Advance payments to other suppliers correspond to advances paid to subcontractors on account of the execution of contracts.

Other receivables disclosed as at 31 March 2014, 31 December 2013 and 31 March 2013 include, among others, restricted cash amounting to PLN 367 thousand, PLN 837 thousand and PLN 1,541 thousand, respectively.

In addition, other receivables disclosed as at 31 March 2014, 31 December 2013 and 31 March 2013 include receivables from employees.

9. Financial assets

| | 31 March 2014 (unaudited) | 31 Dec. 2013 (restated) | 31 March 2013 (restated) |
|---|---------------------------------|-------------------------------|--------------------------------|
| Financial assets available for sale: | 129 | 129 | 133 |
| Shares in companies listed on regulated markets | 110 | 110 | 114 |
| Shares in companies not listed on regulated markets | 19 | 19 | 19 |
| Loans granted: | 356 | 356 | 79 |
| Loans granted to related companies | 292 | 290 | - |
| Loans granted to employees | 64 | 66 | 79 |
| Financial assets held to maturity: | 3,586 | 1,009 | 24,960 |
| Treasury bonds | - | - | 3,372 |
| Bank deposits (3 to 12 months long) | 3,586 | 1,009 | 21,588 |
| Financial assets carried at fair value through profit or loss: | 55 | 99 | 3,987 |
| Currency forward contracts | 55 | 99 | - |
| Participation units in investment funds | - | - | 3,987 |

Both as at 31 March 2014 and 31 December 2013, loans granted to related companies comprised:

- a non-interest bearing loan granted to Multicard Serbia (an associated company), amounting to PLN 292 thousand and PLN 290 thousand, respectively, that shall be repaid till 31 October 2014.

The book values of financial assets held by the Group as at 31 March 2014, 31 December 2013 and 31 March 2013 did not differ from their fair values.

10. Cash and short-term deposits

| | 31 March 2014 (unaudited) | 31 Dec. 2013 (restated) | 31 March 2013 (restated) |
|---|---------------------------------|-------------------------------|--------------------------------|
| Cash at bank and in hand | 34,330 | 33,716 | 29,608 |
| Short-term bank deposits | 21,795 | 24,581 | 32,376 |
| Cash equivalents | 25 | 31 | 50 |
| Cash being transferred | 1,381 | 25 | 391 |
| | 57,531 | 58,353 | 62,425 |
| <i>Interest accrued on cash and cash equivalents as at the balance sheet date</i> | (18) | (26) | (24) |
| Cash and cash equivalents as disclosed in the cash flow statement | 57,513 | 58,327 | 62,401 |

11. Prepayments and accrued income

| Long-term | 31 March 2014 (unaudited) | 31 Dec. 2013 (restated) | 31 March 2013 (restated) |
|---|---------------------------------|-------------------------------|--------------------------------|
| Prepaid maintenance services and license fees | 299 | 248 | 1,205 |
| Other | 165 | 172 | 84 |
| | 464 | 420 | 1,289 |

| Short-term | 31 March 2014 (unaudited) | 31 Dec. 2013 (restated) | 31 March 2013 (restated) |
|---|---------------------------------|-------------------------------|--------------------------------|
| Prepaid maintenance services and license fees | 6,004 | 5,344 | 5,407 |
| Prepaid insurance | 704 | 345 | 605 |
| Prepaid rents | 1,490 | 370 | 406 |
| Prepaid consulting services | 334 | 426 | 201 |
| Other prepaid services | 269 | 99 | 197 |
| Other | 664 | 811 | 364 |
| Revaluation charges on prepayments (-) | - | - | (27) |
| | 9,465 | 7,395 | 7,153 |

As at 31 March 2014, 31 December 2013 and 31 March 2013, prepayments included primarily the costs of maintenance services amounting to PLN 6,004 thousand, PLN 5,344 thousand and PLN 5,407 thousand, respectively, that will be successively expensed in future periods.

12. Long-term and short-term financial liabilities

| Long-term | 31 March 2014 (unaudited) | 31 Dec. 2013 (restated) | 31 March 2013 (restated) |
|--|---------------------------------|-------------------------------|--------------------------------|
| Liabilities for the acquisition of non-controlling interests in subsidiaries (put options) | - | - | 671 |
| Finance lease liabilities | 782 | 718 | 90 |
| | 782 | 718 | 761 |

As at 31 March 2013, the Group carried a long-term liability under put options held by non-controlling shareholders in Multicard Serbia. The amount owed by ASEE Group corresponded to the estimated present value of future payment for the remaining stake of shares in the above-mentioned company.

As at 31 December 2013, the Group ceased to disclose Multicard Serbia as its subsidiary due to losing control over that company. The non-controlling shareholders' right to exercise their put options was contingent upon achievement of certain earnings by the company. As the above-mentioned condition was not satisfied and the put options became unexercisable, the said liability was no longer recognized by the Group as at 31 December 2013. This liability has been reversed in correspondence with the Group's equity in 2013.

| Short-term | 31 March 2014 (unaudited) | 31 Dec. 2013 (restated) | 31 March 2013 (restated) |
|---|---------------------------------|-------------------------------|--------------------------------|
| Finance lease liabilities | 277 | 273 | 235 |
| Liabilities for the acquisition of shares | 1,810 | 1,800 | - |
| | 2,087 | 2,073 | 235 |

As at 31 March 2014 and 31 December 2013, liabilities for the acquisition of shares included the remaining portion of payment for the acquisition of 100% of shares in EŽR Croatia amounting to PLN 1,810 thousand and PLN 1,800 thousand, respectively, which shall depend on the financial results of the acquired company. Both as at 31 March 2013, no such liabilities were recognized.

13. Interest-bearing bank loans and borrowings

As at 31 March 2014, total liabilities of ASEE Group under all bank loans and borrowings aggregated at PLN 34,957 thousand. Whereas, as at 31 December 2013 and 31 March 2013, total liabilities under all bank loans and borrowings aggregated at PLN 13,471 thousand and PLN 340 thousand, respectively.

An increase in the level of debt as at 31 March 2014 and 31 December 2013 in comparison to that of 31 March 2013 resulted primarily from our transition to a service-based model which involves leasing of infrastructure instead of selling equipment directly to customers. Purchases of infrastructure for leasing purposes are increasingly financed with external capital.

Repayment of a bank loan granted to ASEE Croatia by Zagrebačka banka d.d./HBOR has been secured with a guarantee of PLN 9,908 thousand which is provided by ASEE S.A. and effective till 31 May 2017. It is an off-balance-sheet item.

To the best knowledge of the Management Board of ASEE S.A., the Group neither defaulted on payments under any bank loan or borrowing, nor did it breach any material provisions under any bank loan or borrowing agreement.

14. Short-term trade payables and other liabilities

| Short-term trade payables | 31 March 2014 (unaudited) | 31 Dec. 2013 (restated) | 31 March 2013 (restated) |
|---------------------------|---------------------------------|-------------------------------|--------------------------------|
| To related companies | 359 | 893 | 132 |
| To other companies | 29,884 | 51,360 | 26,192 |
| | 30,243 | 52,253 | 26,324 |

The payment terms of the Group's liabilities range from 30 to 40 days on average.

| Other current liabilities | 31 March 2014 (unaudited) | 31 Dec. 2013 (restated) | 31 March 2013 (restated) |
|---|---------------------------------|-------------------------------|--------------------------------|
| Liabilities to employees relating to salaries and wages | 4,478 | 5,103 | 4,046 |
| Liabilities due to uninvoiced deliveries | 802 | 1,248 | 2,423 |
| Trade prepayments received | 5,632 | 6,404 | 8,185 |
| Liabilities due to purchases of tangible assets and intangible assets | 3,304 | 704 | 156 |
| Other liabilities | 805 | 411 | 1,113 |
| | 15,021 | 13,870 | 15,923 |
| Current liabilities to the state and local budgets | 31 March 2014 (unaudited) | 31 Dec. 2013 (restated) | 31 March 2013 (restated) |
| Value added tax | 2,923 | 10,784 | 3,002 |
| Corporate income tax (CIT) | 238 | 66 | 1,600 |
| Personal income tax (PIT) | 841 | 1,225 | 743 |
| Social security payable | 1,998 | 1,817 | 2,307 |
| Other | 212 | 172 | 135 |
| | 6,212 | 14,064 | 7,787 |

The amount of VAT payable decreased, primarily because sales revenues generated in the 1st quarter of 2014 were lower than in the 4th quarter of 2013.

15. Accruals and deferred income

| Short-term accruals | 31 March 2014 (unaudited) | 31 Dec. 2013 (restated) | 31 March 2013 (restated) |
|--------------------------------------|---------------------------------|-------------------------------|--------------------------------|
| Accrual for unused holiday leaves | 1,750 | 1,321 | 1,332 |
| Accrual for employee bonuses | 8,902 | 9,150 | 7,741 |
| Provision for uninvoiced costs | 5,771 | 4,811 | 3,020 |
| Provision for auditing expenses | 244 | 367 | 203 |
| | 16,667 | 15,649 | 12,296 |
| Long-term deferred income | 31 March 2014 (unaudited) | 31 Dec. 2013 (restated) | 31 March 2013 (restated) |
| Maintenance services paid in advance | 250 | 293 | 698 |
| Grants for the development of assets | 387 | 390 | 500 |
| | 637 | 683 | 1,198 |

| Short-term deferred income | 31 March 2014 (unaudited) | 31 Dec. 2013 (restated) | 31 March 2013 (restated) |
|--------------------------------------|---------------------------------|-------------------------------|--------------------------------|
| Maintenance services paid in advance | 8,744 | 6,811 | 7,414 |
| Prepaid consulting services | 207 | 127 | 555 |
| Grants for the development of assets | 66 | 95 | - |
| Other | - | 830 | 462 |
| | 9,017 | 7,863 | 8,431 |

16. Changes in impairment write-downs on assets

| | 3 months ended 31 March 2014 (unaudited) | 3 months ended 31 March 2013 (restated) |
|------------------------------|---|--|
| Trade receivables | | |
| Opening balance | (4,194) | (3,042) |
| Established | (545) | (184) |
| Reversed | 1,177 | 190 |
| Utilized | 489 | 34 |
| Foreign exchange differences | (29) | (122) |
| Closing balance | (3,102) | (3,124) |
| Inventories | | |
| Opening balance | (5,625) | (6,653) |
| Established | (490) | (159) |
| Reversed | 111 | 215 |
| Utilized | - | 241 |
| Foreign exchange differences | (14) | (194) |
| Closing balance | (6,018) | (6,550) |

During the first 3 months of 2014 and in the comparable period of 2013, the Group did not recognize or reverse any impairment write-downs on its financial assets, property, plant and equipment, and intangible assets.

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

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

18. Employment

| Group's workforce as at | 31 March 2014 (unaudited) | 31 Dec. 2013 (restated) ¹⁾ | 31 March 2013 (restated) ¹⁾ |
|--|---------------------------------|---|--|
| Management Board of the Parent Company* | 5 | 5 | 7 |
| Management Boards of the Group companies | 25 | 25 | 24 |
| Production departments | 1,043 | 1,075 | 991 |
| Sales departments | 150 | 139 | 133 |
| Administration departments | 153 | 163 | 153 |
| | 1,376 | 1,407 | 1,308 |

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

1) Due to the adoption of IFRS 11 *Joint Arrangements* and accounting for E-mon Montenegro under the equity method, we have ceased to disclose the employees of that company as part of the Group's workforce. Consequently, the comparable data as at 31 December 2013 and 31 March 2013 have been restated.

| Numbers of employees in the Group companies as at | 31 March 2014 (unaudited) | 31 Dec. 2013 (restated) | 31 March 2013 (restated) |
|---|------------------------------|----------------------------|-----------------------------|
| ASEE S.A. | 27 | 25 | 27 |
| ASEE Romania | 154 | 164 | 183 |
| ASEE Serbia Group ¹⁾ | 473 | 485 | 469 |
| ASEE Croatia ²⁾ | 229 | 231 | 164 |
| ASEE Kosovo | 82 | 84 | 87 |
| ASEE Turkey | 173 | 174 | 163 |
| ASEE Bulgaria | 23 | 25 | 27 |
| ASEE B&H | 48 | 47 | 41 |
| ASEE Macedonia | 143 | 144 | 131 |
| ASEE Slovenia | 24 | 28 | 16 |
| | 1,376 | 1,407 | 1,308 |

2) As a result of the merger of ASEE Croatia and EŽR Croatia on 2 January 2014, the employment data of these companies have been presented jointly as at 31 December 2013.

19. Contingent liabilities and receivables

Within its commercial activities ASEE Group uses bank guarantees, letters of credit, contract performance guarantees as well as tender deposits as forms of securing its business transactions with miscellaneous organizations, companies and administration bodies. As at 31 March 2014, the related contingent liabilities equalled PLN 30,512 thousand. Whereas, as at 31 December 2013 and 31 March 2013, such liabilities amounted to PLN 37,321 thousand and PLN 17,358 thousand, respectively.

Assets serving as security for bank guarantee facilities:

| Category of assets | Net value of assets | | | Amount of granted guarantee secured with assets | | |
|-------------------------------------|---------------------|--------------|---------------|---|--------------|---------------|
| | 31 March 2014 | 31 Dec. 2013 | 31 March 2013 | 31 March 2014 | 31 Dec. 2013 | 31 March 2013 |
| | PLN'000 | PLN'000 | PLN'000 | PLN'000 | PLN'000 | PLN'000 |
| Trade receivables | 1,743 | 259 | 1,785 | 4,227 | 4,183 | 3,071 |
| Other receivables (restricted cash) | 367 | 837 | 700 | 2,484 | 4,104 | 3,257 |
| Total | 2,110 | 1,096 | 2,485 | 6,711 | 8,287 | 6,328 |

XII. RELATED PARTY TRANSACTIONS

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

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

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

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

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

The Management Board of ASEE S.A. has not published any financial forecasts for the year 2014.

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

During the period of 3 months ended 31 March 2014, neither the Issuer nor any of its subsidiaries granted any sureties to secure bank loans and borrowings or any payment guarantees to any single entity or its subsidiary, where the aggregate value of all the existing sureties or guarantees extended in favour of such entity would equal at least 10% of the Issuer's equity.

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

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

XVII. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

In the period from 31 March 2014 till the date of approval of these interim condensed consolidated financial statements, this is until 5 May 2014, we have not observed any significant events, the disclosure of which might significantly affect the assessment of human resources, assets, and financial position of ASEE Group.

XVIII. SIGNIFICANT EVENTS RELATED TO PRIOR YEARS

Until the date of preparing these interim condensed consolidated financial statements, this is until 5 May 2014, we have not observed any significant events related to prior years, which have not but should have been included in our accounting books.



**ASSECO SOUTH EASTERN EUROPE S.A.
SEPARATE FINANCIAL DATA
FOR THE 1ST QUARTER OF 2014**

Rzeszów, 5 May 2014

FINANCIAL HIGHLIGHTS
ASSECO SOUTH EASTERN EUROPE S.A.

| | 3 months ended 31 March 2014 (unaudited) | 3 months ended 31 March 2013 (unaudited) | 3 months ended 31 March 2014 (unaudited) | 3 months ended 31 March 2013 (unaudited) |
|---|--|--|--|--|
| | PLN'000 | PLN'000 | EUR'000 | EUR'000 |
| I. Revenues from holding activities | 6,599 | 24,346 | 1,575 | 5,833 |
| II. Revenues from operating activities | 1,471 | 2,327 | 351 | 558 |
| III. Operating profit | 4,936 | 22,810 | 1,178 | 5,465 |
| IV. Pre-tax profit | 5,046 | 23,310 | 1,204 | 5,585 |
| V. Net profit for the reporting period | 4,791 | 22,077 | 1,144 | 5,289 |
| VI. Net cash provided by (used in) operating activities | 4,068 | 7,686 | 971 | 1,841 |
| VII. Net cash provided by (used in) investing activities | (2,535) | (7,358) | (605) | (1,763) |
| VIII. Cash and cash equivalents at the end of period | 4,478 | 2,971 | 1,074 | 711 |
| IX. Basic earnings per ordinary share for the reporting period (in PLN/EUR) | 0.09 | 0.43 | 0.02 | 0.10 |
| X. Diluted earnings per ordinary share for the reporting period (in PLN/EUR) | 0.09 | 0.43 | 0.02 | 0.10 |

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

- items of the interim condensed income statement and statement of cash flows were translated into EUR at the arithmetic average of mid exchange rates as published by the National Bank of Poland and in effect on the last day of each month. These exchange rates were as follows:
 - for the period from 1 January 2014 to 31 March 2014: EUR 1 = PLN 4.1894
 - for the period from 1 January 2013 to 31 March 2013: EUR 1 = PLN 4.1738
- the Company's cash and cash equivalents as at the end of the reporting period and the comparable period of the previous year have been translated into EUR at the mid exchange rates as published by the National Bank of Poland. These exchange rates were as follows:
 - exchange rate effective on 31 March 2014: EUR 1 = PLN 4.1713
 - exchange rate effective on 31 March 2013: EUR 1 = PLN 4.1774

CONDENSED INCOME STATEMENT
ASSECO SOUTH EASTERN EUROPE S.A.

| | 3 months ended 31 March 2014 (unaudited) | 3 months ended 31 March 2013 (unaudited) |
|--|--|--|
| Holding activities | 6,599 | 24,346 |
| Dividend income | 4,381 | 22,093 |
| Revenues from sales of services | 2,218 | 2,253 |
| Operating activities | 1,471 | 2,327 |
| Revenues from sales of IT services and software | 1,471 | 2,327 |
| Total sales revenues | 8,070 | 26,673 |
| Cost of sales (-) | (2,439) | (3,134) |
| Gross profit on sales | 5,631 | 23,539 |
| Selling costs (-) | (714) | (721) |
| General administrative expenses (-) | - | (17) |
| Net profit on sales | 4,917 | 22,801 |
| Other operating income (expenses) (+/-) | 19 | 9 |
| Operating profit | 4,936 | 22,810 |
| Financial income | 118 | 535 |
| Financial expenses (-) | (8) | (35) |
| Pre-tax profit | 5,046 | 23,310 |
| Corporate income tax (current and deferred tax expense) (+/-) | (255) | (1,233) |
| Net profit for the reporting period | 4,791 | 22,077 |
| Earnings per share for the reporting period (in PLN): | | |
| Basic earnings per share from continuing operations for the reporting period | 0.09 | 0.43 |
| Diluted earnings per share from continuing operations for the reporting period | 0.09 | 0.43 |

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

| | 3 months ended 31 March 2014 (unaudited) | 3 months ended 31 March 2013 (unaudited) |
|--|--|--|
| Net profit for the reporting period | 4,791 | 22,077 |
| Other comprehensive income | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD | 4,791 | 22,077 |

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

| | 31 March 2014 | 31 Dec. 2013 | 31 March 2013 |
|--|------------------|-----------------|------------------|
| | (unaudited) | (audited) | (unaudited) |
| ASSETS | | | |
| Non-current assets | 602,865 | 603,691 | 597,448 |
| Property, plant and equipment | 449 | 418 | 389 |
| Goodwill arising from a merger | 4,567 | 4,567 | 4,567 |
| Intangible assets | 218 | 233 | 289 |
| Investments in subsidiaries | 592,677 | 592,677 | 588,840 |
| Deferred income tax assets | 1,365 | 1,488 | 2,481 |
| Long-term receivables | 3,414 | 4,066 | - |
| Long-term prepayments and accrued income | 175 | 242 | 882 |
| Current assets | 18,919 | 15,027 | 42,559 |
| Inventories | 2 | 2 | 3 |
| Prepayments and accrued income | 1,840 | 2,075 | 1,237 |
| Trade receivables | 3,265 | 5,044 | 2,094 |
| Receivables from the state and local budgets | - | - | 419 |
| Other receivables | 5,759 | 3,856 | 15,738 |
| Short-term financial assets | 3,575 | 1,100 | 20,097 |
| Cash and short-term deposits | 4,478 | 2,950 | 2,971 |
| TOTAL ASSETS | 621,784 | 618,718 | 640,007 |

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

| | 31 March 2014 | 31 Dec. 2013 | 31 March 2013 |
|--|------------------|-----------------|------------------|
| | (unaudited) | (audited) | (unaudited) |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 518,942 | 518,942 | 518,942 |
| Share premium | 38,825 | 38,825 | 38,825 |
| Retained earnings and current net profit | 57,499 | 52,708 | 76,507 |
| Total equity | 615,266 | 610,475 | 634,274 |
| Non-current liabilities | 223 | 292 | 500 |
| Long-term deferred income | 223 | 292 | 500 |
| Current liabilities | 6,295 | 7,951 | 5,233 |
| Trade payables | 2,067 | 3,756 | 1,933 |
| Liabilities to the state and local budgets | 411 | 737 | 1,189 |
| Financial liabilities | 1,810 | 1,800 | - |
| Other liabilities | 6 | 24 | 37 |
| Deferred income | 1,285 | 1,190 | 780 |
| Accruals | 716 | 444 | 1,294 |
| TOTAL LIABILITIES | 6,518 | 8,243 | 5,733 |
| TOTAL EQUITY AND LIABILITIES | 621,784 | 618,718 | 640,007 |

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

for 3 months ended 31 March 2014, for 3 months ended 31 March 2013, and for 12 months ended 31 December 2013

| | Share capital | Share premium | Retained earnings (deficit) and current net profit | Total equity |
|--|----------------|---------------|---|-----------------|
| As at 1 January 2014 | 518,942 | 38,825 | 52,708 | 610,475 |
| Net profit for the reporting period | - | - | 4,791 | 4,791 |
| Total comprehensive income for the reporting period | - | - | 4,791 | 4,791 |
| As at 31 March 2014 (unaudited) | 518,942 | 38,825 | 57,499 | 615,266 |
| As at 1 January 2013 | 518,942 | 38,825 | 54,430 | 612,197 |
| Net profit for the reporting period | - | - | 22,077 | 22,077 |
| Total comprehensive income for the reporting period | - | - | 22,077 | 22,077 |
| As at 31 March 2013 (unaudited) | 518,942 | 38,825 | 76,507 | 634,274 |
| As at 1 January 2013 | 518,942 | 38,825 | 54,430 | 612,197 |
| Net profit for the reporting period | - | - | 40,312 | 40,312 |
| Total comprehensive income for the reporting period | - | - | 40,312 | 40,312 |
| Dividends | - | - | (42,034) | (42,034) |
| As at 31 December 2013 (audited) | 518,942 | 38,825 | 52,708 | 610,475 |

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

| | 3 months ended 31 March 2014 (unaudited) | 3 months ended 31 March 2013 (unaudited) |
|--|--|--|
| Cash flows – operating activities | | |
| Pre-tax profit | 5,046 | 23,310 |
| Total adjustments: | (978) | (15,616) |
| Depreciation and amortization | 62 | 66 |
| Change in receivables | 1,675 | 313 |
| Change in liabilities | (2,098) | 955 |
| Change in prepayments and accruals | 600 | (1,687) |
| Interest income and expenses | (22) | (185) |
| Gain (loss) on foreign exchange differences | (96) | (321) |
| Gain (loss) on investing activities | (4,353) | (22,055) |
| Other | - | 3 |
| Selected operating cash flows | 3,254 | 7,295 |
| Disposal of shares in subsidiaries | 230 | 518 |
| Dividends received | 3,024 | 6,777 |
| Net cash used in operating activities | 4,068 | 7,694 |
| Corporate income tax paid | - | (8) |
| Net cash provided by (used in) operating activities | 4,068 | 7,686 |
| Cash flows – investing activities | | |
| Disposal of property, plant and equipment and intangible assets | 30 | - |
| Acquisition of property, plant and equipment and intangible assets | (93) | (58) |
| Proceeds from settlement of forward derivative instruments | 28 | - |
| Acquisition of financial assets carried at fair value through profit or loss | - | (4,000) |
| Bank deposits made | (2,500) | (3,300) |
| Net cash provided by (used in) investing activities | (2,535) | (7,358) |
| Net increase (decrease) in cash and cash equivalents | 1,533 | 328 |
| Net foreign exchange differences | (5) | (1) |
| Cash and cash equivalents as at 1 January | 2,950 | 2,644 |
| Cash and cash equivalents as at 31 March | 4,478 | 2,971 |