



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

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

Rzeszów, 23 April 2015

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

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

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

Piotr Jeleński	President of the Management Board
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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
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FINANCIAL HIGHLIGHTS OF ASSECO SOUTH EASTERN EUROPE GROUP

	3 months ended 31 March 2015 (unaudited)	3 months ended 31 March 2014 (unaudited)	3 months ended 31 March 2015 (unaudited)	3 months ended 31 March 2014 (unaudited)
	PLN'000	PLN'000	EUR'000	EUR'000
I. Sales revenues	98,553	99,281	23,754	23,698
II. Operating profit	9,867	8,004	2,378	1,911
III. Pre-tax profit	10,146	8,027	2,445	1,916
IV. Net profit for the reporting period	8,106	7,014	1,954	1,674
V. Net profit attributable to Shareholders of the Parent Company	8,129	7,015	1,959	1,674
VI. Net cash provided by (used in) operating activities	(79)	3,448	(19)	823
VII. Net cash provided by (used in) investing activities	(10,750)	(25,220)	(2,591)	(6,020)
VIII. Net cash provided by (used in) financing activities	(1,351)	20,711	(326)	4,944
IX. Cash and cash equivalents at the end of period	74,549	57,531	18,232	13,792
X. Basic earnings per ordinary share attributable to Shareholders of the Parent Company (in PLN/EUR)	0.16	0.14	0.04	0.03
XI. Diluted earnings per ordinary share for the reporting period attributable to Shareholders of the Parent Company (in PLN/EUR)	0.16	0.14	0.04	0.03

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

- items of the interim condensed consolidated income statement and statement of cash flows have been translated into EUR at the arithmetic average of mid exchange rates as published by the National Bank of Poland and in effect on the last day of each month. These exchange rates were as follows:
 - for the period from 1 January 2015 to 31 March 2015: EUR 1 = PLN 4.1489
 - for the period from 1 January 2014 to 31 March 2014: EUR 1 = PLN 4.1894
- 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 2015: EUR 1 = PLN 4.0890
 - exchange rate effective on 31 March 2014: EUR 1 = PLN 4.1713

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	3 months ended 31 March 2015 (unaudited)	3 months ended 31 March 2014 (unaudited)
Sales revenues	<u>1</u>	98,553	99,281
Cost of sales (-)	<u>2</u>	(72,482)	(75,647)
Gross profit on sales		26,071	23,634
Selling costs (-)	<u>2</u>	(8,313)	(7,935)
General and administrative expenses (-)	<u>2</u>	(9,094)	(7,880)
Net profit on sales		8,664	7,819
Other operating income	<u>3</u>	1,354	507
Other operating expenses (-)		(151)	(414)
<i>Share of profits of associates (+/-)</i>		-	92
Operating profit		9,867	8,004
Financial income	<u>4</u>	1,795	399
Financial expenses (-)	<u>4</u>	(1,516)	(376)
Pre-tax profit		10,146	8,027
Corporate income tax (current and deferred tax expense) (+/-)		(2,040)	(1,013)
Net profit for the reporting period		8,106	7,014
Attributable to:			
Shareholders of the Parent Company		8,129	7,015
Non-controlling interests		(23)	(1)
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	<u>5</u>	0.16	0.14
Diluted consolidated earnings per share from continuing operations for the reporting period	<u>5</u>	0.16	0.14

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended 31 March 2015 (unaudited)	3 months ended 31 March 2014 (unaudited)
Net profit for the reporting period	8,106	7,014
Other comprehensive income, of which:		
<i>Components that may be reclassified to profit or loss:</i>		
Exchange differences on translation of foreign operations	(22,827)	1,488
TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD	(14,721)	8,502
Attributable to:		
<i>Shareholders of the Parent Company</i>	<i>(14,699)</i>	<i>8,506</i>
<i>Non-controlling interests</i>	<i>(22)</i>	<i>(4)</i>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	31 March 2015 (unaudited)	31 Dec. 2014 (audited)	31 March 2014 (unaudited)
Non-current assets		594,675	612,945	587,496
Property, plant and equipment	7	71,086	69,846	54,831
Investment property		1,152	1,214	1,226
Intangible assets	7	36,363	38,114	33,954
Goodwill arising from consolidation	8	480,949	498,113	492,617
Investments accounted for using the equity method		1,275	1,538	1,462
Long-term financial assets	10	227	232	165
Long-term receivables		1,048	1,056	343
Deferred tax assets		1,867	2,257	2,434
Long-term prepayments and accrued income	12	708	575	464
Current assets		203,663	235,352	191,796
Inventories		20,338	16,339	17,695
Prepayments and accrued income	12	14,187	12,332	9,465
Trade receivables	9	69,989	96,059	83,558
Corporate income tax receivable		676	713	2,380
Other receivables from the state and local budgets		531	1,285	1,842
Receivables arising from valuation of IT contracts		15,851	14,632	10,288
Other receivables	9	2,644	2,373	5,065
Short-term financial assets	10	4,898	2,646	3,972
Cash and short-term deposits	11	74,549	88,973	57,531
TOTAL ASSETS		798,338	848,297	779,292

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES	Note	31 March 2015 (unaudited)	31 Dec. 2014 (audited)	31 March 2014 (unaudited)
Equity (attributable to shareholders of the Parent Company)		643,549	679,006	656,759
Share capital		518,942	518,942	518,942
Share premium		38,825	38,825	38,825
Exchange differences on translation of foreign operations		(89,383)	(66,555)	(73,388)
Retained earnings and current net profit		175,165	187,794	172,380
Non-controlling interests		140	162	167
Total equity		643,689	679,168	656,926
Non-current liabilities		25,472	26,543	32,057
Interest-bearing bank loans and borrowings		20,033	21,018	26,682
Deferred tax liabilities		2,131	2,127	2,656
Long-term provisions		1,331	1,623	1,300
Long-term financial liabilities	13	933	962	782
Long-term deferred income	15	1,044	813	637
Current liabilities		129,177	142,586	90,309
Interest-bearing bank loans and borrowings		20,504	22,051	8,275
Trade payables	14	36,378	63,035	36,816
Corporate income tax payable	14	2,323	1,608	238
Other liabilities to the state and local budgets	14	7,852	13,246	5,974
Financial liabilities	13	22,865	2,274	2,087
Liabilities arising from valuation of IT contracts		1,315	3,997	549
Other current liabilities	14	10,764	14,786	14,219
Short-term provisions		15,272	14,556	13,134
Deferred income	15	11,904	7,033	9,017
TOTAL LIABILITIES		154,649	169,129	122,366
TOTAL EQUITY AND LIABILITIES		798,338	848,297	779,292

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for 3 months ended 31 March 2015

	Share capital	Share premium	Exchange differences on translation of foreign operations	Retained earnings and current net profit	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
As at 1 January 2015	518,942	38,825	(66,555)	187,794	679,006	162	679,168
Net profit (loss) for the reporting period	-	-	-	8,129	8,129	(23)	8,106
Other comprehensive income	-	-	(22,828)	-	(22,828)	1	(22,827)
Total comprehensive income for the reporting period	-	-	(22,828)	8,129	(14,699)	(22)	(14,721)
Dividend	-	-	-	(20,758)	(20,758)	-	(20,758)
As at 31 March 2015 (unaudited)	518,942	38,825	(89,383)	175,165	643,549	140	643,689

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 the period of 12 months ended 31 December 2014

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	3 months ended 31 March 2015 (unaudited)	3 months ended 31 March 2014 (unaudited)
Cash flows – operating activities			
Pre-tax profit		10,146	8,027
Total adjustments:		(9,444)	(3,736)
Depreciation and amortization		6,909	4,626
Change in inventories		(4,776)	(1,667)
Change in receivables		20,382	25,165
Change in liabilities		(35,787)	(31,442)
Change in prepayments, accruals and provisions		2,992	(481)
Gain (loss) on foreign exchange differences		941	126
Gain (loss) on investing activities		(197)	7
Other		92	(70)
Net cash generated from operating activities		702	4,291
Corporate income tax paid		(781)	(843)
Net cash provided by (used in) operating activities		(79)	3,448
Cash flows – investing activities			
Disposal of property, plant and equipment and intangible assets		372	188
Acquisition of property, plant and equipment and intangible assets		(8,223)	(20,854)
Expenditures for development projects		(1,212)	(2,149)
Disposal of financial assets carried at fair value through profit or loss		-	28
Acquisition of financial assets carried at fair value through profit or loss		(2,142)	-
Bank deposits withdrawn		2,485	-
Bank deposits made		(2,704)	(2,558)
Loans collected (granted)		4	(42)
Interest received		395	167
Dividends received		275	-
Net cash provided by (used in) investing activities		(10,750)	(25,220)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	3 months ended 31 March 2015 (unaudited)	3 months ended 31 March 2014 (unaudited)
Cash flows – financing activities			
Proceeds from (repayments of) short-term bank loans and borrowings		(3)	4
Proceeds from other bank loans and borrowings		4,411	21,621
Repayments of other bank loans and borrowings		(5,102)	(656)
Finance lease liabilities paid		(160)	(96)
Interest paid		(497)	(162)
Net cash provided by (used in) financing activities		(1,351)	20,711
Net increase (decrease) in cash and cash equivalents			
		(12,180)	(1,061)
Net foreign exchange differences		(2,103)	281
Cash and cash equivalents as at 1 January		88,117	58,293
Cash and cash equivalents as at 31 March	11	73,834	57,513

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 2014 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 2015 and contain comparable data for the interim period ended 31 March 2014 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 2014 and 31 March 2014 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 endorsed by the European Union for the current and comparable period.

These interim consolidated financial statements have been approved for publication by the Management Board of ASEE S.A. on 23 April 2015.

II. MAJOR SHAREHOLDERS

According to the best knowledge of the Management Board of ASEE S.A. as at 31 March 2015 as well as at the date of publication of this report, i.e. on 23 April 2015, the shareholders who, either directly or through their subsidiaries, held at least 5% of total voting rights at the General Meeting of Shareholders were as follows:

Name of shareholder	Number of shares held and votes at GMS	Equity interest and voting rights at GMS
Asseco Poland S.A.	26,494,676	51.06%
Aviva Pension Fund	5,000,000	9.63%
EBRD	4,810,880	9.27%
Liatris d.o.o.	3,838,683	7.40%
Other shareholders	11,750,012	22.64%
	51,894,251	100.00%

According to the best knowledge of the Management Board of ASEE S.A. as at 31 December 2014, the shareholders who, either directly or through their subsidiaries, held at least 5% of total voting rights at the General Meeting of Shareholders were as follows:

Name of shareholder	Number of shares held and votes at GMS	Equity interest and voting rights at GMS
Asseco Poland S.A.	26,494,676	51.06%
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%

As at 31 March 2015, on the date of publication of this report, i.e. on 23 April 2015, as well as at 31 March 2014, 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

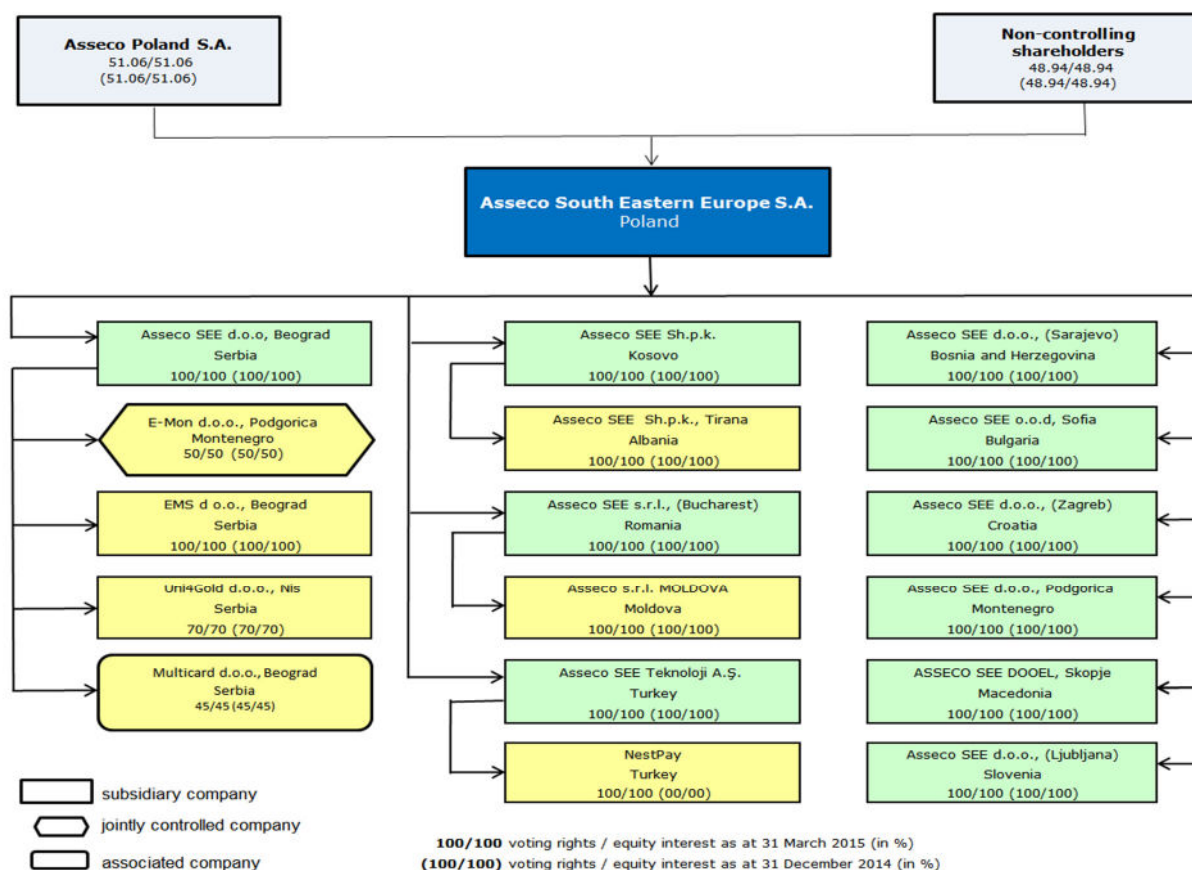
Supervisory					Management				
Number of shares held as at					Number of shares held as at				
Board	23 April 2015	31 March 2015	18 Feb. 2015	31 Dec. 2014	Board	23 April 2015	31 March 2015	18 Feb. 2015	31 Dec. 2014
Members					Members				
Adam Góral ¹⁾	-	-	-	-	Piotr Jeleński	550	550	550	550
Jacek Duch ²⁾	-	-	-	-	Miljan Mališ ⁴⁾	-	-	-	-
Jan Dauman	-	-	-	-	Miodrag Mirčetić ⁵⁾	-	-	-	-
Andrzej Mauberg	-	-	-	-	Marcin Rulnicki	-	-	-	-
Mihail Petreski ³⁾	-	-	-	-					
Przemysław Sęczkowski	-	-	-	-					
Gabriela Żukowicz	150	150	150	150					

1) Adam Góral, President of the Management Board of Asseco Poland S.A., acting as Chairman of the Supervisory Board of ASEE S.A., is a shareholder in Asseco Poland S.A. which in turn is a shareholder in ASEE S.A.; as at 31 March 2015, Asseco Poland S.A. held 26,494,676 shares in ASEE S.A.
2) Jacek Duch, Chairman of the Supervisory Board of Asseco Poland S.A., acting as Member of the Supervisory Board of ASEE S.A., is a shareholder in Asseco Poland S.A. which in turn is a shareholder in ASEE S.A.; as at 31 March 2015, Asseco Poland S.A. held 26,494,676 shares in ASEE S.A.

3) Mihail Petreski, Member of the Supervisory Board of ASEE S.A. and a shareholder in the company Liatris d.o.o. which in turn is a shareholder in ASEE S.A.; as at 31 March 2015, Liatris d.o.o. held 3,838,683 shares in ASEE S.A.
4) 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 2015, Mini Invest d.o.o. held 735,597 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 2015, I4-INVENTION d.o.o. held 1,422,973 shares in ASEE S.A.

IV. ORGANIZATIONAL STRUCTURE OF ASSECO SOUTH EASTERN EUROPE GROUP

Organizational structure of Asseco South Eastern Europe Group



The chart above presents the structure of ASEE Group along with equity interests and voting rights at the general meetings of shareholders/partners as at 31 March 2015.

The parent of Asseco South Eastern Europe S.A. is Asseco Poland S.A. (the higher-level parent

company). As at 31 March 2015, Asseco Poland S.A. held a 51.06% stake in the share capital of ASEE S.A.

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

Multicard Serbia is an associated company accounted for using the equity method. 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 2015 and 31 December 2014, voting rights held by the Group 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 March 2015, there were no changes in the organizational structure of the Issuer's 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 Accounting Standard 34 Interim Financial Reporting as endorsed by the European Union ("IAS 34").

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

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

3. Significant accounting policies

The significant accounting policies adopted by ASEE Group have been described in its consolidated financial statements for the year ended 31 December 2014, which were published on 18 February 2015 and are available at the Issuer's website: www.asseco.com/see. These interim condensed consolidated financial statements do not include all the information and disclosures required for annual consolidated financial statements and therefore they should be read together with the Group's consolidated financial statements for the year ended 31 December 2014.

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

4. Functional currency and reporting currency

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

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

5. Changes in estimates

In the period of 3 months ended 31 March 2015, our approach to making estimates was not subject to any substantial change.

6. Professional judgement

Preparation of consolidated financial statements in accordance with IFRS requires making estimates and assumptions which have an impact on the data disclosed in such financial statements. Despite the estimates and assumptions have been adopted based on the Group's management best knowledge

on the current activities and occurrences, the actual results may differ from those anticipated. The main areas which, in the process of applying the accounting policies, were largely subject to the management's professional judgement remained unchanged as compared with their description presented in the annual financial statements for the year 2014.

7. Seasonal nature of business

The Group's business operations are subject to seasonality, which involves revenue fluctuations in individual quarters of the year. Because the bulk of sales revenues are generated from IT services contracts executed for large companies and public institutions, turnovers recorded in the fourth quarter tend to be higher than in the remaining periods. Such phenomenon occurs for the reason that the

above-mentioned entities close their annual budgets for implementation of IT projects and carry out investment purchases of hardware and licenses usually in the last quarter.

8. Changes in the 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 2015.

9. Corrections of material errors

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

VII. INFORMATION ON OPERATING SEGMENTS

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

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

Banking Solutions

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

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

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

Payment Solutions

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

Systems Integration

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

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

For 3 months ended 31 March 2015 and as at 31 March 2015 in PLN thousands (unaudited)	Banking Solutions (I)	Payment Solutions (II)	Total Banking Business (I-II)	Systems Integration (III)	Unallocated	Eliminations / Reconcilia- tions	Total
Sales revenues:	33,488	38,344	71,832	33,651	2,271	(9,201)	98,553
Sales to external customers	28,394	37,036	65,430	33,123			98,553
Inter/intra segment sales	5,094	1,308	6,402	528	2,271	(9,201)	-
Gross profit on sales	7,967	12,179	20,146	5,925	-	-	26,071
Selling costs (-)	(2,227)	(2,265)	(4,492)	(3,821)	-	-	(8,313)
General and administrative expenses (-)	(3,286)	(2,899)	(6,185)	(2,909)	-	-	(9,094)
Net profit on sales	2,454	7,015	9,469	(805)	-	-	8,664
<i>goodwill arising from consolidation</i>	190,278	108,611	298,889	182,060			480,949

For 3 months ended 31 March 2015, in EUR thousands (unaudited)	Banking Solutions (I)	Payment Solutions (II)	Total Banking Business (I-II)	Systems Integration (III)	Unallocated	Eliminations / Reconcilia- tions	Total
Sales revenues:	8,072	9,242	17,314	8,111	547	(2,218)	23,754
Sales to external customers	6,843	8,927	15,770	7,984	-	-	23,754
Inter/intra segment sales	1,229	315	1,544	127	547	(2,218)	-
Gross profit on sales	1,920	2,936	4,856	1,428	-	-	6,284
Selling costs (-)	(537)	(546)	(1,083)	(921)	-	-	(2,004)
General and administrative expenses (-)	(792)	(699)	(1,491)	(701)	-	-	(2,192)
Net profit on sales	591	1,691	2,282	(194)	-	-	2,088

The above figures have been converted at the average exchange rate for the period from 1 January 2015 to 31 March 2015: EUR 1 = PLN 4.1489

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 and 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 and 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

VIII. INFORMATION ON GEOGRAPHICAL STRUCTURE OF FINANCIAL RESULTS

For 3 months ended 31 March 2015 in PLN thousands	Albania	Bosnia	Bulgaria	Croatia	Montenegro	Kosovo	Macedonia	Poland	Romania	Serbia	Slovenia	Turkey	Total
Sales revenues	508	4,017	1,750	15,484	1,273	2,427	12,108	2,131	15,501	28,173	2,776	12,405	98,553
Cost of sales (-)	(362)	(2,735)	(1,492)	(13,178)	(715)	(2,007)	(8,215)	(1,016)	(12,012)	(20,915)	(1,895)	(7,940)	(72,482)
Gross profit on sales	146	1,282	258	2,306	558	420	3,893	1,115	3,489	7,258	881	4,465	26,071
Selling costs (-)	(31)	(185)	(103)	(1,186)	(80)	(159)	(790)	(559)	(1,593)	(2,393)	(47)	(1,187)	(8,313)
General and administrative expenses (-)	(46)	(359)	(161)	(1,642)	(144)	(251)	(777)	(166)	(1,332)	(1,972)	(252)	(1,992)	(9,094)
Net profit (loss) on sales	69	738	(6)	(522)	334	10	2,326	390	564	2,893	582	1,286	8,664
Other operating income	-	6	24	5	-	20	67	915	69	37	-	211	1,354
Other operating expenses	-	(2)	(30)	(32)	(4)	(4)	(27)	7	(14)	(45)	-	-	(151)
Share of profits of associates	-	-	-	-	137	-	-	-	-	(137)	-	-	-
Operating profit (loss)	69	742	(12)	(549)	467	26	2,366	1,312	619	2,748	582	1,497	9,867

For 3 months ended 31 March 2015 in EUR thousands	Albania	Bosnia	Bulgaria	Croatia	Montenegro	Kosovo	Macedonia	Poland	Romania	Serbia	Slovenia	Turkey	Total
Sales revenues	122	968	422	3,732	307	585	2,918	514	3,736	6,791	669	2,990	23,754
Cost of sales (-)	(87)	(659)	(360)	(3,176)	(172)	(484)	(1,980)	(245)	(2,895)	(5,041)	(457)	(1,914)	(17,470)
Gross profit on sales	35	309	62	556	135	101	938	269	841	1,750	212	1,076	6,284
Selling costs (-)	(7)	(45)	(25)	(286)	(19)	(38)	(190)	(135)	(384)	(577)	(11)	(286)	(2,003)
General and administrative expenses (-)	(11)	(87)	(39)	(396)	(35)	(60)	(187)	(40)	(321)	(475)	(61)	(480)	(2,192)
Net profit (loss) on sales	17	177	(2)	(126)	81	3	561	94	136	698	140	310	2,089
Other operating income	-	1	6	1	-	5	16	221	17	9	-	51	327
Other operating expenses	-	-	(7)	(8)	(1)	(1)	(7)	2	(3)	(11)	-	-	(36)
Share of profits of associates	-	-	-	-	33	-	-	-	-	(33)	-	-	-
Operating profit (loss)	17	178	(3)	(133)	113	7	570	317	150	663	140	361	2,380

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 and 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 of 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 and 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 of profits of associates	-	-	-	-	22	-	-	-	-	-	-	-	22
Operating profit (loss)	18	103	(92)	(56)	91	21	376	(23)	286	633	8	546	1,911

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

PLN'000	3 months ended 31 March 2015	3 months ended 31 March 2014	Change
	(unaudited)	(unaudited)	%
Sales revenues	98,553	99,281	-1%
Gross profit on sales	26,071	23,634	10%
Net profit on sales	8,664	7,819	11%
Operating profit	9,867	8,004	23%
EBITDA	16,776	12,630	33%
Net profit for the reporting period	8,106	7,014	16%
Net profit attributable to Shareholders of the Parent Company	8,129	7,015	16%

EUR'000	3 months ended 31 March 2015	3 months ended 31 March 2014	Change
	(unaudited)	(unaudited)	%
Sales revenues	23,754	23,698	0%
Gross profit on sales	6,284	5,641	11%
Net profit on sales	2,088	1,867	12%
Operating profit	2,378	1,911	24%
EBITDA	4,044	3,015	34%
Net profit for the reporting period	1,954	1,674	17%
Net profit attributable to Shareholders of the Parent Company	1,959	1,674	17%

Financial results achieved by ASEE Group in the first quarter of 2015 were stronger than in the comparable period last year. This has been the fourth consecutive quarter when the Company managed to improve its financial performance in relation to comparable data. Our results for the first quarter of 2015 were better primarily due to higher sales and improved profitability in the Banking Solutions segment. The Payment Solutions segment also generated higher revenues and improved its results. Whereas, the financial performance of the Systems Integration segment was weaker than in the first quarter of 2014. The most important events that have affected the reported financial results are presented in more detail below.

Sales revenues by segments

PLN'000	3 months ended 31 March 2015	3 months ended 31 March 2014	Change
	(unaudited)	(unaudited)	
Banking Solutions	28,394	25,554	11%
Payment Solutions	37,036	29,098	27%
Systems Integration	33,123	44,629	-26%
	98,553	99,281	-1%

EUR'000	3 months ended 31 March 2015	3 months ended 31 March 2014	Change
	(unaudited)	(unaudited)	
Banking Solutions	6,843	6,100	12%
Payment Solutions	8,927	6,946	29%
Systems Integration	7,984	10,652	-25%
	23,754	23,698	0%

In the first quarter of 2015, our sales revenues dropped by 1% if presented in PLN and remained at a similar level if presented in EUR, both in comparison to the corresponding period of 2014. Although consolidated revenues of ASEE Group remained fairly unchanged, their structure in the first three months of 2015 was different than a year ago.

Revenues of the Payment Solutions segment increased by nearly EUR 2 million or 29%. Higher revenues were generated both in the area of online payments processing as well as in physical payments. In the first quarter of 2015, revenues from handling of physical payments increased the most in Serbia (by EUR 570 thousand) and in Slovenia (by EUR 310 thousand). Considerable growth in sales was also recorded in Macedonia (by EUR 230 thousand) and in Bulgaria (by EUR 260 thousand) where it helped a lot in reducing the amount of loss incurred by the Payment Solutions segment. However, in the two last-mentioned countries, revenues for the first quarter of 2015 increased largely in connection with the supply of infrastructure in the traditional model of delivery and maintenance ATMs and POS terminals.

Sales revenues of the Banking Solutions segment in the first quarter of 2015 exceeded EUR 6.8 million, increasing by over EUR 0.7 million or 12% in relation to the comparable period last year. A significant portion of this growth was generated in Serbia (EUR 430 thousand), where we continue to execute large banking projects for local clients and are engaged in several international implementations as well. Hence, the segment recorded stronger sales also in countries which do not offer their own banking solutions and have to

rely on banking systems provided by other foreign operations of ASEE. This way our banking business revenues increased in Bosnia and Herzegovina by EUR 340 thousand, in Bulgaria by EUR 180 thousand, as well as in Kosovo by EUR 210 thousand.

The Systems Integration segment closed the first three months of 2015 with sales at the level of EUR 8 million, reflecting a decrease of EUR 2.7 million or 25% in comparison with the previous year. A deterioration of revenues was suffered in all of the countries where our major systems integration operations are conducted. The segment's sales dropped, among others, in Romania by EUR 1.1 million, in Serbia by EUR 0.8 million, in Macedonia by EUR 0.6 million, as well as in Kosovo by EUR 0.5 million. Such lower revenues were a consequence of the lack of significant contracts that would be comparable to those executed by ASEE Group in the first quarter of 2014.

Gross profit on sales

In the first quarter of 2015, sales revenues of ASEE Group increased by EUR 56 thousand in relation to the comparable period last year. In the same period, our cost of sales decreased by EUR 586 thousand, which resulted in an increase of gross profit on sales by EUR 643 thousand or 11% as compared with the first three months of 2014.

The cost of sales decreased primarily due to the lower cost of goods, materials and third-party services sold (COGS). In the first quarter of 2015, COGS amounted to PLN 7.3 million, decreasing by nearly EUR 1.4 million from the year-ago level. Whereas, our production costs increased by EUR 795 thousand to the level of EUR 10.1 million in the first quarter of 2015. A substantial portion of the increase in production costs (EUR 410 thousand) resulted from additional depreciation charges on equipment provided to our clients under the outsourcing of payment solutions.

Changes in the cost of sales reflect a greater share of our own services and solutions in the Group's revenue structure. In the first quarter of 2015, sales of our own services and solutions reached EUR 15.7 million (or 66% of total revenues) as compared with EUR 14 million (or 59% of total revenues) generated a year ago. Projects that involve own services and solutions, as a general rule, generate higher margins of profit than the resale of third-party goods and services, and therefore the said change in our revenue structure contributed to an increase in the gross profit margin. This margin reached 26.5% in the first quarter of 2015 and was up from the level of 23.8% reported in the corresponding period of 2014.

Net profit on sales by segments

PLN'000	3 months ended	3 months ended	Change
	31 March 2015 (unaudited)	31 March 2014 (unaudited)	
Banking Solutions	2,454	750	227%
Payment Solutions	7,015	4,783	47%
Systems Integration	(805)	2,286	-135%
	8,664	7,819	11%

EUR'000	3 months ended	3 months ended	Change
	31 March 2015 (unaudited)	31 March 2014 (unaudited)	
	591	179	230%
Banking Solutions			
Payment Solutions	1,691	1,141	48%
Systems Integration	(194)	546	-136%
	2,088	1,866	12%

Net profit on sales for the first quarter of 2015 improved by EUR 222 thousand, as a cumulative effect of an increase in gross profit on sales by EUR 643 thousand, increase in selling expenses by EUR 110 thousand, and an increase in general and administrative expenses by EUR 311 thousand. General and administrative expenses increased as they include a commission of the legal advisor that was engaged to manage the proceedings aiming at the recovery of overpaid tax on civil law transactions, higher amount of variable remunerations resulting from the Company's improving financial performance, as well as the costs of renting additional office space in Turkey and Croatia. Consolidated net profit on sales for the first quarter of 2015 improved owing to stronger results achieved by our Banking Solutions segment and Payment Solutions segment, which were partially offset by a weaker performance from the Systems Integration segment. The reasons behind such changes have been described in more detail in the above section on sales revenues as well as in the below section discussing our operating profit.

Operating profit and EBITDA

Operating profit of ASEE Group for the first quarter of 2015 amounted to EUR 2.38 million, increasing by EUR 467 thousand or as much as 24% in comparison with the first quarter of 2014.

It should be noted that the Group's operating profit for the first quarter of 2015 was favourably influenced by the received reimbursement of the excessive amount of civil law transactions tax paid by the holding company in the years 2008–2010. The net amount of reimbursed tax (after deducting the costs of legal proceedings) equalled EUR 144 thousand and was recognized in operating income. Furthermore, ASEE Group recognized a financial income of EUR 121 thousand representing the amount of interest accrued on the awarded reimbursement.

Apart from the above-mentioned event, our operating profit improved primarily due to stronger sales revenues and higher profitability in the segments of Payment Solutions and Banking Solutions. These positive changes were partially offset by weaker operating results of the Systems Integration segment.

Operating profit reported by the Banking Solutions segment for the first quarter of 2015 amounted to nearly EUR 0.6 million, having increased by EUR 430 thousand in comparison to the corresponding period last year. Such improvement was achieved mainly on the back of robust results in Macedonia (where EBIT increased by EUR 170 thousand) as well as in Serbia (an increase by EUR 120 thousand). Both the teams are currently engaged in the implementation of banking projects both in their local markets and in other countries of the Group's operations. Higher sales of the InAct solution helped improve the segment's operating results in Turkey, where EBIT increased by EUR 110 thousand. Operating profit improved also in Romania, where the implemented cost savings accompanied by a similar level of sales resulted in an increase of EBIT by EUR 90 thousand. Whereas, as a result of expenditures incurred for our team engaged in the development of mobile and authentication solutions, operating profit of the Banking Solutions segment in Croatia decreased by EUR 100 thousand despite growing sales.

Operating profit earned by the Payment Solutions segment in the first three months of 2015 reached EUR 1.7 million. This reflects an increase by EUR 550 thousand or 48% as compared with the first quarter of 2014. A significant portion of that increase (EUR 510 thousand) was generated from handling of physical payments. Stronger results of this segment were achieved primarily in Serbia (an increase by EUR 180 thousand) as well as in Slovenia (an increase by EUR 150 thousand), where we observe a dynamic growth in the outsourcing of our payment solutions. The segment managed to improve its results also in Macedonia (an increase by EUR 110 thousand) and in Bulgaria (an increase by EUR 70 thousand), however profits in both these countries were largely generated from the traditional supply and maintenance of payment infrastructure.

Operating results of the Systems Integration segment decreased by more than EUR 0.7 million as compared with the previous year. Hence, in the first quarter of 2015, this segment incurred a slight operating loss of EUR 0.2 million. The largest decline of operating results was suffered in Turkey (a decline by EUR 360 thousand), which recorded lower sales basically across all the product lines

included in the Systems Integration segment. Operating performance deteriorated also in Romania (a decrease by EUR 260 thousand) and in Serbia (a decrease by EUR 170 thousand). In the first quarter of 2014, the segment was engaged in large integration projects in both these countries, which was not the case in the first months of 2015.

Consolidated EBITDA for the first quarter of 2015 reached EUR 4 million, improving by EUR 1 million or 33% in comparison to the comparable period last year. The most significant growth of EBITDA (by more than EUR 1 million or 65%) was recorded in the Payment Solutions segment, where it increased faster than operating profit as a result of higher depreciation charges on equipment provided to our clients in the outsourcing model. EBITDA in the Banking Solutions segment increased by EUR 450 thousand, whereas in the Systems Integration segment it declined by EUR 780 thousand. An additional increase in EBITDA amounting to EUR 290 thousand was related to operations which are not allocated to any of our operating segments.

Net profit

Net profit for the first quarter of 2015 reached EUR 1,954 thousand, improving by EUR 280 thousand or 17% in comparison to the corresponding period last year.

Our net profit grew slower than operating profit primarily as a result of higher income tax expense incurred in the first quarter of 2015, which was partially compensated by stronger financial income.

In the first quarter of 2014, the Group recorded a net financial income of EUR 5 thousand as compared with EUR 67 thousand recognized in the first three months of 2015. Yet it should be reminded that the above-mentioned reimbursement of excessive tax paid on civil law transactions along with the accrued interest resulted in the recognition of a one-off financial income of EUR 121 thousand. If this amount was deducted, the Group would recognize a net financial expense of EUR 54 thousand in the first quarter of 2015. Hence, the comparable result on financial items decreased primarily as we paid more interest on bank loans (an increase by EUR 69 thousand) and incurred a higher loss on foreign exchange differences (an increase by EUR 70 thousand), both in comparison with the first quarter of 2014. Concurrently, we earned EUR 89 thousand more in interest income on bank deposits as the companies of ASEE Group held more spare cash than a year ago.

Income tax expense resulted from our current business operations conducted in individual

countries as well as from income taxes on dividends received by the holding company from its subsidiaries. In the first quarter of 2015, our income tax expense amounted to EUR 492 thousand (effective tax rate of 20%) as compared with EUR 242 thousand incurred in the previous year (effective tax rate of 12.6%). Higher taxes resulted primarily from the larger scale of our operations, higher effective tax rates in local

companies, as well as from changes in the balance of deferred tax in the holding company (partial utilization of deferred tax assets arising from tax losses, and recognition of deferred tax liabilities due to unrealized positive foreign exchange differences). Moreover, in the first quarter of 2015, the holding company received EUR 1.2 million in dividends from Serbia causing an obligation to pay the withholding tax.

Analysis of financial ratios

PLN'000	3 months ended 31 March 2015 (unaudited)	3 months ended 31 March 2014 (unaudited)
Gross profit margin	26.5%	23.8%
EBITDA margin	17.0%	12.7%
Operating profit margin	10.0%	8.1%
Net profit margin	8.2%	7.1%
Return on assets (ROA)	6.2%	5.4%
Return on equity (ROE)	5.1%	4.5%

*The above ratios have been computed using the following formulas:
Gross profit margin = gross profit on sales / sales
EBITDA margin = (operating profit + depreciation and amortization) / sales
Operating profit margin = operating profit / sales
Net profit margin = net profit for the reporting period attributable to Shareholders of the Parent Company / sales
Return on equity (ROE) = net profit for the period of trailing 12 months attributable to Shareholders of the Parent Company / average annual equity attributable to Shareholders of the Parent Company
Return on assets (ROA) = net profit for the period of trailing 12 months attributable to Shareholders of the Parent Company / average annual assets*

In the first quarter of 2015, gross profit margin reached 26.5%, increasing by 2.6 percentage points in comparison to the corresponding period last year. As described above, our profitability at this level improved primarily as a result of higher share of own services and solutions in the revenue structure of ASEE Group.

At the same time, EBITDA margin grew by over 4 percentage points, from the level of 12.7% in the first quarter of 2014 to 17% in the first three months of the current year. EBITDA margin increased more dynamically than our operating profit margin chiefly due to higher depreciation charges recognized on POS terminals and ATMs that are provided to clients of our Payment Solutions segment under the outsourcing of payment processes.

Operating profit margin in the first quarter of 2015 equalled 10%, improving by 1.9 percentage points. Changes in the levels of our operating profit and margin have been explained in detail above.

Net profit margin increased by 1 percentage point and reached 8.2% in the first three months of 2015.

Stronger financial performance of ASEE over the last four quarters resulted in an increase in the rates of return on equity and assets. Return on equity (ROE) for the trailing 12 months ended 31 March 2015 equalled 6.2% growing by 0.8 percentage points; whereas, return on assets (ROA) reached the level of 5.1% improving by 0.6 percentage points.

	31 March 2015 (unaudited)	31 Dec. 2014 (audited)	31 March 2014 (unaudited)
Working capital (in PLN thousands)	74,486	92,766	101,487
Current liquidity ratio	1.58	1.65	2.12
Quick liquidity ratio	1.31	1.45	1.82
Absolute liquidity ratio	0.62	0.64	0.68

*The above ratios have been computed using the following formulas:
Working capital = current assets - current liabilities
Current liquidity ratio = current assets / current liabilities
Quick liquidity ratio = (current assets - inventories - prepayments) / current liabilities
Absolute liquidity ratio = (short-term financial assets + cash and short-term bank deposits) / current liabilities*

Our working capital decreased by more than PLN 18 million in comparison with the end of December 2014. In the first quarter of 2015, current assets decreased by almost PLN 32 million, mainly due to lower receivables and cash and cash equivalents, while current liabilities decreased by over PLN 13 million. The balance of liabilities changed as a result of repayment of trade payables and state budget liabilities in the total amount of PLN 32 million, as well as recognition of nearly PLN 21 million in dividend liabilities payable to shareholders of ASEE.

Our liquidity ratios as at the end of March 2015 were slightly lower than as at 31 December 2014, yet they remain at safe levels.

Statement of cash flows

	3 months ended 31 March 2015	3 months ended 31 March 2014
	(unaudited)	(unaudited)
Cash and cash equivalents at the beginning of the period	88,117	58,293
Net cash provided by (used in) operating activities	(79)	3,448
Net cash provided by (used in) investing activities	(10,750)	(25,220)
Net cash provided by (used in) financing activities	(1,351)	20,711
Net foreign exchange differences	(2,103)	281
Cash and cash equivalents at the end of period	73,834	57,513

In the first quarter of 2015, our operating activities generated PLN 79 thousand of net outflows. Such weak cash flows resulted from changes in the relation of cash to other working capital items. Following strong operating cash flows generated in the fourth quarter of 2014, at the end of last December our cash and cash equivalents remained at a relatively high level of PLN 89 million, just as our trade payables and tax and legal liabilities which totalled PLN 78 million. During the first three months of 2015, ASEE Group settled more than PLN 35 million of its current liabilities, while the aggregated change in receivables, liabilities and inventories amounted to PLN 20 million which decreased the balance of cash and cash equivalents.

Such large fluctuations in the Group's working capital resulted from the values and phases of ongoing projects, and above all from the schedule of settlements with suppliers and customers of ASEE. Hence, the biggest changes in the balances of receivables and liabilities have been observed in the countries where our major projects are implemented and settled. In the first three months of 2015, these were Macedonia, Romania and

Serbia. Furthermore, the first quarter of a year is the time to pay off tax and legal liabilities resulting from financial results of our subsidiaries as well as prior year remunerations, being an additional burden on cash flows without any impact on the income statement, which deteriorates the conversion of current profits into cash.

Expenditures in investing activities amounted to PLN 10.75 million in the first quarter of 2015, decreasing by more than PLN 14 million from the comparable period last year. Such lower capital expenditures were a consequence of a smaller number and scale of new projects carried out in the Payment Solutions segment. In the first quarter of 2014, ASEE Group invested more than PLN 20 million in equipment used for the outsourcing of payment transaction processes, which included mainly new POS terminals provided to our banking clients in Croatia and Serbia. In the same period of 2015, the Company spent less than PLN 5.5 million for purchases of new POS terminals and ATMs.

In the first quarter of 2015, net cash used in our financing activities amounted to PLN 1.35 million. Such slight outflows resulted mainly from the amount of interest paid (PLN 497 thousand) as well as the excess of repayments over proceeds from bank loans and borrowings (PLN 691 thousand). Proceeds from new bank loans are related to our continued investments in infrastructure to be provided under outsourcing projects conducted by the Payment Solutions segment. During the last three months, such new investments were made primarily in Slovenia. Whereas, repayments of bank loans are related to external financing obtained for the same purpose by ASEE companies operating in Croatia and Serbia in the years 2013-2014.

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

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

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

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

XI. EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Breakdown of sales revenues

During the first quarter of 2015 and in the comparable period, operating revenues were as follows:

Sales revenues by type of products	3 months ended 31 March 2015 (unaudited)	3 months ended 31 March 2014 (unaudited)
Proprietary software and services	65,055	58,490
Third-party software and services	10,803	14,559
Hardware and infrastructure	22,695	26,232
Total	98,553	99,281

2. Breakdown of operating costs

	3 months ended 31 March 2015 (unaudited)	3 months ended 31 March 2014 (unaudited)
Employee benefits (-)	(37,850)	(36,927)
Third-party non-project services and outsourcing of employees (-)	(4,150)	(4,274)
Depreciation and amortization (-)	(6,909)	(4,626)
Maintenance costs of property and business cars (-)	(7,333)	(7,364)
Business trips (-)	(1,074)	(1,181)
Advertising (-)	(807)	(941)
Other expenses (-)	(1,318)	385
Total	(59,441)	(54,928)
Production costs (-)	(42,034)	(39,113)
Selling costs (-)	(8,313)	(7,935)
General and administrative expenses (-)	(9,094)	(7,880)
Cost of goods and third-party services sold (-)	(30,448)	(36,534)

3. Other operating income

Other operating income	3 months ended 31 March 2015 (unaudited)	3 months ended 31 March 2014 (unaudited)
Gain on disposal of property, plant and equipment	188	90
Reimbursement of tax paid on civil law transactions	915	-
Income from leases of space	49	38
Compensations received	-	73
Discounts received	33	27
Recharge invoices	24	106
Other	145	173
Total other operating income	1,354	507

In the first quarter of 2015, by a decision issued by the Taxation Chamber, ASEE S.A. received a reimbursement of the excessive amount of civil law transactions tax paid by the Company in the years 2008 – 2010 in connection with increasing its share capital. The recovered tax amounted in total to PLN 1,417 thousand, of which the principal amount of PLN 915 thousand has been recognized in other operating income, whereas the accrued interest amounting to PLN 502 thousand in financial income.

4. Financial income and expenses

Financial income	3 months ended 31 March 2015 (unaudited)	3 months ended 31 March 2014 (unaudited)
Interest income on loans granted and bank deposits	629	261
Interest on tax receivables	502	-
Gain on exercise of derivative instruments	-	34
Positive foreign exchange differences	645	104
Other	19	-
Total financial income	1,795	399

Interest on tax receivables amounting to PLN 502 thousand represents interest accrued on the recovered amount of tax paid on civil law transactions.

Financial expenses	3 months ended 31 March 2015 (unaudited)	3 months ended 31 March 2014 (unaudited)
Interest expense (-)	(426)	(133)
Bank fees and commissions (-)	(31)	(37)
Negative foreign exchange differences (-)	(972)	(143)
Interest expenses under finance leases (-)	(12)	(12)
Loss on settlement or fair valuation of derivative instruments (-)	(74)	(50)
Other financial expenses	(1)	(1)
Total financial expenses	(1,516)	(376)

5. Earnings per share

Basic earnings per share are computed by dividing net profit for the reporting period attributable to shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during that financial year. Both during the reporting period and the comparable period, there were no elements that would cause a dilution of basic earnings per share.

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

	3 months ended 31 March 2015 (unaudited)	3 months ended 31 March 2014 (unaudited)
Consolidated net profit for the reporting period attributable to Shareholders of ASEE S.A.	8,129	7,015
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	0.16	0.14
Diluted consolidated earnings per share from continuing operations for the reporting period	0.16	0.14

6. Information on dividends paid out or declared

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

- a) the amount of PLN 1,500,897.86 from the net profit for the financial year 2014 shall be allocated to the reserve capital pursuant to art. 396 § 1 of the Commercial Companies Code;
- b) the amount of PLN 20,757,700.40 shall be distributed among all the Company's shareholders through payment of a dividend amounting to PLN 0.40 per share.

The Company's Ordinary General Meeting of Shareholders established 30 June 2015 as the dividend record date and 15 July 2015 as the dividend payment date. The number of shares eligible for dividend is 51,894,251.

7. Property, plant and equipment, and intangible assets

	Tangible assets	Intangible assets
Net book value as at 1 January 2015	69,846	38,114
Purchases (+)	7,795	475
Capitalization of project development costs (+)	-	1,212
Assets transferred from inventories and held under finance leases (+)	1,184	-
Depreciation/amortization charge (-)	(4,920)	(2,009)
Disposal and liquidation (-)	(136)	(10)
Exchange differences on translation of foreign operations (+/-)	(2,683)	(1,419)
Net book value as at 31 March 2015	71,086	36,363

An increase in the value of tangible assets as at 31 March 2015 (by PLN 71,086 thousand) and as at 31 December 2014 (by PLN 69,846 thousand) both in comparison to those of 31 March 2014 (PLN 54,831 thousand) resulted primarily from purchases of ATMs, POS terminals and other elements of infrastructure to be offered in the outsourcing model.

In the first quarter of 2015, capitalized costs of development projects amounted to PLN 1,212 thousand as compared with PLN 2,149 thousand in the comparable period of 2014.

Liabilities resulting from purchases of property, plant and equipment and intangible assets amounted to PLN 347 thousand as at 31 March 2015, as compared with PLN 311 thousand as at 31 December 2014 and PLN 3,304 thousand as at

31 March 2014. 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.

8. Goodwill arising from consolidation

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

	3 months ended 31 March 2015 (unaudited)	12 months ended 31 Dec. 2014 (audited)	3 months ended 31 March 2014 (unaudited)
Goodwill from consolidation at the beginning of the period	498,113	491,656	491,656
Banking Solutions	196,645	194,480	194,480
Payment Solutions	112,810	112,685	112,685
Systems Integration	188,658	184,491	184,491
Exchange differences on translation of goodwill in foreign subsidiaries (+/-)	(17,164)	6,457	961
Banking Solutions	(6,367)	2,165	738
Payment Solutions	(4,199)	125	(190)
Systems Integration	(6,598)	4,167	413
Total book value at the end of period	480,949	498,113	492,617
Banking Solutions	190,278	196,645	195,218
Payment Solutions	108,611	112,810	112,495
Systems Integration	182,060	188,658	184,904

9. Short-term receivables

Trade receivables	31 March 2015 (unaudited)	31 Dec. 2014 (audited)	31 March 2014 (unaudited)
Trade receivables, of which:	67,646	94,625	80,794
From related parties	683	1,048	1,590
From other entities	66,963	93,577	79,204
Receivables from uninvoiced deliveries, of which:	6,061	5,100	5,866
From related parties	-	-	-
From other entities	6,061	5,100	5,866
Allowance for doubtful receivables (-)	(3,718)	(3,666)	(3,102)
	69,989	96,059	83,558

Other receivables	31 March 2015 (unaudited)	31 Dec. 2014 (audited)	31 March 2014 (unaudited)
Advance payments to other suppliers	1,681	1,390	3,987
Security deposits receivable	138	154	247
Other receivables	825	829	831
	2,644	2,373	5,065

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 2015, December 2014 as well as at 31 March 2014 include, among others, restricted cash amounting to PLN 146 thousand, PLN 293 thousand and PLN 367 thousand, respectively.

In addition, other receivables disclosed as at 31 March 2015, 31 December 2014 and 31 March 2014 include receivables from employees.

10. Financial assets

	31 March 2015 (unaudited)	31 Dec. 2014 (audited)	31 March 2014 (unaudited)
Financial assets available for sale:	126	126	140
Shares in companies listed on regulated markets	106	106	110
Shares in companies not listed on regulated markets	20	20	30
Loans granted:	53	59	356
Loans granted to related parties	-	-	292
Loans granted to employees	53	59	64
Financial assets held to maturity:	2,834	2,693	3,586
Deposits for 3 to 12 months	2,761	2,617	3,586
Deposits for over 12 months	73	76	-
Financial assets carried at fair value through profit or loss:	2,112	-	55
Currency forward contracts	112	-	55
Investment fund units	2,000	-	-

Loans granted to related parties disclosed in the amount of PLN 292 thousand as at 31 March 2014 comprised a non-interest bearing loan granted to Multicard, Serbia (an associated company).

The book values of financial assets held by the Group as at 31 March 2015, 31 December 2014 and 31 March 2014 did not differ from their fair values.

11. Cash and short-term deposits

	31 March 2015 (unaudited)	31 Dec. 2014 (audited)	31 March 2014 (unaudited)
Cash at bank and in hand	43,968	55,946	34,330
Short-term bank deposits	30,521	33,009	21,795
Cash equivalents	8	18	25
Cash being transferred	52	-	1,381
	74,549	88,973	57,531
Interest accrued on cash and cash equivalents as at the balance sheet date	(36)	(28)	(18)
Overdraft facilities utilized for liquidity management	(679)	(828)	-
Cash and cash equivalents as disclosed in the cash flow statement	73,834	88,117	57,513

12. Prepayments and accrued income

Long-term	31 March 2015 (unaudited)	31 Dec. 2014 (audited)	31 March 2014 (unaudited)
Prepaid maintenance services and license fees	198	7	299
Other	510	568	165
	708	575	464
Short-term	31 March 2015 (unaudited)	31 Dec. 2014 (audited)	31 March 2014 (unaudited)
Prepaid maintenance services and license fees	9,645	8,568	6,004
Prepaid insurance	698	328	704
Prepaid rents	780	907	1,490
Prepaid consulting services	864	422	334
Other prepaid services	941	351	269
Other	1,259	1,756	664
	14,187	12,332	9,465

As at 31 March 2015, 31 December 2014 and 31 March 2014, prepayments included primarily the costs of maintenance services amounting to PLN 9,645 thousand, PLN 8,568 thousand and PLN 6,004 thousand, respectively, that will be successively expensed in future periods.

13. Long-term and short-term financial liabilities

Long-term	31 March 2015 (unaudited)	31 Dec. 2014 (audited)	31 March 2014 (unaudited)
Finance lease liabilities	933	962	782
	933	962	782

Short-term	31 March 2015 (unaudited)	31 Dec. 2014 (audited)	31 March 2014 (unaudited)
Currency forward contracts	-	51	-
Finance lease liabilities	369	373	277
Liabilities for the acquisition of shares	1,738	1,850	1,810
Dividends payable to shareholders of ASEE S.A.	20,758	-	-
	22,865	2,274	2,087

As at 31 March 2015, 31 December 2014 and 31 March 2014, 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 1,738 thousand, PLN 1,850 thousand and PLN 1,810 thousand, respectively, which shall depend on the financial results achieved by the acquired company.

14. Current liabilities

Trade payables	31 March 2015 (unaudited)	31 Dec. 2014 (audited)	31 March 2014 (unaudited)
Trade payables, of which:	29,360	55,619	30,243
To related parties	93	200	359
To other entities	29,267	55,419	29,884
Liabilities for un invoiced deliveries; of which:	7,018	7,416	6,573
To related parties	-	-	-
To other entities	7,018	7,416	6,573
	36,378	63,035	36,816

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

Other current liabilities	31 March 2015 (unaudited)	31 Dec. 2014 (audited)	31 March 2014 (unaudited)
Liabilities to employees relating to salaries and wages	3,313	5,777	4,478
Trade prepayments received	6,273	8,022	5,632
Liabilities for purchases of tangible assets and intangible assets	347	311	3,304
Other liabilities	831	676	805
	10,764	14,786	14,219

Current liabilities to the state and local budgets	31 March 2015 (unaudited)	31 Dec. 2014 (audited)	31 March 2014 (unaudited)
Value added tax	5,050	9,510	2,923
Corporate income tax (CIT)	2,323	1,608	238
Personal income tax (PIT)	579	1,482	841
Social security payable	1,894	1,925	1,998
Other	329	329	212
	10,175	14,854	6,212

15. Deferred income

Long-term deferred income	31 March 2015 (unaudited)	31 Dec. 2014 (audited)	31 March 2014 (unaudited)
Maintenance services paid in advance	399	11	250
Grants for the development of assets	616	755	387
Other	29	47	-
	1,044	813	637

Short-term deferred income	31 March 2015 (unaudited)	31 Dec. 2014 (audited)	31 March 2014 (unaudited)
Maintenance services paid in advance	8,854	5,578	8,744
Other prepaid services	1,323	280	207
Grants for the development of assets	85	-	66
Other	1,642	1,175	-
	11,904	7,033	9,017

16. Changes in impairment write-downs on assets

	3 months ended 31 March 2015 (unaudited)	3 months ended 31 March 2014 (unaudited)
Trade receivables		
Opening balance	(3,666)	(4,194)
Established	(675)	(545)
Reversed	379	1,177
Utilized	25	489
Foreign exchange differences	219	(29)
Closing balance	(3,718)	(3,102)
Inventories		
Opening balance	(7,907)	(5,625)
Established	(545)	(490)
Reversed	547	111
Utilized	1	-
Foreign exchange differences	292	(14)
Closing balance	(7,612)	(6,018)

During the first 3 months of 2015 and in the comparable period of 2014, the Group did not recognize or reverse any impairment write-downs on its financial assets, property, plant and equipment, or 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 2015 (unaudited)	31 Dec. 2014 (audited)	31 March 2014 (unaudited)
Management Board of the Parent Company*	4	4	5
Management Boards of the Group companies	22	24	25
Production departments	1,034	1,067	1,043
Sales departments	139	153	150
Administration departments	161	155	153
Total	1,360	1,403	1,376

*On 30 December 2014, the Company received from Mr. Călin Bârseti a letter of resignation from the position of Member of the Management Board effective from 31 December 2014.

Numbers of employees in the Group companies as at	31 March 2015 (unaudited)	31 Dec. 2014 (audited)	31 March 2014 (unaudited)
ASEE S.A.	28	27	27
ASEE Romania	147	148	154
ASEE Serbia Group	451	461	473
ASEE Croatia	240	250	229
ASEE Kosovo	68	82	82
ASEE Turkey	181	188	173
ASEE Bulgaria	21	21	23
ASEE B&H	44	46	48
ASEE Macedonia	140	141	143
ASEE Slovenia	29	28	24
ASEE Montenegro	10	10	n/a
ASEE Nestpay	1	1	n/a
Total	1,360	1,403	1,376

19. Outsourcing contracts

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

Future minimum lease payments	31 March 2015 (unaudited)
(i) within 1 year	24,918
(ii) within 1 to 5 years	48,425
(iii) within more than 5 years	2,167
Total	75,510

20. 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. The value of such guarantees amounted to PLN 29,129 thousand as at 31 March 2015, PLN 29,707 thousand as at 31 December 2014, and PLN 30,512 thousand as at 31 March 2014.

Assets serving as security for bank guarantee facilities:

Category of assets	Net value of assets			Amount of granted guarantee secured with assets		
	31 March 2015 PLN'000	31 Dec. 2014 PLN'000	31 March 2014 PLN'000	31 March 2015 PLN'000	31 Dec. 2014 PLN'000	31 March 2014 PLN'000
Trade receivables	2,523	737	1,743	1,091	1,163	4,227
Other receivables (restricted cash)	139	293	367	3,379	2,007	2,484
Total	2,662	1,030	2,110	4,470	3,170	6,711

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 ASECO 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 2015.

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

During the period of 3 months ended 31 March 2015, neither the Issuer nor any of its subsidiaries granted any sureties to secure bank loans and borrowings or any payment guarantees to any single entity or its subsidiary, where the aggregate value of all the existing sureties or guarantees extended in favour of such entity would equal at least 10% of the Issuer's equity.

**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 2015 till the date of approval of these interim condensed consolidated financial statements, this is until 23 April 2015, we have not observed any significant events, the disclosure of which might significantly affect the assessment of human resources, assets, and financial position of ASEE Group.

**XVIII. SIGNIFICANT EVENTS RELATED TO
PRIOR YEARS**

Until the date of preparing these interim condensed consolidated financial statements, this is until 23 April 2015, we have not observed any significant events related to prior years, which have not but should have been included in our accounting books.



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

Rzeszów, 23 April 2015

FINANCIAL HIGHLIGHTS OF ASSECO SOUTH EASTERN EUROPE S.A.

	3 months ended 31 March 2015 (unaudited)	3 months ended 31 March 2014 (unaudited)	3 months ended 31 March 2015 (unaudited)	3 months ended 31 March 2014 (unaudited)
	PLN'000	PLN'000	EUR'000	EUR'000
I. Revenues from holding activities	9,230	6,599	2,225	1,575
II. Revenues from operating activities	1,916	1,471	462	351
III. Operating profit	8,244	4,936	1,987	1,178
IV. Pre-tax profit	9,485	5,046	2,286	1,204
V. Net profit for the reporting period	8,715	4,791	2,101	1,144
VI. Net cash provided by (used in) operating activities	8,071	4,068	1,945	971
VII. Net cash provided by (used in) investing activities	(4,954)	(2,535)	(1,194)	(605)
VIII. Net cash provided by (used in) financing activities	2,934	-	707	-
IX. Cash and cash equivalents at the end of period	13,958	4,478	3,414	1,074
X. Basic earnings per ordinary share for the reporting period (in PLN/EUR)	0.17	0.09	0.04	0.02
XI. Diluted earnings per ordinary share for the reporting period (in PLN/EUR)	0.17	0.09	0.04	0.02

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 have been translated into EUR at the arithmetic average of mid exchange rates as published by the National Bank of Poland and in effect on the last day of each month. These exchange rates were as follows:
 - for the period from 1 January 2015 to 31 March 2015: EUR 1 = PLN 4.1489
 - for the period from 1 January 2014 to 31 March 2014: EUR 1 = PLN 4.1894
- 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 2015: EUR 1 = PLN 4.0890
 - exchange rate effective on 31 March 2014: EUR 1 = PLN 4.1713

CONDENSED INCOME STATEMENT
ASSECO SOUTH EASTERN EUROPE S.A.

	3 months ended 31 March 2015 (unaudited)	3 months ended 31 March 2014 (unaudited)
Holding activities	9,230	6,599
Dividend income	6,840	4,381
Revenues from sales of services	2,390	2,218
Operating activities	1,916	1,471
Revenues from sales of IT services and software	1,916	1,471
Total sales revenues	11,146	8,070
Cost of sales (-)	(3,124)	(2,439)
Gross profit on sales	8,022	5,631
Selling costs (-)	(672)	(714)
General and administrative expenses (-)	(21)	-
Net profit on sales	7,329	4,917
Other operating income (+)	915	49
Other operating expenses (-)	-	(30)
Operating profit	8,244	4,936
Financial income	1,327	118
Financial expenses (-)	(86)	(8)
Pre-tax profit	9,485	5,046
Corporate income tax (current and deferred tax expense) (+/-)	(770)	(255)
Net profit for the reporting period	8,715	4,791
Earnings per share for the reporting period (in PLN):		
Basic earnings per share from continuing operations for the reporting period	0.17	0.09
Diluted earnings per share from continuing operations for the reporting period	0.17	0.09

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

	3 months ended 31 March 2015 (unaudited)	3 months ended 31 March 2014 (unaudited)
Net profit for the reporting period	8,715	4,791
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD	8,715	4,791

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

	31 March 2015	31 Dec. 2014	31 March 2014
	(unaudited)	(audited)	(unaudited)
ASSETS			
Non-current assets	603,680	601,402	602,865
Property, plant and equipment	470	514	449
Goodwill arising from a merger	4,567	4,567	4,567
Intangible assets	139	161	218
Investments in subsidiaries	588,566	588,566	592,677
Long-term financial assets	2,862	-	-
Deferred tax assets	486	997	1,365
Long-term receivables	6,590	6,590	3,414
Long-term prepayments and accrued income	-	7	175
Current assets	27,755	16,716	18,919
Inventories	4	2	2
Prepayments and accrued income	2,356	1,450	1,840
Trade receivables	3,119	1,699	3,265
Other receivables	2,495	1,796	5,759
Short-term financial assets	5,823	3,862	3,575
Cash and short-term deposits	13,958	7,907	4,478
TOTAL ASSETS	631,435	618,118	621,784

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

	31 March 2015	31 Dec. 2014	31 March 2014
	(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	42,820	54,863	57,499
Total equity	600,587	612,630	615,266
Non-current liabilities	2,862	11	223
Interest-bearing bank loans	2,862	-	-
Long-term deferred income	-	11	223
Current liabilities	27,986	5,477	6,295
Trade payables	2,856	2,108	2,338
Liabilities to the state and local budgets	780	155	411
Financial liabilities	22,496	1,901	1,810
Other liabilities	12	131	6
Short-term provisions	361	716	445
Deferred income	1,481	466	1,285
TOTAL LIABILITIES	30,848	5,488	6,518
TOTAL EQUITY AND LIABILITIES	631,435	618,118	621,784

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

for 3 months ended 31 March 2015, for 3 months ended 31 March 2014, and for 12 months ended 31 December 2014

	Share capital	Share premium	Retained earnings (deficit) and current net profit	Total equity
As at 1 January 2015	518,942	38,825	54,863	612,630
Net profit for the reporting period	-	-	8,715	8,715
Total comprehensive income for the reporting period	-	-	8,715	8,715
Dividends	-	-	(20,758)	(20,758)
As at 31 March 2015 (unaudited)	518,942	38,825	42,820	600,587
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 2014	518,942	38,825	52,708	610,475
Net profit for the reporting period	-	-	18,761	18,761
Total comprehensive income for the reporting period	-	-	18,761	18,761
Dividends	-	-	(16,606)	(16,606)
As at 31 December 2014 (audited)	518,942	38,825	54,863	612,630

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

	3 months ended 31 March 2015 (unaudited)	3 months ended 31 March 2014 (unaudited)
Cash flows – operating activities		
Pre-tax profit	9,485	5,046
Total adjustments:	(1,414)	(978)
Depreciation and amortization	73	62
Change in receivables	(2,119)	1,675
Change in liabilities	1,091	(2,098)
Change in prepayments, accruals and provisions	(250)	600
Gain (loss) on foreign exchange differences	(63)	(96)
Gain (loss) on investing activities	(6,723)	(4,353)
Other	(2)	(22)
Selected operating cash flows	6,579	3,254
Disposal of shares in subsidiaries	-	230
Dividends received	6,579	3,024
Net cash used in operating activities	8,071	4,068
Corporate income tax paid	-	-
Net cash provided by (used in) operating activities	8,071	4,068
Cash flows – investing activities		
Disposal of property, plant and equipment and intangible assets	-	30
Acquisition of property, plant and equipment and intangible assets	(7)	(93)
Settlement of currency forward contracts	(112)	28
Bank deposits made	(2,306)	(2,500)
Loans collected	1,161	-
Loans granted	(3,690)	-
Net cash provided by (used in) investing activities	(4,954)	(2,535)
Cash flows – financing activities		
Proceeds from bank loans	2,934	-
Proceeds from loans	3,663	-
Repayments of loans	(3,663)	-
Net cash provided by (used in) financing activities	2,934	-
Net increase (decrease) in cash and cash equivalents	6,051	1,533
Net foreign exchange differences	-	(5)
Cash and cash equivalents as at 1 January	7,907	2,950
Cash and cash equivalents as at 31 March	13,958	4,478