



**REPORT OF ASSECO SOUTH EASTERN EUROPE GROUP  
FOR THE 3<sup>RD</sup> QUARTER OF 2013**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
OF ASSECO SOUTH EASTERN EUROPE GROUP  
FOR THE 3<sup>RD</sup> QUARTER OF 2013**

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# **INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF ASSECO SOUTH EASTERN EUROPE GROUP FOR THE 3<sup>RD</sup> QUARTER OF 2013**

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

Hatice Ayas Member of the Management Board

Calin Barseti Member of the Management Board

**Miljan Mališ** Member of the Management Board

Miodrag Mirčetić Member of the Management Board

Dražen Pehar Member of the Management Board

Marcin Rulnicki Member of the Management Board

**FINANCIAL HIGHLIGHTS**  
**ASSECO SOUTH EASTERN EUROPE GROUP**

	<b>9 months ended 30 Sept. 2013 (unaudited)</b>	<b>9 months ended 30 Sept. 2012 (unaudited)</b>	<b>9 months ended 30 Sept. 2013 (unaudited)</b>	<b>9 months ended 30 Sept. 2012 (unaudited)</b>
	<b>PLN '000</b>	<b>PLN '000</b>	<b>EUR '000</b>	<b>EUR '000</b>
I. Sales revenues	321,211	325,143	76,060	77,511
II. Operating profit	28,659	36,323	6,786	8,659
III. Pre-tax profit	29,785	38,083	7,053	9,079
IV. Net profit for the reporting period	23,794	34,608	5,634	8,250
V. Net profit attributable to Shareholders of the Parent Company	<b>23,795</b>	<b>34,669</b>	<b>5,634</b>	<b>8,265</b>
VI. Net cash provided by (used in) operating activities	15,854	27,358	3,754	6,522
VII. Net cash provided by (used in) investing activities	19	(40,148)	4	(9,571)
VIII. Net cash provided by (used in) financing activities	(37,939)	(19,646)	(8,984)	(4,683)
IX. Cash and cash equivalents at the end of period	52,881	62,959	12,542	15,304
X. Basic earnings per ordinary share for the reporting period attributable to Shareholders of the Parent Company (in PLN/EUR)	0.46	0.67	0.11	0.16
XI. Diluted earnings per ordinary share for the reporting period attributable to Shareholders of the Parent Company (in PLN/EUR)	0.46	0.67	0.11	0.16

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 2013 to 30 September 2013: EUR 1 = PLN 4.2231
  - for the period from 1 January 2012 to 30 September 2012: EUR 1 = PLN 4.1948
- 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 30 September 2013: EUR 1 = PLN 4.2163
  - exchange rate effective on 30 September 2012: EUR 1 = PLN 4.1138

**INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT**

	Note	3 months ended 30 Sept. 2013 (unaudited)	9 months ended 30 Sept. 2013 (unaudited)	3 months ended 30 Sept. 2012 (unaudited)	9 months ended 30 Sept. 2012 (unaudited)
<b>Sales revenues</b>	<u>1</u>	<b>107,290</b>	<b>321,211</b>	<b>103,369</b>	<b>325,143</b>
Cost of goods and third-party services sold (-)	<u>3</u>	(44,137)	(133,035)	(43,995)	(140,352)
<b>Surplus of revenues over third-party costs</b>	<u>2</u>	<b>63,153</b>	<b>188,176</b>	<b>59,374</b>	<b>184,791</b>
Production costs (-)	<u>3</u>	(34,906)	(106,027)	(31,758)	(97,552)
Distribution costs (-)	<u>3</u>	(9,535)	(27,958)	(8,849)	(27,625)
General administrative expenses (-)	<u>3</u>	(8,840)	(26,300)	(7,943)	(24,312)
<b>Net profit on sales</b>		<b>9,872</b>	<b>27,891</b>	<b>10,824</b>	<b>35,302</b>
Other operating income (expenses)		(107)	768	1,033	1,021
<b>Operating profit</b>		<b>9,765</b>	<b>28,659</b>	<b>11,857</b>	<b>36,323</b>
Financial income	<u>4</u>	619	2,328	1,370	4,432
Financial expenses (-)	<u>4</u>	(914)	(1,202)	(1,614)	(2,672)
<b>Pre-tax profit</b>		<b>9,470</b>	<b>29,785</b>	<b>11,613</b>	<b>38,083</b>
Corporate income tax (current and deferred tax expense)		(821)	(5,991)	(635)	(3,475)
<b>Net profit for the reporting period</b>		<b>8,649</b>	<b>23,794</b>	<b>10,978</b>	<b>34,608</b>
Attributable to:					
<b>Shareholders of the Parent Company</b>		<b>8,613</b>	<b>23,795</b>	<b>10,965</b>	<b>34,669</b>
Non-controlling interests		36	(1)	13	(61)

**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>	0.17	0.46	0.21	0.67
Diluted consolidated earnings per share from continuing operations for the reporting period	<u>5</u>	0.17	0.46	0.21	0.67

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

		3 months ended 30 Sept. 2013 (unaudited)	9 months ended 30 Sept. 2013 (unaudited)	3 months ended 30 Sept. 2012 (unaudited)	9 months ended 30 Sept. 2012 (unaudited)
<b>Net profit for the reporting period</b>		<b>8,649</b>	<b>23,794</b>	<b>10,978</b>	<b>34,608</b>
<b>Other comprehensive income, of which:</b>		<b>(27,677)</b>	<b>5,360</b>	<b>(18,717)</b>	<b>(67,170)</b>
Components that may be reclassified to profit or loss		<b>(27,677)</b>	<b>5,360</b>	<b>(18,717)</b>	<b>(67,170)</b>
Exchange differences on translation of foreign operations		(27,677)	5,360	(18,717)	(67,170)
<b>TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD</b>		<b>(19,028)</b>	<b>29,154</b>	<b>(7,739)</b>	<b>(32,562)</b>
<b>Attributable to:</b>					
<i>Shareholders of the Parent Company</i>		<i>(19,048)</i>	<i>29,205</i>	<i>(7,750)</i>	<i>(32,502)</i>
<i>Non-controlling interests</i>		<i>20</i>	<i>(51)</i>	<i>11</i>	<i>(60)</i>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	30 Sept.	30 June	31 Dec.	30 Sept.
		2013	2013	2012	2012
		(unaudited)	(unaudited)	(restated)	(restated)
<b>Non-current assets</b>		<b>558,432</b>	<b>577,547</b>	<b>541,123</b>	<b>540,490</b>
Property, plant and equipment	7	27,697	25,966	20,410	19,922
Investment property		788	821	774	811
Intangible assets	7	32,368	32,373	26,786	24,683
Goodwill arising from consolidation	8	492,103	513,970	488,031	491,308
Investments in subsidiary companies		11	12	11	10
Financial assets available for sale		109	113	104	122
Long-term loans		135	141	188	247
Long-term receivables		928	321	336	295
Deferred income tax assets		2,894	2,821	3,901	2,029
Long-term prepayments and accrued income	12	1,399	1,009	582	1,063
<b>Current assets</b>		<b>180,528</b>	<b>243,101</b>	<b>218,717</b>	<b>211,887</b>
Inventories		22,436	23,606	16,331	23,983
Prepayments and accrued income	12	8,392	7,871	6,675	8,392
Trade receivables	9	63,843	88,232	74,428	67,836
Corporate income tax receivable		2,003	1,597	1,367	1,653
Other receivables from the state and local budgets		652	1,326	1,394	2,360
Receivables arising from valuation of IT contracts		18,229	17,503	12,480	17,680
Other receivables	9	11,440	13,696	10,602	14,020
Financial assets available for sale		26	26	25	25
Financial assets held to maturity	10	526	14,778	21,071	12,191
Financial assets carried at fair value through profit or loss	10	85	9,448	23	-
Short-term loans		15	16	168	788
Cash and short-term deposits	11	52,881	65,002	74,153	62,959
<b>TOTAL ASSETS</b>		<b>738,960</b>	<b>820,648</b>	<b>759,840</b>	<b>752,377</b>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES	Note	30 Sept.	30 June	31 Dec.	30 Sept.
		2013	2013	2012	2012
		(unaudited)	(unaudited)	(restated)	(restated)
<b>Equity (attributable to shareholders of the Parent Company)</b>		<b>651,680</b>	<b>670,872</b>	<b>664,672</b>	<b>654,627</b>
Share capital		518,942	518,942	518,942	518,942
Share premium		38,825	38,825	38,825	38,825
Exchange differences on translation of foreign operations		(58,448)	(30,785)	(63,856)	(58,592)
Retained earnings and current net profit		152,361	143,890	170,761	155,452
<b>Non-controlling interests</b>		<b>155</b>	<b>163</b>	<b>181</b>	<b>174</b>
<b>Total equity</b>		<b>651,835</b>	<b>671,035</b>	<b>664,853</b>	<b>654,801</b>
<b>Non-current liabilities</b>		<b>10,244</b>	<b>6,904</b>	<b>5,838</b>	<b>6,165</b>
Interest-bearing bank loans and borrowings	14	4,020	1,702	24	144
Deferred income tax provisions		2,168	2,106	2,527	2,606
Long-term provisions		1,144	1,126	1,446	661
Long-term financial liabilities	13	816	853	741	1,292
Long-term deferred income	16	2,096	1,088	1,094	1,376
Other long-term liabilities		-	29	6	86
<b>Current liabilities</b>		<b>76,881</b>	<b>142,709</b>	<b>89,149</b>	<b>91,411</b>
Interest-bearing bank loans and borrowings	14	2,432	775	489	352
Trade payables	15	26,819	45,196	31,839	25,628
Corporate income tax payable	15	575	867	1,199	719
Other liabilities to the state and local budgets	15	5,991	9,125	11,153	7,465
Financial liabilities	13	338	42,214	1,974	2,560
Liabilities arising from valuation of IT contracts		1,002	1,425	2,966	3,464
Other current liabilities	15	11,564	13,343	13,513	22,941
Short-term provisions		2,444	2,522	3,834	4,217
Deferred income	16	7,829	11,500	8,502	7,181
Accruals	16	17,887	15,742	13,680	16,884
<b>TOTAL LIABILITIES</b>		<b>87,125</b>	<b>149,613</b>	<b>94,987</b>	<b>97,576</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>738,960</b>	<b>820,648</b>	<b>759,840</b>	<b>752,377</b>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the period of 9 months ended 30 September 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
<b>As at 1 January 2013</b>	<b>518,942</b>	<b>38,825</b>	<b>(63,856)</b>	<b>170,761</b>	<b>664,672</b>	<b>181</b>	<b>664,853</b>
Net profit (loss) for the reporting period	-	-	-	23,795	23,795	(1)	23,794
Other comprehensive income	-	-	5,410	-	5,410	(50)	5,360
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>5,410</b>	<b>23,795</b>	<b>29,205</b>	<b>(51)</b>	<b>29,154</b>
<b>Changes in the Group structure, of which:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(77)</b>	<b>(77)</b>	<b>(61)</b>	<b>(138)</b>
<i>Acquisition of shares in a subsidiary</i>	-	-	-	-	-	33	33
<i>Acquisition of non-controlling interests</i>	-	-	-	(77)	(77)	(94)	(171)
Recognition of financial result attributable to non-controlling interests	-	-	(2)	(84)	(86)	86	-
Dividend	-	-	-	(42,034)	(42,034)	-	(42,034)
<b>As at 30 September 2013 (unaudited)</b>	<b>518,942</b>	<b>38,825</b>	<b>(58,448)</b>	<b>152,361</b>	<b>651,680</b>	<b>155</b>	<b>651,835</b>

for the period of 9 months ended 30 September 2012

	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
<b>As at 1 January 2012</b>	<b>518,942</b>	<b>38,825</b>	<b>8,579</b>	<b>139,465</b>	<b>705,811</b>	-	<b>705,811</b>
Net profit (loss) for the reporting period	-	-	-	34,669	34,669	(61)	34,608
Other comprehensive income	-	-	(67,171)	-	(67,171)	1	(67,170)
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>(67,171)</b>	<b>34,669</b>	<b>(32,502)</b>	<b>(60)</b>	<b>(32,562)</b>
<b>Changes in the Group structure, of which:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159</b>	<b>159</b>
<i>Acquisition of shares in a subsidiary</i>	-	-	-	-	-	159	159
Recognition of financial result attributable to non-controlling interests	-	-	-	-	-	75	75
Dividend	-	-	-	(18,682)	(18,682)	-	(18,682)
<b>As at 30 September 2012 (restated)</b>	<b>518,942</b>	<b>38,825</b>	<b>(58,592)</b>	<b>155,452</b>	<b>654,627</b>	<b>174</b>	<b>654,801</b>

for the period of 12 months ended 31 December 2012

	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
<b>As at 1 January 2012</b>	<b>518,942</b>	<b>38,825</b>	<b>8,579</b>	<b>139,465</b>	<b>705,811</b>	-	<b>705,811</b>
Net profit (loss) for the reporting period	-	-	-	49,626	49,626	(39)	49,587
Other comprehensive income	-	-	(72,435)	-	(72,435)	1	(72,434)
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>(72,435)</b>	<b>49,626</b>	<b>(22,809)</b>	<b>(38)</b>	<b>(22,847)</b>
<b>Changes in the Group structure, of which:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>149</b>	<b>149</b>
<i>Acquisition of shares in a subsidiary</i>	-	-	-	-	-	149	149
Recognition of financial result attributable to non-controlling interests	-	-	-	(70)	(70)	70	-
Change in valuation of liabilities under put options of non-controlling shareholders	-	-	-	422	422	-	422
Dividend	-	-	-	(18,682)	(18,682)	-	(18,682)
<b>As at 31 December 2012 (restated)</b>	<b>518,942</b>	<b>38,825</b>	<b>(63,856)</b>	<b>170,761</b>	<b>664,672</b>	<b>181</b>	<b>664,853</b>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Note	9 months ended 30 September 2013 (unaudited)	9 months ended 30 September 2012 (unaudited)
<b>Cash flows - operating activities</b>			
Pre-tax profit		29,785	38,083
<b>Total adjustments:</b>		<b>(7,228)</b>	<b>(6,831)</b>
Depreciation and amortization		10,228	7,736
Change in inventories		(5,650)	(12,719)
Change in receivables		5,770	24,187
Change in liabilities		(17,584)	(21,576)
Change in prepayments and accruals		2,022	(1,350)
Change in provisions		(1,706)	(2,026)
Interest income and expenses		(1,284)	(1,204)
Gain (loss) on foreign exchange differences		1,352	885
Gain (loss) on investing activities		(384)	(1,037)
Other		8	273
<b>Net cash generated from operating activities</b>		<b>22,557</b>	<b>31,252</b>
Corporate income tax paid		(6,703)	(3,894)
<b>Net cash provided by (used in) operating activities</b>		<b>15,854</b>	<b>27,358</b>
<b>Cash flows - investing activities</b>			
Disposal of property, plant and equipment and intangible assets		574	548
Acquisition of property, plant and equipment and intangible assets		(12,851)	(9,570)
Expenditures for development projects		(9,975)	(5,277)
Disposal of financial assets carried at fair value through profit or loss		9,527	10,463
Acquisition of financial assets carried at fair value through profit or loss		(9,500)	(163)
Disposal of financial assets held to maturity		24,144	8,798
Acquisition of assets held to maturity		(3,300)	(16,816)
Acquisition of subsidiary companies		(470)	(28,943)
Cash and cash equivalents of subsidiary companies acquired		152	14
Loans collected (granted)		210	(555)
Interest received		1,506	1,335
Other		2	18
<b>Net cash provided by (used in) investing activities</b>		<b>19</b>	<b>(40,148)</b>

	Note	9 months ended 30 September 2013 (unaudited)	9 months ended 30 September 2012 (unaudited)
<b>Cash flows - financing activities</b>			
Proceeds from (repayments) of bank loans and borrowings		6,085	(482)
Finance lease liabilities paid		(172)	(352)
Dividends paid out to shareholders of the Parent Company		(42,034)	(18,682)
Dividends paid out to former shareholders of subsidiaries		(1,703)	-
Interest paid		(115)	(132)
Other		-	2
<b>Net cash provided by (used in) financing activities</b>		<b>(37,939)</b>	<b>(19,646)</b>
Net increase (decrease) in cash and cash equivalents		(22,066)	(32,436)
Net foreign exchange differences		792	(7,654)
Cash and cash equivalents as at 1 January		74,133	103,042
<b>Cash and cash equivalents as at 30 September</b>	<b>11</b>	<b>52,859</b>	<b>62,952</b>

## SUPPLEMENTARY INFORMATION AND EXPLANATORY NOTES

### I. GENERAL INFORMATION

Asseco South Eastern Europe Group (the "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 Warsaw Stock Exchange since 28 October 2009.

ASEE S.A. is the Parent Company 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 is a provider of IT solutions for the finance and telecommunication sectors, authentication solutions and internet payment systems, while it also sells and performs maintenance of ATMs and POS terminals, and 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 annual report for the year 2012, which is available at the Issuer's website: [www.asseco.com/see](http://www.asseco.com/see).

These interim condensed consolidated financial statements cover the interim period ended 30 September 2013 and contain comparable data for the interim period ended 30 September 2012 in the case of the statement of comprehensive income, statement of changes in equity, and statement of cash flows; and comparable data as at 30 June 2013, 31 December 2012 and 30 September 2012 in the 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 were approved for publication by the Management Board of ASEE S.A. on 23 October 2013.

### II. MAJOR SHAREHOLDERS

To the best knowledge of the Management Board of ASEE S.A., as at 30 September 2013 as well as at the publication of this report, i.e. on 23 October 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%
	<b>51,894,251</b>	<b>100.00%</b>

As at 30 September 2013 and on the date of publication of these financial statements, 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.

To the best knowledge of the Management Board of ASEE S.A., in the period of 3 months ended 30 September 2013 the Company's shareholders structure, as presented above, remained unchanged.

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

Supervisory Board	Number of shares held as at			
	24 October 2013	30 Sept. 2013	7 August 2013	31 Dec. 2012
<b>Members</b>				
Adam Góral <sup>1)</sup>	-	-	-	-
Jacek Duch	-	-	-	-
Jan Dauman	-	-	-	-
Andrzej Mauberg	-	-	-	-
Mihail Petreski <sup>2)</sup>	-	-	-	-
Przemysław	-	-	-	-
Sęczkowski	-	-	-	-
Gabriela Żukowicz	150	150	150	150

Management Board	Number of shares held as at			
	24 October 2013	30 Sept. 2013	7 August 2013	31 Dec. 2012
<b>Members</b>				
Piotr Jeleński	550	550	550	550
Hatice Ayas	-	-	-	-
Calin Barseti	-	-	-	-
Miljan Mališ <sup>3)</sup>	-	-	-	-
Miodrag Mirčetić <sup>4)</sup>	-	-	-	-
Dražen Pehar	788,843	788,843	788,843	949,900
Marcin Rulnicki	-	-	-	-

<sup>1)</sup> Adam Góral, Member 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 30 September 2013, Asseco Poland S.A. held 26,494,676 shares in ASEE S.A.

<sup>2)</sup> 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 30 September 2013, Liatris d.o.o. held 3,838,683 shares in ASEE S.A.

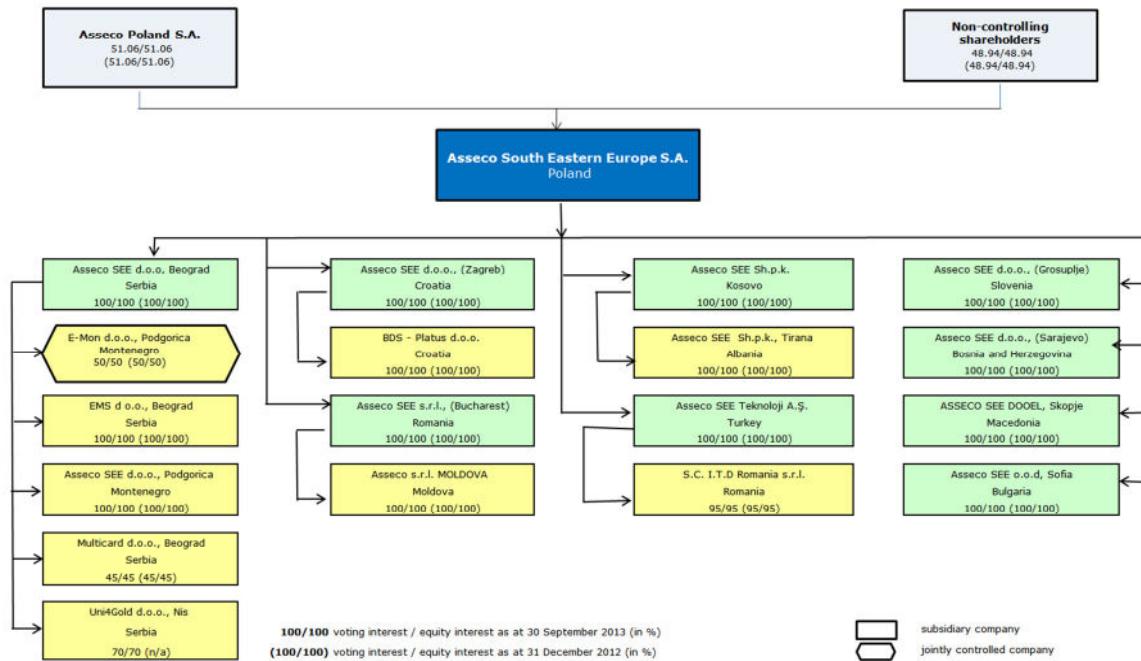
<sup>3)</sup> Miljan Mališ, Member of the Management Board of ASEE S.A. and a shareholder in the company Mini Invest d.o.o. which in turn is a shareholder in ASEE S.A.; as at 30 September 2013, Mini Invest d.o.o. held 835,597 shares in ASEE S.A.

<sup>4)</sup> 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 30 September 2013, I4-INVENTION d.o.o. held 1,622,971 shares in ASEE S.A. In the period of 3 months ended 30 September 2013, this company sold 102,622 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 interests at the general meetings of shareholders/partners as at 30 September 2013.

The parent of Asseco South Eastern Europe S.A. is Asseco Poland S.A. (the higher-level parent company). As at 30 September 2013, Asseco Poland S.A. held a 51.06% stake in the share capital of ASEE S.A.

Within the Group's organizational structure, the company of E-Mon Montenegro is treated as a jointly controlled company and therefore consolidated under the proportionate method.

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

With regard to the call options embedded in the agreement for the acquisition of Multicard Serbia under which ASEE Serbia is entitled to buy out the remaining non-controlling interests, the company of Multicard Serbia is treated as a subsidiary and is subject to full consolidation.

Both as at 30 September 2013 and 31 December 2012, voting interests the Group was entitled to exercise in its subsidiary companies were proportional to the Group's equity interests in these entities.

#### V. DESCRIPTION OF CHANGES IN THE GROUP'S STRUCTURE

During the period of 3 months ended 30 September 2013, the organizational structure of ASEE Group changed as follows:

##### Merger of ASEE Turkey with Sigma Turkey and acquisition of non-controlling interests

On 11 September 2013, there was registered a merger between our Turkish subsidiaries: ASEE Turkey (the taking-over company) and Sigma Turkey (the acquired company). The merger had no impact on the consolidated financial statements of ASEE Group. Concurrently to the merger, we carried out a squeeze-out procedure and purchased a 1.32% non-controlling interest in Sigma. Following this procedure, ASEE S.A. has become the owner of 100% of shares in both the merged companies.

## **VI. ACCOUNTING POLICIES APPLIED WHEN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS**

### **1. Basis for 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 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 subsidiary companies 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 adopted by the European Union ("IFRS") and, in particular, in accordance with the International Accounting Standard 34. As at the date of approving these financial statements for publication, given the ongoing process of implementation of IFRS standards in the EU as well as the nature of the Group's operations, within the scope of accounting policies applied by the Group, there are differences between the International Financial Reporting Standards and the International Financial Reporting Standards adopted by the European Union. The Company took advantage of the option, which is given to adopters of the International Financial Reporting Standards adopted by the EU, to apply the IFRS 10, IFRS 11, IFRS 12, and amended IAS 27 and IAS 28 only for annual periods beginning on or after 1 January 2014.

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 major accounting policies adopted by ASEE Group have been described in the consolidated financial statements for the year ended 31 December 2012, which were published on 20 February 2013 and are available at the Issuer's website: [www.asseco.com/see](http://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 2012.

The accounting policies adopted for drawing up this report are coherent with those applied for preparation of the Group's consolidated financial statements for the year ended 31 December 2012, except for applying the amendments to standards and new interpretations effective for annual periods beginning on or after 1 January 2013.

### **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 30 September 2013, 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 2012.

## **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 the 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 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 2013.

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

## **9. Changes in the presentation principles applied**

In 2013 we have changed the layout of items disclosed in the consolidated income statement. This change involved the introduction of two additional lines, i.e. cost of goods and third-party services sold, and production costs. Up until now, both the items were disclosed in aggregate, in a single line as the cost of sales. We have also ceased to present the gross profit on sales which was calculated by deducting the cost of sales from sales revenues. Furthermore, we have introduced a new subtotal representing the surplus of revenues over third-party costs which is calculated by deducting the cost of goods and third-party services sold from sales revenues. *The surplus of revenues over third-party costs is not a standard line defined by the IFRS.* This amount is an indicator used by the Group to plan and measure its operating performance. Such changes have been made in order to harmonize the presentation of data with the management approach, to increase their usefulness for understanding of our financial performance, as well as to facilitate the projection of financial results.

Apart from those described above, we have not introduced any other presentation changes in the reporting period.

## **10. Corrections of material errors**

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

## 11. Change in the comparable data

As a result of fair value measurement of assets and liabilities of Sigma Turkey, the Group's balance sheet data as at 31 December 2012 and 30 September 2012 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 in 2012. Therefore, goodwill arising from the purchase of shares in Sigma Turkey, which was recognized in the consolidated financial statements as at 31 December 2012 and 30 September 2012, 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. as well as due to the fair value measurement of assets and liabilities. The valuation process has been completed in the 3<sup>rd</sup> quarter of 2013. The table below presents the changes which were introduced to the Group's balance sheet data as at 31 December 2012 and 30 September 2012.

	Report for the year ended 31 Dec. 2012 (audited)	Changes resulting from purchase price allocation as at 31 Dec. 2012	Restated balance sheet as at 31 Dec. 2012 (restated)
<b>Non-current assets</b>	<b>540,203</b>	<b>920</b>	<b>541,123</b>
Goodwill arising from consolidation	487,111	920	488,031
Other non-current assets	53,092	-	53,092
<b>Current assets</b>	<b>218,717</b>	<b>-</b>	<b>218,717</b>
<b>TOTAL ASSETS</b>	<b>758,920</b>	<b>920</b>	<b>759,840</b>
Equity (attributable to shareholders of the Parent Company)	664,672	-	664,672
Non-controlling interests	181	-	181
<b>Total equity</b>	<b>664,853</b>	<b>-</b>	<b>664,853</b>
<b>Non-current liabilities</b>	<b>5,838</b>	<b>-</b>	<b>5,838</b>
<b>Current liabilities</b>	<b>88,229</b>	<b>920</b>	<b>89,149</b>
Current liabilities	75,636	-	75,636
Other liabilities	12,593	920	13,513
<b>TOTAL LIABILITIES</b>	<b>94,067</b>	<b>920</b>	<b>94,987</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>758,920</b>	<b>920</b>	<b>759,840</b>

	Report for 9 months ended 30 Sept. 2012 (unaudited)	Changes resulting from purchase price allocation as at 30 Sept. 2012	Restated balance sheet as at 30 Sept. 2012 (restated)
<b>Non-current assets</b>	<b>538,987</b>	<b>1,503</b>	<b>540,490</b>
Goodwill arising from consolidation	489,805	1,503	491,308
Other non-current assets	49,182	-	49,182
<b>Current assets</b>	<b>212,003</b>	<b>(116)</b>	<b>211,887</b>
<b>TOTAL ASSETS</b>	<b>750,990</b>	<b>1,387</b>	<b>752,377</b>
Equity (attributable to shareholders of the Parent Company)	654,627	-	654,627
Non-controlling interests	174	-	174
<b>Total equity</b>	<b>654,801</b>	<b>-</b>	<b>654,801</b>
<b>Non-current liabilities</b>	<b>6,349</b>	<b>(184)</b>	<b>6,165</b>
<b>Current liabilities</b>	<b>89,840</b>	<b>1,571</b>	<b>91,411</b>
Current liabilities	67,819	651	68,470
Other liabilities	22,021	920	22,941
<b>TOTAL LIABILITIES</b>	<b>96,189</b>	<b>1,387</b>	<b>97,576</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>750,990</b>	<b>1,387</b>	<b>752,377</b>

## 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.

These reportable segments correspond to the Group's operating segments.

The Banking Solutions segment deals with integrated banking systems (including primarily *core banking systems*), systems enabling secure authentication of bank clients or IT system users, mobile banking systems, as well as solutions for leasing companies.

The Payment Solutions segment provides IT systems for the settlement of internet credit card payments as well as for fast and direct internet money transfers. This operating segment is also engaged in the sale and maintenance of ATMs and POS terminals as well as in the provision of related support services.

The Systems Integration segment is engaged in the provision of services of development of customized IT systems, especially for the needs of integration of third-party software and elements of infrastructure, as well as in the sale and installation of hardware solutions.

The Group's business profile and product portfolio have been described in detail in its financial statements for the year 2012.

For 9 months ended 30 September 2013 and as at 30 September 2013 in PLN thousands (unaudited)	Banking Solutions (I)	Payment Solutions (II)	Total Banking Business (I-II)	Systems Integration (III)	Unallocated	Eliminations / Reconcilia- tions	Total
<b>Sales revenues:</b>	<b>97,368</b>	<b>82,668</b>	<b>180,036</b>	<b>158,203</b>	<b>8,147</b>	<b>(25,175)</b>	<b>321,211</b>
Sales to external customers	86,566	79,052	165,618	155,593	-	-	321,211
Inter/intra segment sales	10,802	3,616	14,418	2,610	8,147	(25,175)	-
<b>Surplus of revenues over third-party costs</b>	<b>79,943</b>	<b>57,985</b>	<b>137,928</b>	<b>50,248</b>	-	-	<b>188,176</b>
Production costs (-)	(48,450)	(30,324)	(78,774)	(27,253)	-	-	(106,027)
Distribution costs (-)	(8,918)	(6,016)	(14,934)	(13,024)	-	-	(27,958)
General administrative expenses (-)	(11,084)	(8,027)	(19,111)	(7,189)	-	-	(26,300)
<b>Net profit on sales</b>	<b>11,491</b>	<b>13,618</b>	<b>25,109</b>	<b>2,782</b>	-	-	<b>27,891</b>
<b>Segment assets, of which:</b>	<b>250,863</b>	<b>148,734</b>	<b>399,597</b>	<b>256,453</b>	<b>82,910</b>	-	<b>738,960</b>
<i>goodwill arising from consolidation</i>	198,527	103,926	302,453	189,650	-	-	<b>492,103</b>
<i>property, plant and equipment</i>	5,702	14,318	20,020	7,280	397	-	<b>27,697</b>
<i>intangible assets</i>	19,968	3,952	23,920	8,219	229	-	<b>32,368</b>
<i>trade receivables</i>	13,910	14,296	28,206	35,637	-	-	<b>63,843</b>
<i>receivables arising from valuation of IT contracts</i>	12,468	-	12,468	5,761	-	-	<b>18,229</b>
<i>inventories</i>	288	12,242	12,530	9,906	-	-	<b>22,436</b>
<i>other</i>	-	-	-	-	82,284	-	<b>82,284</b>
<b>Segment expenditures for tangible and intangible assets</b>	<b>(8,952)</b>	<b>(10,046)</b>	<b>(18,998)</b>	<b>(5,091)</b>	<b>(158)</b>	-	<b>(24,247)</b>
of which for research and development	(7,326)	(838)	(8,164)	(2,039)	-	-	(10,203)

Assets that were not allocated to any operating segment as at 30 September 2013 included the following items: cash (PLN 52,881 thousand), receivables from the state and local budgets (PLN 2,655 thousand) and other receivables (PLN 11,440 thousand), deferred income tax assets (PLN 2,894 thousand), and other assets (PLN 12,414 thousand). The analysis of segments does not include revenues from management services provided by the Parent Company to its subsidiaries (which are eliminated in the consolidation process) nor any of other operating expenses and income, financial expenses and income, or income taxes.

For 9 months ended 30 September 2013 in EUR thousands (unaudited)	Banking Solutions (I)	Payment Solutions (II)	Total Banking Business (I-II)	Systems Integration (III)	Unallocated	Eliminations / Reconcilia- tions	Total
<b>Sales revenues:</b>	<b>23,056</b>	<b>19,575</b>	<b>42,631</b>	<b>37,461</b>	<b>1,929</b>	<b>(5,961)</b>	<b>76,060</b>
Sales to external customers	20,498	18,719	39,217	36,843	-	-	76,060
Inter/intra segment sales	2,558	856	3,414	618	1,929	(5,961)	-
<b>Surplus of revenues over third-party costs</b>	<b>18,930</b>	<b>13,730</b>	<b>32,660</b>	<b>11,898</b>	-	-	<b>44,558</b>
Production costs (-)	(11,546)	(7,107)	(18,653)	(6,453)	-	-	(25,106)
Distribution costs (-)	(2,112)	(1,424)	(3,536)	(3,084)	-	-	(6,620)
General administrative expenses (-)	(2,625)	(1,901)	(4,526)	(1,702)	-	-	(6,228)
<b>Net profit on sales</b>	<b>2,647</b>	<b>3,298</b>	<b>5,945</b>	<b>659</b>	-	-	<b>6,604</b>

For 9 months ended 30 September 2012 and as at 30 September 2012 in PLN thousands (unaudited)	Banking Solutions (I)	Payment Solutions (II)	Total Banking Business (I-II)	Systems Integration (III)	Unallocated	Eliminations / Reconcilia- tions	Total
<b>Sales revenues:</b>	<b>96,252</b>	<b>83,044</b>	<b>179,296</b>	<b>164,619</b>	<b>4,079</b>	<b>(22,851)</b>	<b>325,143</b>
Sales to external customers	84,414	80,852	165,266	159,877	-	-	<b>325,143</b>
Inter/intra segment sales	11,838	2,192	14,030	4,742	4,079	(22,851)	-
<b>Surplus of revenues over third-party costs</b>	<b>76,054</b>	<b>53,896</b>	<b>129,950</b>	<b>54,841</b>	-	-	<b>184,791</b>
Production costs (-)	(46,105)	(26,535)	(72,640)	(24,912)	-	-	<b>(97,552)</b>
Distribution costs (-)	(7,384)	(5,618)	(13,002)	(14,623)	-	-	<b>(27,625)</b>
General administrative expenses (-)	(9,934)	(7,174)	(17,108)	(7,204)	-	-	<b>(24,312)</b>
<b>Net profit on sales</b>	<b>12,631</b>	<b>14,569</b>	<b>27,200</b>	<b>8,102</b>	-	-	<b>35,302</b>
<b>Segment assets, of which:</b>	<b>237,173</b>	<b>148,499</b>	<b>385,672</b>	<b>259,079</b>	<b>107,626</b>	-	<b>752,377</b>
<i>goodwill arising from consolidation</i>	195,093	105,323	300,416	190,892	-	-	<b>491,308</b>
<i>property, plant and equipment</i>	4,714	9,395	14,109	5,452	361	-	<b>19,922</b>
<i>intangible assets</i>	13,577	2,457	16,034	8,349	300	-	<b>24,683</b>
<i>trade receivables</i>	9,939	21,721	31,660	36,176	-	-	<b>67,836</b>
<i>receivables arising from valuation of IT contracts</i>	13,410	-	13,410	4,270	-	-	<b>17,680</b>
<i>inventories</i>	440	9,603	10,043	13,940	-	-	<b>23,983</b>
<i>other</i>	-	-	-	-	106,965	-	<b>106,965</b>
<b>Segment expenditures for tangible and intangible assets</b>	<b>(5,440)</b>	<b>(4,567)</b>	<b>(10,007)</b>	<b>(3,644)</b>	<b>(214)</b>	-	<b>(13,865)</b>
of which for research and development	(3,478)	(481)	(3,959)	(1,488)	-	-	<b>(5,447)</b>
Assets that were not allocated to any operating segment as at 30 September 2012 included the following items: cash (PLN 62,959 thousand), receivables from the state and local budgets (PLN 4,013 thousand) and other receivables (PLN 14,020 thousand), deferred income tax assets (PLN 2,029 thousand), and other assets (PLN 23,944 thousand). The analysis of segments does not include revenues from management services provided by the Parent Company to its subsidiaries (which are eliminated in the consolidation process) nor any of other operating expenses and income, financial expenses and income, or income taxes.							
For 9 months ended 30 September 2012 in EUR thousands (unaudited)	Banking Solutions (I)	Payment Solutions (II)	Total Banking Business (I-II)	Systems Integration (III)	Unallocated	Eliminations / Reconcilia- tions	Total
<b>Sales revenues:</b>	<b>22,945</b>	<b>19,797</b>	<b>42,742</b>	<b>39,244</b>	<b>972</b>	<b>(5,447)</b>	<b>77,511</b>
Sales to external customers	20,123	19,274	39,397	38,114	-	-	<b>77,511</b>
Inter/intra segment sales	2,822	523	3,345	1,130	972	(5,447)	-
<b>Surplus of revenues over third-party costs</b>	<b>18,131</b>	<b>12,847</b>	<b>30,978</b>	<b>13,074</b>	-	-	<b>44,052</b>
Production costs (-)	(10,991)	(6,325)	(17,316)	(5,939)	-	-	<b>(23,255)</b>
Distribution costs (-)	(1,760)	(1,339)	(3,099)	(3,487)	-	-	<b>(6,586)</b>
General administrative expenses (-)	(2,368)	(1,710)	(4,078)	(1,717)	-	-	<b>(5,795)</b>
<b>Net profit on sales</b>	<b>3,012</b>	<b>3,473</b>	<b>6,485</b>	<b>1,931</b>	-	-	<b>8,416</b>
As at 31 December 2012 in PLN thousands (restated)	Banking Solutions (I)	Payment Solutions (II)	Total Banking Business (I-II)	Systems Integration (III)	Unallocated	Eliminations / Reconcilia- tions	Total
<b>Segment assets, of which:</b>	<b>240,841</b>	<b>138,133</b>	<b>378,974</b>	<b>258,871</b>	<b>121,995</b>	-	<b>759,840</b>
<i>goodwill arising from consolidation</i>	194,684	104,156	298,840	189,191	-	-	<b>488,031</b>
<i>property, plant and equipment</i>	4,924	9,924	14,848	5,223	339	-	<b>20,410</b>
<i>intangible assets</i>	17,569	3,644	21,213	5,291	282	-	<b>26,786</b>
<i>trade receivables</i>	14,377	11,865	26,242	48,186	-	-	<b>74,428</b>
<i>receivables arising from valuation of IT contracts</i>	8,762	-	8,762	3,718	-	-	<b>12,480</b>
<i>inventories</i>	525	8,544	9,069	7,262	-	-	<b>16,331</b>
<i>other</i>	-	-	-	-	121,374	-	<b>121,374</b>
Assets that were not allocated to any operating segment as at 31 December 2012 included the following items: cash (PLN 74,153 thousand), receivables from the state and local budgets (PLN 2,761 thousand) and other receivables (PLN 10,602 thousand), deferred income tax assets (PLN 3,901 thousand), and other assets (PLN 29,957 thousand).							

## VIII. INFORMATION ON GEOGRAPHICAL STRUCTURE OF FINANCIAL RESULTS

For 9 months ended 30 September 2013 in PLN thousands	Albania	Bosnia	Bulgaria	Croatia	Montenegro	Kosovo	Macedonia	Poland	Romania	Serbia	Slovenia	Turkey	Total
<b>Sales revenues</b>	<b>1,490</b>	<b>10,150</b>	<b>3,038</b>	<b>33,179</b>	<b>5,331</b>	<b>12,249</b>	<b>52,606</b>	<b>4,900</b>	<b>73,780</b>	<b>84,584</b>	<b>4,600</b>	<b>35,304</b>	<b>321,211</b>
Cost of goods and third-party services sold (-)	(412)	(4,291)	(921)	(10,116)	(1,353)	(6,922)	(35,860)	(2,432)	(44,717)	(18,273)	(1,548)	(6,190)	(133,035)
<b>Surplus of revenues over third-party costs</b>	<b>1,078</b>	<b>5,859</b>	<b>2,117</b>	<b>23,063</b>	<b>3,978</b>	<b>5,327</b>	<b>16,746</b>	<b>2,468</b>	<b>29,063</b>	<b>66,311</b>	<b>3,052</b>	<b>29,114</b>	<b>188,176</b>
Production costs (-)	(383)	(2,424)	(1,512)	(14,597)	(2,094)	(3,252)	(6,964)	(318)	(14,882)	(41,663)	(1,615)	(16,323)	(106,027)
Distribution costs (-)	(174)	(921)	(363)	(4,129)	(285)	(615)	(2,466)	(1,250)	(5,611)	(8,400)	(272)	(3,472)	(27,958)
General administrative expenses (-)	(253)	(1,249)	(320)	(3,674)	(351)	(801)	(2,607)	(438)	(4,137)	(6,446)	(563)	(5,461)	(26,300)
<b>Net profit (loss) on sales</b>	<b>268</b>	<b>1,265</b>	<b>(78)</b>	<b>663</b>	<b>1,248</b>	<b>659</b>	<b>4,709</b>	<b>462</b>	<b>4,433</b>	<b>9,802</b>	<b>602</b>	<b>3,858</b>	<b>27,891</b>
Other operating income (expenses)	13	29	(1)	749	13	17	118	12	(59)	(41)	(34)	(48)	768
<b>Operating profit (loss)</b>	<b>281</b>	<b>1,294</b>	<b>(79)</b>	<b>1,412</b>	<b>1,261</b>	<b>676</b>	<b>4,827</b>	<b>474</b>	<b>4,374</b>	<b>9,761</b>	<b>568</b>	<b>3,810</b>	<b>28,659</b>
For 9 months ended 30 September 2013 in EUR thousands	Albania	Bosnia	Bulgaria	Croatia	Montenegro	Kosovo	Macedonia	Poland	Romania	Serbia	Slovenia	Turkey	Total
<b>Sales revenues</b>	<b>353</b>	<b>2,403</b>	<b>719</b>	<b>7,857</b>	<b>1,262</b>	<b>2,900</b>	<b>12,457</b>	<b>1,160</b>	<b>17,470</b>	<b>20,029</b>	<b>1,089</b>	<b>8,361</b>	<b>76,060</b>
Cost of goods and third-party services sold (-)	(98)	(1,016)	(218)	(2,395)	(320)	(1,639)	(8,491)	(576)	(10,589)	(4,327)	(367)	(1,466)	(31,502)
<b>Surplus of revenues over third-party costs</b>	<b>255</b>	<b>1,387</b>	<b>501</b>	<b>5,462</b>	<b>942</b>	<b>1,261</b>	<b>3,966</b>	<b>584</b>	<b>6,881</b>	<b>15,702</b>	<b>722</b>	<b>6,895</b>	<b>44,558</b>
Production costs (-)	(91)	(574)	(358)	(3,456)	(496)	(770)	(1,649)	(75)	(3,524)	(9,865)	(382)	(3,866)	(25,106)
Distribution costs (-)	(41)	(218)	(86)	(978)	(67)	(146)	(584)	(296)	(1,329)	(1,989)	(64)	(822)	(6,620)
General administrative expenses (-)	(60)	(296)	(76)	(870)	(83)	(190)	(617)	(104)	(980)	(1,526)	(133)	(1,293)	(6,228)
<b>Net profit (loss) on sales</b>	<b>63</b>	<b>299</b>	<b>(19)</b>	<b>158</b>	<b>296</b>	<b>155</b>	<b>1,116</b>	<b>109</b>	<b>1,048</b>	<b>2,322</b>	<b>143</b>	<b>914</b>	<b>6,604</b>
Other operating income (expenses)	3	7	-	177	3	4	28	3	(14)	(10)	(8)	(11)	182
<b>Operating profit (loss)</b>	<b>66</b>	<b>306</b>	<b>(19)</b>	<b>335</b>	<b>299</b>	<b>159</b>	<b>1,144</b>	<b>112</b>	<b>1,034</b>	<b>2,312</b>	<b>135</b>	<b>903</b>	<b>6,786</b>
For 9 months ended 30 September 2012 in PLN thousands	Albania	Bosnia	Bulgaria	Croatia	Montenegro	Kosovo	Macedonia	Poland	Romania	Serbia	Slovenia	Turkey	Total
<b>Sales revenues</b>	<b>1,980</b>	<b>11,793</b>	<b>4,851</b>	<b>40,105</b>	<b>5,154</b>	<b>11,237</b>	<b>41,602</b>	<b>5,766</b>	<b>76,177</b>	<b>90,458</b>	<b>6,938</b>	<b>29,082</b>	<b>325,143</b>
Cost of goods and third-party services sold (-)	(1,013)	(5,139)	(2,583)	(14,128)	(1,813)	(6,514)	(27,195)	(2,541)	(46,940)	(22,978)	(3,966)	(5,542)	(140,352)
<b>Surplus of revenues over third-party costs</b>	<b>967</b>	<b>6,654</b>	<b>2,268</b>	<b>25,977</b>	<b>3,341</b>	<b>4,723</b>	<b>14,407</b>	<b>3,225</b>	<b>29,237</b>	<b>67,480</b>	<b>2,972</b>	<b>23,540</b>	<b>184,791</b>
Production costs (-)	(391)	(2,475)	(1,611)	(15,244)	(1,732)	(3,186)	(6,416)	(1,351)	(13,766)	(40,476)	(1,239)	(9,665)	(97,552)
Distribution costs (-)	(146)	(490)	(134)	(5,932)	(355)	(651)	(2,178)	(512)	(6,568)	(7,175)	(230)	(3,254)	(27,625)
General administrative expenses (-)	(290)	(1,131)	(278)	(3,490)	(216)	(789)	(2,443)	(736)	(4,133)	(6,718)	(491)	(3,597)	(24,312)
<b>Net profit on sales</b>	<b>140</b>	<b>2,558</b>	<b>245</b>	<b>1,311</b>	<b>1,038</b>	<b>97</b>	<b>3,370</b>	<b>626</b>	<b>4,770</b>	<b>13,111</b>	<b>1,012</b>	<b>7,024</b>	<b>35,302</b>
Other operating income (expenses)	7	(8)	34	243	(5)	(10)	120	1,130	(119)	(298)	-	(73)	1,021
<b>Operating profit</b>	<b>147</b>	<b>2,550</b>	<b>279</b>	<b>1,554</b>	<b>1,033</b>	<b>87</b>	<b>3,490</b>	<b>1,756</b>	<b>4,651</b>	<b>12,813</b>	<b>1,012</b>	<b>6,951</b>	<b>36,323</b>
For 9 months ended 30 September 2012 in EUR thousands	Albania	Bosnia	Bulgaria	Croatia	Montenegro	Kosovo	Macedonia	Poland	Romania	Serbia	Slovenia	Turkey	Total
<b>Sales revenues</b>	<b>472</b>	<b>2,811</b>	<b>1,156</b>	<b>9,561</b>	<b>1,229</b>	<b>2,679</b>	<b>9,918</b>	<b>1,375</b>	<b>18,160</b>	<b>21,563</b>	<b>1,654</b>	<b>6,933</b>	<b>77,511</b>
Cost of goods and third-party services sold (-)	(242)	(1,225)	(616)	(3,368)	(432)	(1,553)	(6,483)	(606)	(11,190)	(5,478)	(945)	(1,321)	(33,459)
<b>Surplus of revenues over third-party costs</b>	<b>230</b>	<b>1,586</b>	<b>540</b>	<b>6,193</b>	<b>797</b>	<b>1,126</b>	<b>3,435</b>	<b>769</b>	<b>6,970</b>	<b>16,085</b>	<b>709</b>	<b>5,612</b>	<b>44,052</b>
Production costs (-)	(93)	(590)	(384)	(3,634)	(413)	(759)	(1,530)	(322)	(3,282)	(9,648)	(296)	(2,304)	(23,255)
Distribution costs (-)	(35)	(117)	(32)	(1,414)	(85)	(155)	(519)	(122)	(1,566)	(1,710)	(55)	(776)	(6,586)
General administrative expenses (-)	(69)	(270)	(66)	(832)	(52)	(188)	(582)	(175)	(985)	(1,602)	(117)	(857)	(5,795)
<b>Net profit on sales</b>	<b>33</b>	<b>609</b>	<b>58</b>	<b>313</b>	<b>247</b>	<b>24</b>	<b>804</b>	<b>150</b>	<b>1,137</b>	<b>3,125</b>	<b>241</b>	<b>1,675</b>	<b>8,416</b>
Other operating income (expenses)	2	(1)	8	58	(2)	(2)	28	269	(28)	(72)	-	(17)	243
<b>Operating profit</b>	<b>35</b>	<b>608</b>	<b>66</b>	<b>371</b>	<b>245</b>	<b>22</b>	<b>832</b>	<b>419</b>	<b>1,109</b>	<b>3,053</b>	<b>241</b>	<b>1,658</b>	<b>8,659</b>

## IX. SUMMARY AND ANALYSIS OF THE FINANCIAL RESULTS OF ASEE GROUP

in PLN thousands	3 months ended 30 Sept. 2013 (unaudited)	3 months ended 30 Sept. 2012 (unaudited)	Change %	9 months ended 30 Sept. 2013 (unaudited)	9 months ended 30 Sept. 2012 (unaudited)	Change %
<b>Sales revenues</b>						
Sales revenues	107,290	103,369	4%	321,211	325,143	-1%
Surplus of revenues over third-party costs	63,153	59,374	6%	188,176	184,791	2%
Net profit on sales	9,872	10,824	-9%	27,891	35,302	-21%
Operating profit	9,765	11,857	-18%	28,659	36,323	-21%
Net profit for the reporting period	8,649	10,978	-21%	23,794	34,608	-31%
<b>Net profit attributable to Shareholders of the Parent Company</b>	<b>8,613</b>	<b>10,965</b>	<b>-21%</b>	<b>23,795</b>	<b>34,669</b>	<b>-31%</b>
<b>Normalized profit for the reporting period*</b>	<b>8,649</b>	<b>11,134</b>	<b>-22%</b>	<b>23,794</b>	<b>34,230</b>	<b>-30%</b>
in EUR thousands	3 months ended 30 Sept. 2013 (unaudited)	3 months ended 30 Sept. 2012 (unaudited)	Change %	9 months ended 30 Sept. 2013 (unaudited)	9 months ended 30 Sept. 2012 (unaudited)	Change %
Sales revenues	25,295	25,015	1%	76,060	77,511	-2%
Surplus of revenues over third-party costs	14,890	14,365	4%	44,558	44,052	1%
Net profit on sales	2,328	2,622	-11%	6,604	8,416	-22%
Operating profit	2,302	2,868	-20%	6,786	8,659	-22%
Net profit for the reporting period	2,040	2,657	-23%	5,634	8,250	-32%
<b>Net profit attributable to Shareholders of the Parent Company</b>	<b>2,031</b>	<b>2,654</b>	<b>-23%</b>	<b>5,634</b>	<b>8,265</b>	<b>-32%</b>
<b>Normalized profit for the reporting period*</b>	<b>2,040</b>	<b>2,693</b>	<b>-24%</b>	<b>5,634</b>	<b>8,160</b>	<b>-31%</b>

\*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.

One-off transactions recognized during the first three quarters of 2012 resulted from a revaluation of deferred payments for the acquisition of shares in the following subsidiaries: EST, ASEE Bulgaria and Altius Bulgaria, adding up to a total financial income of EUR 90 thousand.

In the first three quarters of 2013, sales revenues presented in PLN and EUR dropped by 1% and 2%, respectively, both in comparison to sales generated in the comparable period of 2012.

Despite the falling revenues, the surplus of revenues over third-party costs increased slightly (by 2% in PLN and by 1% in EUR), confirming the long-observed trend of a growing share of higher added value solutions in the structure of the Group's sales.

Such slight increase in the surplus of revenues over third-party costs has been achieved mostly owing to our operations in the Payment Solutions segment. It resulted both from continued growth in the sales of NestPay payment gateway products and services (a 15% increase in the surplus of revenues over third-party costs) and higher revenues from the segment's POS terminal and ATM services (a nearly 2% increase in the surplus of revenues over third-party costs). In total, these activities brought a nearly 8% growth in the surplus of revenues over third-party costs within the Payment Solutions segment.

The Banking Solutions segment also recorded an increase in the surplus of revenues over third-party costs (by over 5%). Such growth has been achieved as, in 2013, the Banking Solutions segment recognized a revenue surplus from its LeaseFlex solution (EUR 260 thousand) and InAct solution (EUR 520 thousand), and generated stronger sales in Romania (almost a 20% increase in the revenue surplus as compared with the corresponding period of 2012). These positive changes compensated for the segment's weaker sales in Serbia (a 7% decrease in the revenue surplus) and softer demand for mobile solutions (a 9% decline in the revenue surplus in comparison to the first three quarters 2012).

In the case of the Systems Integration segment, the surplus of revenues over third-party costs dropped by 8%. Such deterioration resulted basically from weaker sales in the markets of Romania, Croatia, and Poland. These declines have been partially compensated by better results achieved by the Systems Integration segment in Macedonia and Kosovo, as well as by the revenue surplus generated from products of our Turkey-based subsidiary Sigma (mainly from its Fidelity solution) which reached EUR 390 thousand.

Despite a slight improvement in the surplus of revenues over third-party costs, our operating profit for the first three quarters of 2013 declined by 21% in PLN, or by 22% if presented in EUR, as compared to the corresponding period last year.

The decline in operating profit resulted, among others, from the fact that lower sales, accompanied by a decreasing surplus of revenues over third-party costs, were not always offset with a sufficient reduction of our own operating costs. We experienced such a situation in Serbia, where losing several major clients resulted in a decrease in the revenue surplus of the Banking Solutions segment and to a lesser extent of the Systems Integration segment, which was accompanied by an increase or a disproportionately lower reduction of operating costs. Higher costs incurred in Serbia were a consequence of non-capitalized expenditures for research and development of new products as well as for positioning of our existing products in New Markets, which increased by EUR 430 thousand year on year. A similar situation, but on a smaller scale, is observed in Bosnia and Herzegovina, where the commencement of significant projects in the Payment Solutions and Banking Solutions segments is delayed, having an adverse effect on the surplus of revenues over third-party costs while our cost base remains at a comparable or even slightly higher level.

Lower operating profit of the Group is also due to weaker than expected results of Sigma Turkey which, despite generating a surplus of revenues over third-party costs, closed the first three quarters of 2013 with an operating loss. Poor financial results of Sigma are weighing on the performance of our Banking Solutions segment and, partially, on the Systems Integration segment.

The Group's net profit has fallen more in percentage terms than its operating profit, among others, due to one-off transactions recognized as financial income in 2012, which improved the net profit for the comparable period last year by EUR 90 thousand. Another significant factor behind a higher percentage-wise decrease of our net profit was the withholding tax charged on dividends paid out by subsidiary companies to ASEE S.A. (the amount of withholding tax increased by EUR 286 thousand as compared to the corresponding period of 2012). Furthermore, the Group's profit was charged with higher amounts of current and deferred income tax. This resulted chiefly from higher profits generated from activities that are not eligible for any tax reliefs (e.g. revenues outside the special economic zones in Turkey), as well as from utilizing by ASEE S.A. in the first three quarters of 2013 of a portion of deferred tax assets arising from tax losses.

### Net profit on sales by segments

	3 months ended 30 Sept. 2013 (unaudited)	3 months ended 30 Sept. 2012 (unaudited)	9 months ended 30 Sept. 2013 (unaudited)	9 months ended 30 Sept. 2012 (unaudited)	Change %
Banking Solutions	4,761	1,961	11,491	12,631	-9%
Payment Solutions	4,803	6,450	13,618	14,569	-7%
Systems Integration	308	2,413	2,782	8,102	-66%
	<b>9,872</b>	<b>10,824</b>	<b>27,891</b>	<b>35,302</b>	-21%

In the first three quarters of 2013, all the operating segments of ASEE Group generated a lower net profit on sales in comparison to the corresponding period of 2012, while the largest decline was suffered by our Systems Integration segment.

Weaker results of the Systems Integration segment resulted basically from a lower net profit on sales in Romania (a decrease by EUR 510 thousand), Serbia (a decrease by EUR 440 thousand), and Poland (a decrease by EUR 120 thousand). We have not managed to offset these declines with stronger results achieved in Macedonia and Kosovo, where net profit on sales increased by EUR 100 thousand and EUR 130 thousand, respectively.

The decline in the Banking Solutions segment resulted primarily from a weaker profit on sales achieved in Serbia and a loss on sales of leasing solutions in Turkey. The result of this segment was additionally reduced by non-capitalized research and development expenditures, which increased by EUR 530 thousand as compared with the corresponding period of 2012.

The slightly lower net profit on sales in the Payment Solutions segment was an effect of weaker results achieved in Croatia (a decrease by EUR 370 thousand) and in Bosnia and Herzegovina (EUR 160 thousand), which have been partially compensated by favourable results from online payment solutions in Turkey (an increase by EUR 280 thousand) and from POS terminal and ATM services in Macedonia (an increase by EUR 110 thousand).

## Analysis of financial ratios

	3 months ended 30 Sept. 2013 (unaudited)	3 months ended 30 Sept. 2012 (unaudited)	9 months ended 30 Sept. 2013 (unaudited)	9 months ended 30 Sept. 2012 (unaudited)
Margin 1	59%	57%	59%	57%
EBITDA margin	12%	14%	12%	14%
Operating profit margin	9%	11%	9%	11%
Net profit margin	8%	11%	7%	11%
Return on equity (ROE)			6%	8%
Return on assets (ROA)			5%	7%

The above ratios have been computed using the following formulas:

Margin 1 = surplus of revenues over third-party costs / 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 attributable to Shareholders of the Parent Company

Due the growing share of higher added value products in the structure of the Group's sales, Margin 1, representing the relation of the surplus of revenues over third-party costs to sales revenues, improved by 2 pp and reached 59% in the first three quarters of 2013.

EBITDA margin for the reporting period fell by 2 pp as compared with the first three quarters of 2012, just as our operating profit margin which, after a similar decrease, settled at 9%.

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 attributable to Shareholders of the Parent Company

Net profit margin for the reporting period dropped by 4 pp, outpacing the decline in operating profit margin, which was mainly a consequence of higher withholding tax and income tax charged on our profit in 2013, as well as of one-time financial transactions that had a favourable impact on our net profit in 2012.

Lower margins resulted in a decline in the values of ROE and ROA ratios. Return on equity equalled 6% and was 2 pp lower than in the comparable period last year; whereas, return on assets equalled 5% and was also 2 pp lower than in 2012.

	30 Sept. 2013 (unaudited)	30 June 2013 (unaudited)	31 Dec. 2012 (restated)	30 Sept. 2013 (restated)
Working capital (in PLN thousands)	103,647	100,392	129,568	120,476
Current liquidity ratio	2.35	1.7	2.45	2.32
Quick liquidity ratio	1.95	1.48	2.2	1.96
Absolute liquidity ratio	0.69	0.56	1.07	0.82

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 = (bonds and securities held to maturity + cash and short-term bank deposits) / current liabilities

Our liquidity ratios decreased as compared to their values of 2012, but they still remain at safe levels.

A decrease in working capital in comparison to its level of 31 December 2012 resulted from our current operating activities and the dividend payment of PLN 42 million.

## Statement of cash flows

	9 months ended 30 Sept. 2013 (unaudited)	9 months ended 30 Sept. 2012 (unaudited)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>74,133</b>	<b>103,042</b>
Net cash provided by (used in) operating activities	15,854	27,358
Net cash provided by (used in) investing activities	19	(40,148)
Net cash provided by (used in) financing activities	(37,939)	(19,646)
Net foreign exchange differences	792	(7,654)
<b>Cash and cash equivalents at the end of period</b>	<b>52,859</b>	<b>62,952</b>

During the first three quarters of 2013, cash and cash equivalents decreased by PLN 21.3 million (whereas including the balance of financial assets held to maturity they dropped by PLN 41.8 million).

Net cash provided by operating activities in the first three quarters of 2013 reached PLN 15.9 million, accounting for 55% of our operating profit for this period. The increase in operating cash flows indicates a gradual reversal of unfavourable changes in our working capital that were observed in the first two quarters of 2013.

In 2013, our investing activities have been dominated by acquisitions of property, plant and equipment amounting to PLN 12.9 million and capitalized product development costs which reached PLN 10 million till 30 September 2013. Development projects are carried out mainly in Turkey, Serbia, Croatia, and Macedonia.

These expenditures were offset by proceeds from the sale of financial assets. The negative cash flows from financing activities were primarily a consequence of the dividend payment to the shareholders of ASEE S.A. amounting to PLN 42 million which was made in the second half of July 2013.

## **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 2013 have been also described in the Management's report on the Group's business operations for the year 2012.

Apart from that and in addition to the above-mentioned descriptions, the Management Board would like to point out that in the fourth quarter and next year, we will continue to invest in new products, as well as in the management personnel and organization of the Group. In a short term, such initiatives will result in higher costs, but over time they will translate into revenue growth and improved efficiency of the Group's operations.

We would also like to emphasize that the fourth quarter of a year is traditionally the best period for the IT industry, especially in systems integration, and we hope that this regularity is confirmed also in 2013.

## **XI. EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

### **1. Breakdown of sales revenues**

During the period of 9 months ended 30 September 2013 and in the comparable period last year,

operating revenues were as follows:

<b>Sales revenues by type of products</b>	<b>3 months ended 30 Sept. 2013 (unaudited)</b>	<b>9 months ended 30 Sept. 2013 (unaudited)</b>	<b>3 months ended 30 Sept. 2012 (unaudited)</b>	<b>9 months ended 30 Sept. 2012 (unaudited)</b>
Proprietary software and services	52,879	158,559	50,792	157,286
Third-party software and services	17,691	53,780	17,582	58,584
Hardware and infrastructure	36,720	108,872	34,995	109,273
	<b>107,290</b>	<b>321,211</b>	<b>103,369</b>	<b>325,143</b>
<b>Sales revenues by sectors</b>	<b>3 months ended 30 Sept. 2013 (unaudited)</b>	<b>9 months ended 30 Sept. 2013 (unaudited)</b>	<b>3 months ended 30 Sept. 2012 (unaudited)</b>	<b>9 months ended 30 Sept. 2012 (unaudited)</b>
Banking and finance	71,068	211,854	71,924	218,818
Central and local administration	11,800	33,549	5,651	24,416
Public utilities	1,794	9,630	3,102	16,318
Telecommunications and media	9,769	27,084	9,621	24,213
Other enterprises	12,859	39,094	13,071	41,378
	<b>107,290</b>	<b>321,211</b>	<b>103,369</b>	<b>325,143</b>

### **2. Surplus of revenues over third-party costs**

In the consolidated income statement for the reporting period, we have introduced a new line representing the surplus of revenues over third-party costs, which is calculated by deducting the cost of goods and third-party services sold from sales revenues. This reflects the amount of surplus remaining to cover the Group's own costs, including production costs, distribution costs, and general administrative expenses. This amount is one of the key indicators used by the Group to plan and measure its operating performance.

It is characterized by a greater degree of comparability and stability than revenues, especially in the segment of Systems Integration, where fluctuations in sales have a lower impact on operating profit basically due to low margins realized.

*The surplus of revenues over third-party costs* is not a standard metric and has not been defined by the IFRS. Understanding and the method of calculating this indicator may vary depending on the approach taken by individual entities.

### 3. Breakdown of operating costs

	3 months ended 30 Sept. 2013 (unaudited)	9 months ended 30 Sept. 2013 (unaudited)	3 months ended 30 Sept. 2012 (unaudited)	9 months ended 30 Sept. 2012 (unaudited)
Materials and energy used (-)	(1,670)	(4,805)	(1,158)	(3,552)
Third-party services (-)	(12,226)	(36,002)	(12,277)	(36,543)
Employee salaries and benefits (-)	(34,380)	(104,476)	(29,941)	(95,856)
Depreciation and amortization (-)	(3,465)	(10,227)	(2,658)	(7,736)
Taxes and charges (-)	(389)	(1,169)	(271)	(1,050)
Business trips (-)	(1,175)	(3,739)	(1,040)	(3,645)
Other (-)	24	133	(1,205)	(1,107)
	<b>(53,281)</b>	<b>(160,285)</b>	<b>(48,550)</b>	<b>(149,489)</b>
Production costs (-)	(34,906)	(106,027)	(31,758)	(97,552)
Distribution costs (-)	(9,535)	(27,958)	(8,849)	(27,625)
General administrative expenses (-)	(8,840)	(26,300)	(7,943)	(24,312)
Cost of goods and third-party services sold (-)	(44,137)	(133,035)	(43,995)	(140,352)

### 4. Financial income and expenses

Financial income	3 months ended 30 Sept. 2013 (unaudited)	9 months ended 30 Sept. 2013 (unaudited)	3 months ended 30 Sept. 2012 (unaudited)	9 months ended 30 Sept. 2012 (unaudited)
Interest income on loans granted and bank deposits	392	1,757	652	2,207
Gain on revaluation of contingent payments in transactions to obtain control	-	-	530	494
Gain on change in fair value of derivative instruments	145	62	115	492
Gain on exercise of derivative instruments	2	2	25	25
Gain on disposal of financial assets carried at fair value through profit or loss	80	25	-	128
Positive foreign exchange differences	-	457	-	1,037
Other financial income	-	25	48	49
	<b>619</b>	<b>2,328</b>	<b>1,370</b>	<b>4,432</b>
Financial expenses	3 months ended 30 Sept. 2013 (unaudited)	9 months ended 30 Sept. 2013 (unaudited)	3 months ended 30 Sept. 2012 (unaudited)	9 months ended 30 Sept. 2012 (unaudited)
Interest expense (-)	(75)	(118)	(20)	(67)
Bank fees and commissions (-)	(61)	(132)	(15)	(70)
Negative foreign exchange differences (-)	(771)	(945)	(1,555)	(2,382)
Loss on exercise of derivative instruments (-)	-	-	(15)	(93)
Other financial expenses (-)	(7)	(7)	(9)	(60)
	<b>(914)</b>	<b>(1,202)</b>	<b>(1,614)</b>	<b>(2,672)</b>

### 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 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 30 Sept. 2013 (unaudited)	9 months ended 30 Sept. 2013 (unaudited)	3 months ended 30 Sept. 2012 (unaudited)	9 months ended 30 Sept. 2012 (unaudited)
<b>Consolidated net profit for the reporting period attributable to Shareholders of ASEE S.A.</b>	<b>8,613</b>	<b>23,795</b>	<b>10,965</b>	<b>34,669</b>
Weighted average number of ordinary shares outstanding, used for calculation of basic earnings per share	51,894,251	51,894,251	51,894,251	51,894,251
<b>Consolidated earnings per share for the reporting period attributable to Shareholders of ASEE S.A. (in PLN):</b>				
Basic consolidated earnings per share from continuing operations for the reporting period	0.17	0.46	0.21	0.67
Diluted consolidated earnings per share from continuing operations for the reporting period	0.17	0.46	0.21	0.67

## 6. Information on dividends paid out or declared

The Ordinary General Meeting of Shareholders of ASEEE S.A. seated in Rzeszów, by its resolution passed on 15 April 2013, decided that the net profit for the financial year 2012 amounting to PLN 46,712,649.63 as well as retained earnings for 2011 amounting to PLN 2,161,123.44 shall be distributed as follows:

- a) the amount of PLN 3,737,011.97 from the net profit for the financial year 2012 has been allocated to the reserve capital pursuant to art. 396 § 1 of the Commercial Companies Code;
- b) the amount of PLN 42,034,343.31 has been distributed to all the Company's shareholders through payment of a dividend amounting to PLN 0.81 per share.

The remaining portion of the net profit for 2012 amounting to PLN 3,102,417.79 has been retained as prior years' earnings.

The Company's Ordinary General Meeting of Shareholders established 12 July 2013 as the dividend record date. The number of shares eligible for dividend was 51,894,251. The dividend was paid out on 31 July 2013.

## 7. Property, plant and equipment, and intangible assets

	Tangible assets	Intangible assets
<b>Net book value as at 1 January 2013</b>	<b>20,410</b>	<b>26,786</b>
Purchases	12,741	1,303
Obtaining control over subsidiaries	666	-
Capitalization of the costs of development projects	-	10,203
Other increases	552	-
Depreciation charge (-)	(6,114)	(4,089)
Disposal and liquidation (-)	(294)	(44)
Exchange differences on translation of foreign operations (+/-)	(264)	(1,791)
<b>Net book value as at 30 September 2013</b>	<b>27,697</b>	<b>32,368</b>

In the period of 9 months ended 30 September 2013, capitalized costs of development projects amounted to PLN 10,203 thousand as compared with PLN 5,447 thousand in the comparable period of 2012. The capitalization of project development costs is related to the continuation of projects carried out as at 31 December 2012. A detailed description of these projects is provided in the Group's annual report for the year 2012.

In the period of 9 months ended 30 September 2013, purchases of property, plant and equipment included primarily purchases of POS terminals and ATMs in Serbia and Croatia to be leased to customers ("outsourcing") as well as expenditures for the infrastructure of a cloud-based data processing centre ("cloud computing").

As at 30 September 2013, liabilities resulting from purchases of property, plant and equipment and intangible assets amounted to PLN 1,572 thousand, as compared with PLN 122 thousand as at 30 June 2013, PLN 37 thousand as at 31 December 2012, and PLN 210 thousand as at 30 September 2012.

## 8. Goodwill arising from consolidation

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

	9 months ended 30 Sept. 2013 (unaudited)	6 months ended 30 June 2013 (unaudited)	12 months ended 31 Dec. 2012 (restated)	9 months ended 30 Sept. 2012 (restated)
<b>Goodwill from consolidation at the beginning of the period</b>	<b>488,031</b>	<b>488,031</b>	<b>523,149</b>	<b>523,149</b>
Banking Solutions	194,684	194,684	209,686	209,686
Payment Solutions	104,156	104,156	118,141	118,141
Systems Integration	189,191	189,191	195,322	195,322
<b>Change in consolidation goodwill due to the acquisition of shares (+/-)</b>	<b>390</b>	<b>390</b>	<b>20,271</b>	<b>20,271</b>
Banking Solutions	-	-	8,717	8,717
Payment Solutions	-	-	-	-
Systems Integration	390	390	11,554	11,554
<b>Exchange differences on translation of goodwill in foreign subsidiaries (+/-)</b>	<b>3,682</b>	<b>25,549</b>	<b>(55,389)</b>	<b>(52,112)</b>
Banking Solutions	3,843	11,101	(23,719)	(23,310)
Payment Solutions	(230)	4,853	(13,985)	(12,818)
Systems Integration	69	9,595	(17,685)	(15,984)
<b>Total book value at the end of period</b>	<b>492,103</b>	<b>513,970</b>	<b>488,031</b>	<b>491,308</b>
Banking Solutions	198,527	205,785	194,684	195,093
Payment Solutions	103,926	109,009	104,156	105,323
Systems Integration	189,650	199,176	189,191	190,892

## 9. Short-term receivables

Trade receivables	30 Sept. 2013 (unaudited)	30 June 2013 (unaudited)	31 Dec. 2012 (restated)	30 Sept. 2012 (restated)
Trade receivables, of which:				
From related companies	66,755	91,064	77,470	70,707
From other companies	19	258	9	43
Allowance for uncollectible receivables (-)	66,736	90,806	77,461	70,664
	(2,912)	(2,832)	(3,042)	(2,871)
<b>63,843</b>	<b>88,232</b>	<b>74,428</b>	<b>67,836</b>	
Other receivables	30 Sept. 2013 (unaudited)	30 June 2013 (unaudited)	31 Dec. 2012 (restated)	30 Sept. 2012 (restated)
Receivables from uninvoiced deliveries	6,783	8,236	4,997	6,476
Advance payments to other suppliers	3,283	2,877	2,813	3,874
Receivables from employees	295	317	78	288
Receivables from grants	61	69	181	136
Security deposits receivable	301	363	94	108
Other receivables	881	2,002	2,597	3,299
Allowances for other receivables (-)	(164)	(168)	(158)	(161)
<b>11,440</b>	<b>13,696</b>	<b>10,602</b>	<b>14,020</b>	

Receivables relating to uninvoiced deliveries result from the sale of licenses and IT services, for which invoices have not been issued yet. An increase in uninvoiced deliveries as at 30 September 2013 and as at 30 June 2013 in comparison to those of 31 December 2012 is primarily due to ongoing projects implemented by ASEE Turkey, ASEE Kosovo and ASEE Macedonia for a variety of clients. The work carried out under these projects has not yet been invoiced.

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

Other receivables disclosed as at 30 September 2013 include among others restricted cash amounting to PLN 701 thousand (as compared with PLN 1,597 thousand as at 30 June 2013, PLN 1,864 thousand as at 31 December 2012, and PLN 2,889 thousand as at 30 September 2012).

**10. Financial assets held to maturity and financial assets carried at fair value**

	30 Sept. 2013 (unaudited)	30 June 2013 (unaudited)	31 Dec. 2012 (restated)	30 Sept. 2012 (restated)
<b>Financial assets carried at fair value through profit or loss</b>	<b>85</b>	<b>9,448</b>	<b>23</b>	-
Participation units in investment funds	-	9,448	-	-
Other	85	-	23	-
<b>Financial assets held to maturity</b>	<b>526</b>	<b>14,778</b>	<b>21,071</b>	<b>12,191</b>
Treasury bonds	-	-	3,207	9,443
Cash deposits with maturities between 3 and 12 months	526	14,778	17,864	2,748

**11. Cash and short-term deposits**

	30 Sept. 2013 (unaudited)	30 June 2013 (unaudited)	31 Dec. 2012 (restated)	30 Sept. 2012 (restated)
Cash at bank and in hand	20,610	32,497	40,590	29,988
Short-term bank deposits	32,244	32,490	33,489	32,613
Cash equivalents	18	15	60	49
Cash being transferred	9	-	14	309
	<b>52,881</b>	<b>65,002</b>	<b>74,153</b>	<b>62,959</b>
<i>Interest accrued on cash and cash equivalents as at the balance sheet date</i>	(22)	(40)	(20)	(7)
<b>Cash and cash equivalents as disclosed in the cash flow statement</b>	<b>52,859</b>	<b>64,962</b>	<b>74,133</b>	<b>62,952</b>

**12. Prepayments and accrued income**

Long-term	30 Sept. 2013 (unaudited)	30 June 2013 (unaudited)	31 Dec. 2012 (restated)	30 Sept. 2012 (restated)
Prepaid maintenance services and license fees	928	803	506	1,000
Other	471	206	76	63
	<b>1,399</b>	<b>1,009</b>	<b>582</b>	<b>1,063</b>
Short-term	30 Sept. 2013 (unaudited)	30 June 2013 (unaudited)	31 Dec. 2012 (restated)	30 Sept. 2012 (restated)
Prepaid maintenance services and license fees	6,912	6,077	5,194	6,747
Prepaid insurance	347	508	584	378
Prepaid rents	373	429	199	443
Prepaid consulting services	118	136	243	70
Other prepaid services	178	222	74	153
Other	464	499	381	601
	<b>8,392</b>	<b>7,871</b>	<b>6,675</b>	<b>8,392</b>

As at 30 September 2013, 30 June 2013, 31 December 2012 and 30 September 2012, prepayments included primarily the costs of maintenance services amounting to PLN 6,912

thousand, PLN 6,077 thousand, PLN 5,194 thousand, and PLN 6,747 thousand, respectively, that will be successively expensed in future periods.

**13. Long-term and short-term financial liabilities**

Long-term	30 Sept. 2013 (unaudited)	30 June 2013 (unaudited)	31 Dec. 2012 (restated)	30 Sept. 2012 (restated)
Liabilities for the acquisition of non-controlling interests in subsidiaries (put options)	698	700	628	1,145
Finance lease liabilities	118	153	113	147
	<b>816</b>	<b>853</b>	<b>741</b>	<b>1,292</b>

As at 30 September 2013, 30 June 2013, 31 December 2012 and 30 September 2012, the Group carried a long-term liability under the put options held by non-controlling shareholders in Multicard Serbia.

The amount owed by ASEE Group corresponds to the estimated present value of future payment for the remaining stake of shares in the above-mentioned company.

The assumptions adopted for valuation of this liability have been described in the financial statements for the year 2012 and remained unchanged in the 3<sup>rd</sup> quarter of 2013. This put option liability was lower as at 31 December 2012

than as at 30 September 2012 following a downward revision in the expected net earnings of the subsidiary, which provide basis for calculation of the amount payable. The liability has been evaluated assuming the put option is exercised in 2015.

Short-term	30 Sept. 2013 (unaudited)	30 June 2013 (unaudited)	31 Dec. 2012 (restated)	30 Sept. 2012 (restated)
Dividend payment liabilities	-	42,034	1,736	1,771
Finance lease liabilities	173	120	238	156
Liabilities for the acquisition of shares	165	-	-	633
Currency forward contracts	-	60	-	-
	<b>338</b>	<b>42,214</b>	<b>1,974</b>	<b>2,560</b>

As at 31 December 2012 and 30 September 2012, dividend payment liabilities amounted to PLN 1,736 thousand and PLN 1,771 thousand, respectively, and they comprised dividends payable by the Group to former shareholders of Sigma Turkey from the prior years' profits generated by this company.

Dividend payment liabilities reported as at 30 June 2013 comprised dividends payable by ASEE S.A. to its shareholders.

As at 30 September 2013, liabilities resulting from acquisitions of shares in companies comprised liabilities of ASEE S.A. for non-controlling interests acquired in Sigma Turkey.

As at 30 June 2013 and 31 December 2012, the Group had no liabilities from the acquisition of shares, whereas as at 30 September 2012 such liabilities included the outstanding portion of payment for a 49% stake in ASEE Bulgaria acquired in 2010, in the amount of PLN 633 thousand.

#### 14. Interest-bearing bank loans and borrowings

As at 30 September 2013, total liabilities of ASEE Group under all bank loans and borrowings taken out aggregated at PLN 6,452 thousand. Whereas, as at 30 June 2013, total liabilities under bank loans and borrowings amounted to PLN 2,477 thousand, as compared with PLN 513 thousand as at 31 December 2012 and PLN 496 thousand as at 30 September 2012.

Such total liabilities increased primarily due to the fact that on 21 June 2013 our subsidiary ASEE Croatia obtained a bank loan from the financial consortium of Zagrebacka Banka d.d. and HBOR (Croatian Bank for Reconstruction and Development). This loan is intended to finance purchases of equipment under contracts for rental of such equipment to customers ('outsourcing'). As at 30 September 2013, the amount drawn from this loan equalled HRK 10,000 thousand (PLN 5,536 thousand) as compared with HRK 3,500 thousand

(PLN 2,083 thousand) as at 30 June 2013. The loan has been secured with a promissory note as well as receivables from Zagrebacka Banka d.d. The loan bears an interest rate of 5.46% and it shall be repaid on 30 November 2016.

As at 30 September 2013, total funds available to ASEE Group under bank account overdraft facilities, operating and investment loan facilities, and borrowings reached approx. PLN 9,627 thousand, as compared with PLN 17,551 thousand as at 30 June 2013, PLN 12,224 thousand as at 31 December 2012, and PLN 8,265 thousand available as at 30 September 2012.

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.

#### 15. Short-term trade payables and other liabilities

Short-term trade payables	30 Sept. 2013 (unaudited)	30 June 2013 (unaudited)	31 Dec. 2012 (restated)	30 Sept. 2012 (restated)
To related companies	169	702	699	368
To other companies	26,650	44,494	31,140	25,260
	<b>26,819</b>	<b>45,196</b>	<b>31,839</b>	<b>25,628</b>

Other current liabilities	30 Sept. 2013 (unaudited)	30 June 2013 (unaudited)	31 Dec. 2012 (restated)	30 Sept. 2012 (restated)
Liabilities to employees relating to salaries and wages	3,937	4,115	3,576	4,140
Liabilities due to uninvoiced deliveries	824	2,977	2,179	2,655
Trade prepayments received	4,934	5,944	6,645	14,807
Liabilities due to purchases of tangible assets and intangible assets	1,572	122	37	210
Other liabilities	297	185	1,076	1,129
	<b>11,564</b>	<b>13,343</b>	<b>13,513</b>	<b>22,941</b>

Liabilities due to purchases of tangible assets and intangible assets presented as at 30 September 2013 included primarily liabilities of ASEE Serbia from purchases of POS terminals and ATMs to be leased to customers ('outsourcing').

Liabilities due to uninvoiced deliveries as at 30 September 2013 were lower than as at 30 June 2013, mainly because in July 2013 ASEE Macedonia received invoices for goods that had been already entered into inventory as at 30 June 2013.

Current liabilities to the state and local budgets	30 Sept. 2013 (unaudited)	30 June 2013 (unaudited)	31 Dec. 2012 (restated)	30 Sept. 2012 (restated)
Value added tax	3,294	5,960	7,878	4,244
Corporate income tax (CIT)	575	867	1,199	719
Personal income tax (PIT)	635	737	1,264	749
Social security payable	1,765	2,253	1,791	1,854
Other	297	175	220	618
	<b>6,566</b>	<b>9,992</b>	<b>12,352</b>	<b>8,184</b>

Value added tax liabilities as at 30 September 2013 decreased in comparison to 30 June 2013 and 31 December 2012, because the amount of invoices

issued, primarily in Romania, in the 3<sup>rd</sup> quarter of 2013 was lower than in prior periods.

## 16. Accruals and deferred income

Short-term accruals	30 Sept. 2013 (unaudited)	30 June 2013 (unaudited)	31 Dec. 2012 (restated)	30 Sept. 2012 (restated)
Accrual for unused holiday leaves	954	1,528	819	1,079
Accrual for employee bonuses	13,167	11,020	7,941	11,167
Provision for uninvoiced costs	3,489	2,872	4,487	4,389
Provision for auditing expenses	277	322	433	249
	<b>17,887</b>	<b>15,742</b>	<b>13,680</b>	<b>16,884</b>

Long-term deferred income	30 Sept. 2013 (unaudited)	30 June 2013 (unaudited)	31 Dec. 2012 (restated)	30 Sept. 2012 (restated)
Maintenance services paid in advance	2,096	1,088	611	1,376
Grants for the development of assets	-	-	483	-
	<b>2,096</b>	<b>1,088</b>	<b>1,094</b>	<b>1,376</b>

Short-term deferred income	30 Sept. 2013 (unaudited)	30 June 2013 (unaudited)	31 Dec. 2012 (restated)	30 Sept. 2012 (restated)
Maintenance services paid in advance	6,395	8,668	6,237	5,967
Prepaid consulting services	140	438	564	790
Grants for the development of assets	567	657	-	-
Other	727	1,737	1,701	424
	<b>7,829</b>	<b>11,500</b>	<b>8,502</b>	<b>7,181</b>

The balance of deferred income relates mainly to prepayments for services to be provided, such as support and maintenance services.

Other short-term deferred income decreased basically due to its recognition in the current period's revenues by ASEE Romania.

## 17. Changes in impairment write-downs on assets

	3 months ended 30 Sept. 2013 (unaudited)	9 months ended 30 Sept. 2013 (unaudited)	3 months ended 30 Sept. 2012 (unaudited)	9 months ended 30 Sept. 2012 (unaudited)
<b>Trade receivables</b>				
Opening balance	(2,832)	(3,042)	(2,745)	(2,798)
Established	(273)	(802)	(758)	(1,526)
Reversed	84	1,003	671	878
Utilized	-	34	(114)	413
Foreign exchange differences	109	(105)	75	162
Closing balance	(2,912)	(2,912)	(2,871)	(2,871)
<b>Inventories</b>				
Opening balance	(6,741)	(6,653)	(7,495)	(6,975)
Established	(187)	(664)	-	(463)
Reversed	286	798	43	84
Utilized	-	232	133	133
Foreign exchange differences	263	(92)	117	19
Closing balance	(6,379)	(6,379)	(7,202)	(7,202)

During the first 9 months of 2013 and in the comparable period of 2012, the Group did not recognize or reverse any impairment write-downs

on its financial assets, property, plant and equipment, and intangible assets.

## 18. Employment

The Group's workforce as at	30 Sept. 2013 (unaudited)	30 June 2013 (unaudited)	31 Dec. 2012 (restated)	30 Sept. 2012 (unaudited)
Management Board of the Parent Company*	7	7	7	7
Management Boards of the Group companies	23	27	29	28
Production departments	1,014	1,007	1,004	977
Sales departments	139	143	140	134
Administration departments	163	147	159	164
	<b>1,346</b>	<b>1,331</b>	<b>1,339</b>	<b>1,310</b>

\* Piotr Jeleński, Marcin Rulnicki (since June 2012) and Rafał Kozłowski (till May 2012) have served on the Management Board of ASEE S.A. on the basis of employment contracts. The remaining members of the Company's Management Board perform their functions under an assignment.

Numbers of employees in the Group companies as at	30 Sept. 2013 (unaudited)	30 June 2013 (unaudited)	31 Dec. 2012 (restated)	30 Sept. 2012 (unaudited)
ASEE S.A.	25	25	27	27
ASEE Romania Group	168	169	189	190
ASEE Serbia Group	499	492	490	467
ASEE Croatia Group	161	159	171	171
ASEE Kosovo Group	89	90	85	84
ASEE Turkey <sup>1)</sup>	172	172	160	157
ASEE Bulgaria	24	26	27	26
ASEE B&H	47	47	41	41
ASEE Macedonia	144	136	134	133
ASEE Slovenia	17	15	15	14
	<b>1,346</b>	<b>1,331</b>	<b>1,339</b>	<b>1,310</b>

<sup>1)</sup> On 11 September 2013, there was registered a merger between the companies of ASEE Turkey (the taking-over company) and Sigma Turkey (the acquired company). For the sake of comparability, the employment data of both the merged companies as at 30 June 2013, 31 December 2012 and 30 September 2012 have been presented in aggregate.

## 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.

Assets serving as security for bank guarantee facilities:

Category of assets	Net value of assets			Amount of granted guarantee secured with assets				
	30 Sept. 2013 (unaudited)	30 June 2013 (unaudited)	31 Dec. 2012 (restated)	30 Sept. 2012 (restated)	30 Sept. 2013 (unaudited)	30 June 2013 (unaudited)	31 Dec. 2012 (restated)	30 Sept. 2012 (restated)
Trade receivables	816	712	211	685	2,639	3,123	3,165	4,163
Other receivables (restricted cash)	680	724	222	226	2,020	3,971	749	767
	<b>1,496</b>	<b>1,436</b>	<b>433</b>	<b>911</b>	<b>4,659</b>	<b>7,094</b>	<b>3,914</b>	<b>4,930</b>

As at 30 September 2013, the Group held contingent receivables arising from bank guarantees granted to secure due performance of commercial contracts amounting to PLN 547 thousand (as compared with PLN 203 thousand as at

As at 30 September 2013, the related contingent liabilities equalled PLN 13,873 thousand, as compared with PLN 16,205 thousand as at 30 June 2013, PLN 20,450 thousand as at 31 December 2012, and PLN 22,064 thousand as at 30 September 2012.

31 December 2012, and PLN 591 thousand as at 30 September 2012).

As at 30 June 2013, no contingent receivables were recognized.

## 20. 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.

## 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 transactions with related companies conducted during the reporting period which would be, separately or jointly, deemed significant and 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 SUBSIDIARY COMPANIES

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 its subsidiary companies, 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. INFORMATION ON BANK LOAN SURETIES OR GUARANTEES GRANTED BY THE ISSUER

During the period of 3 months ended 30 September 2013, 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.

## XV. 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 2013.

## 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 human resources, assets, and financial position of ASEE Group.

## XVII. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On 23 October 2013, ASEE S.A. acquired 100% of shares in the company EŽ RAČUNALSTVO 2013 d.o.o. seated in Zagreb, Croatia. The shares in EŽ RAČUNALSTVO were purchased by the Company from a natural person for the total not exceeding EUR 3,200 thousand. The consideration for the shares shall be paid in two instalments: the first payment shall amount to EUR 2,500 thousand (of which EUR 2,362 thousand is due to the seller and the remaining EUR 138 thousand directly to the company EŽ RAČUNALSTVO). The amount of the second instalment shall depend on the 2013 financial results of the acquired card business, and shall range from EUR 300 thousand to EUR 700 thousand. The acquisition of shares will be financed entirely with own funds of ASEE S.A.

EŽ RAČUNALSTVO was formed through a formal separation of the business line involved in the operation of POS terminals within the Croatian company of EPTA d.o.o. EPTA d.o.o. transferred to EŽ RAČUNALSTVO its contracts with significant customers and suppliers, as well as key personnel and selected assets associated with the execution of those contracts. Presently, the company EŽ RAČUNALSTVO employs about 70 persons, who provide support services for 37,000 payment terminals.

In the period from 30 September 2013 till the date of approval of these interim condensed consolidated financial statements, this is until 23 October 2013, 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 October 2013, we have not observed any significant events related to prior years, which have not but should have been included in the accounting books.



**ASSECO SOUTH EASTERN EUROPE S.A.  
STANDALONE FINANCIAL DATA  
FOR THE 3<sup>RD</sup> QUARTER OF 2013**

Rzeszów, 23 October 2013

**FINANCIAL HIGHLIGHTS**  
**ASSECO SOUTH EASTERN EUROPE S.A.**

	9 months ended 30 Sept. 2013 (unaudited)	9 months ended 30 Sept. 2012 (unaudited)	9 months ended 30 Sept. 2013 (unaudited)	9 months ended 30 Sept. 2012 (unaudited)
	PLN '000	PLN '000	EUR '000	EUR '000
I.	Revenues from holding activities	43,614	49,926	10,327
II.	Revenues from operating activities	5,624	3,082	1,332
III.	Operating profit	38,905	47,777	9,212
IV.	Pre-tax profit	40,183	47,878	9,515
V.	Net profit for the reporting period	<b>37,908</b>	<b>47,789</b>	<b>8,976</b>
VI.	Net cash provided by (used in) operating activities	39,460	13,186	9,344
VII.	Net cash provided by (used in) investing activities	12,391	10,030	2,934
VIII.	Net cash provided by (used in) financing activities	(42,034)	(18,796)	(9,953)
IX.	Cash and cash equivalents at the end of period	12,451	9,345	2,953
X.	Basic earnings per ordinary share for the reporting period (in PLN/EUR)	0.73	0.92	0.17
XI.	Diluted earnings per ordinary share for the reporting period (in PLN/EUR)	0.73	0.92	0.17

The financial highlights disclosed in these condensed financial statements were translated into euros (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 2013 to 30 September 2013: EUR 1 = PLN 4.2231
  - for the period from 1 January 2012 to 30 September 2012: EUR 1 = PLN 4.1948
- 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 30 September 2013: EUR 1 = PLN 4.2163
  - exchange rate effective on 30 September 2012: EUR 1 = PLN 4.1138

**CONDENSED INCOME STATEMENT  
ASSECO SOUTH EASTERN EUROPE S.A.**

	3 months ended 30 Sept. 2013 (unaudited)	9 months ended 30 Sept. 2013 (unaudited)	3 months ended 30 Sept. 2012 (unaudited)	9 months ended 30 Sept. 2012 (unaudited)
<b>Holding activities</b>	<b>9,235</b>	<b>43,614</b>	<b>28,992</b>	<b>49,926</b>
Dividend income	6,877	36,585	27,857	45,869
Revenues from sales of services	2,358	7,029	1,135	4,057
<b>Operating activities</b>	<b>1,441</b>	<b>5,624</b>	<b>2,218</b>	<b>3,082</b>
Revenues from sales of IT services and software	1,441	5,624	2,218	3,082
<b>Total sales revenues</b>	<b>10,676</b>	<b>49,238</b>	<b>31,210</b>	<b>53,008</b>
Cost of sales (-)	(2,492)	(8,546)	(2,877)	(5,394)
<b>Gross profit on sales</b>	<b>8,184</b>	<b>40,692</b>	<b>28,333</b>	<b>47,614</b>
Distribution costs (-)	(552)	(1,748)	(519)	(948)
General administrative expenses (-)	(17)	(51)	-	-
<b>Net profit on sales</b>	<b>7,615</b>	<b>38,893</b>	<b>27,814</b>	<b>46,666</b>
Other operating income	-	15	1,146	1,320
Other operating expenses (-)	-	(3)	(10)	(209)
<b>Operating profit</b>	<b>7,615</b>	<b>38,905</b>	<b>28,950</b>	<b>47,777</b>
Financial income	46	1,300	878	1,685
Financial expenses (-)	(322)	(22)	(1,052)	(1,584)
<b>Pre-tax profit</b>	<b>7,339</b>	<b>40,183</b>	<b>28,776</b>	<b>47,878</b>
Corporate income tax (current and deferred tax expense)	126	(2,275)	117	(89)
<b>Net profit for the reporting period</b>	<b>7,465</b>	<b>37,908</b>	<b>28,893</b>	<b>47,789</b>

**Earnings per share for the reporting period (in PLN):**

Basic earnings per share from continuing operations for the reporting period	0.14	0.73	0.56	0.92
Diluted earnings per share from continuing operations for the reporting period	0.14	0.73	0.56	0.92

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

	3 months ended 30 Sept. 2013 (unaudited)	9 months ended 30 Sept. 2013 (unaudited)	3 months ended 30 Sept. 2012 (unaudited)	9 months ended 30 Sept. 2012 (unaudited)
<b>Net profit for the reporting period</b>	<b>7,465</b>	<b>37,908</b>	<b>28,893</b>	<b>47,789</b>
<b>Other comprehensive income</b>	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD</b>	<b>7,465</b>	<b>37,908</b>	<b>28,893</b>	<b>47,789</b>

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

ASSETS	30 Sept. 2013 (unaudited)	30 June 2013 (unaudited)	31 Dec. 2012 (audited)	30 Sept. 2012 (unaudited)
<b>Non-current assets</b>	<b>591,377</b>	<b>592,273</b>	<b>597,200</b>	<b>595,199</b>
Property, plant and equipment	460	499	390	420
Goodwill arising from a merger	4,567	4,567	4,567	4,567
Intangible assets	253	268	296	316
Investments in subsidiary companies	579,329	579,158	588,840	588,840
Deferred income tax assets	1,557	1,431	2,568	507
Long-term receivables	4,918	5,972	82	35
Long-term prepayments and accrued income	293	378	457	514
<b>Current assets</b>	<b>19,485</b>	<b>55,362</b>	<b>19,401</b>	<b>21,608</b>
Inventories	2	2	6	6
Prepayments and accrued income	1,136	1,573	651	1,073
Trade receivables	2,070	3,341	2,801	2,055
Receivables from the state and local budgets	40	-	88	1,928
Other receivables	3,183	6,640	563	7,201
Financial assets held to maturity	518	14,769	12,625	-
Financial assets carried at fair value through profit or loss	85	9,448	23	-
Cash and short-term deposits	12,451	19,589	2,644	9,345
<b>TOTAL ASSETS</b>	<b>610,862</b>	<b>647,635</b>	<b>616,601</b>	<b>616,807</b>

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

EQUITY AND LIABILITIES	30 Sept. 2013 (unaudited)	30 June 2013 (unaudited)	31 Dec. 2012 (audited)	30 Sept. 2012 (unaudited)
<b>Equity</b>				
Share capital	518,942	518,942	518,942	518,942
Share premium	38,825	38,825	38,825	38,825
Retained earnings and current net profit	50,304	42,839	54,430	55,509
<b>Total equity</b>	<b>608,071</b>	<b>600,606</b>	<b>612,197</b>	<b>613,276</b>
<b>Non-current liabilities</b>	<b>362</b>	<b>431</b>	<b>583</b>	<b>535</b>
Long-term deferred income	362	431	583	535
<b>Current liabilities</b>	<b>2,429</b>	<b>46,598</b>	<b>3,821</b>	<b>2,996</b>
Trade payables	772	2,073	672	465
Liabilities to the state and local budgets	91	472	429	249
Financial liabilities	165	42,094	-	633
Other liabilities	26	-	54	15
Provisions	-	-	-	114
Deferred income	853	1,254	1,118	858
Accruals	522	705	1,548	662
<b>TOTAL LIABILITIES</b>	<b>2,791</b>	<b>47,029</b>	<b>4,404</b>	<b>3,531</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>610,862</b>	<b>647,635</b>	<b>616,601</b>	<b>616,807</b>

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

for the periods of 9 months ended 30 September 2013, 9 months ended 30 September 2012, and 12 months ended 31 December 2012

	Share capital	Share premium	Retained earnings (deficit) and current net profit	Total equity
<b>As at 1 January 2013</b>	<b>518,942</b>	<b>38,825</b>	<b>54,430</b>	<b>612,197</b>
Net profit for the reporting period	-	-	37,908	<b>37,908</b>
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>37,908</b>	<b>37,908</b>
Dividends	-	-	(42,034)	<b>(42,034)</b>
<b>As at 30 September 2013 (audited)</b>	<b>518,942</b>	<b>38,825</b>	<b>50,304</b>	<b>608,071</b>
<b>As at 1 January 2012</b>	<b>518,942</b>	<b>38,825</b>	<b>25,196</b>	<b>582,963</b>
Net profit for the reporting period	-	-	47,789	<b>47,789</b>
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>47,789</b>	<b>47,789</b>
Recognition of the merger with ITD Poland	-	-	1,206	<b>1,206</b>
Dividends	-	-	(18,682)	<b>(18,682)</b>
<b>As at 30 September 2012 (audited)</b>	<b>518,942</b>	<b>38,825</b>	<b>55,509</b>	<b>613,276</b>
<b>As at 1 January 2012</b>	<b>518,942</b>	<b>38,825</b>	<b>25,196</b>	<b>582,963</b>
Net profit for the reporting period	-	-	46,712	<b>46,712</b>
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>46,712</b>	<b>46,712</b>
Recognition of the merger with ITD Poland	-	-	1,204	<b>1,204</b>
Dividends	-	-	(18,682)	<b>(18,682)</b>
<b>As at 31 December 2012 (audited)</b>	<b>518,942</b>	<b>38,825</b>	<b>54,430</b>	<b>612,197</b>

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

	9 months ended 30 Sept. 2013 (unaudited)	9 months ended 30 Sept. 2012 (unaudited)
<b>Cash flows - operating activities</b>		
Pre-tax profit	40,183	47,878
<b>Total adjustments:</b>	<b>(811)</b>	<b>(34,708)</b>
Depreciation and amortization	197	139
Change in inventories	4	1
Change in receivables	634	(303)
Change in liabilities	(265)	(2,550)
Change in prepayments and accruals	(1,834)	(60)
Change in provisions	-	(1,113)
Interest income and expenses	(482)	7
Gain (loss) on foreign exchange differences	(567)	896
Gain (loss) on investing activities	(36,910)	(46,461)
Other	2	74
<b>Selected operating cash flows</b>	<b>38,410</b>	<b>14,662</b>
Cost of acquisition of shares in subsidiary companies	-	(26,359)
Disposal of shares in subsidiary companies	2,506	1,645
Cash acquired under the merger with ITD Poland Sp. z o.o.	-	1,798
Dividends received	35,904	37,578
<b>Net cash used in operating activities</b>	<b>39,372</b>	<b>13,170</b>
Corporate income tax recovered (paid)	88	16
<b>Net cash provided by (used in) operating activities</b>	<b>39,460</b>	<b>13,186</b>
<b>Cash flows - investing activities</b>		
Acquisition of property, plant and equipment and intangible assets	(224)	(226)
Disposal of property, plant and equipment	-	6
Disposal of financial assets carried at fair value through profit or loss	9,527	10,299
Acquisition of financial assets carried at fair value through profit or loss	(9,500)	-
Disposal of financial assets held to maturity	15,309	-
Acquisition of financial assets held to maturity	(3,300)	-
Loans collected (granted)	-	(35)
Interest received	579	6
Other	-	(20)
<b>Net cash provided by (used in) investing activities</b>	<b>12,391</b>	<b>10,030</b>
<b>Cash flows - financing activities</b>		
Proceeds from (repayments of) loans	-	(93)
Dividends paid out to shareholders of the Parent Company	(42,034)	(18,682)
Interest paid	-	(21)
<b>Net cash provided by (used in) financing activities</b>	<b>(42,034)</b>	<b>(18,796)</b>
Net increase (decrease) in cash and cash equivalents	9,817	4,420
Net foreign exchange differences	(10)	(25)
<b>Cash and cash equivalents as at 1 January</b>	<b>2,644</b>	<b>4,950</b>
<b>Cash and cash equivalents as at 30 September</b>	<b>12,451</b>	<b>9,345</b>