

CAPITAL GROUP ASSECO SOUTH EASTERN EUROPE

**LONG-FORM AUDITORS' REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

TRANSLATION FROM POLISH

I. GENERAL NOTES

1. Background

The holding company of the Asseco South Eastern Europe Group (hereinafter 'the Group' or 'the Capital Group') is Asseco South Eastern Europe S.A. ('the holding company', 'the Company').

The holding company was incorporated on the basis of a Notarial Deed dated April 10, 2007. The Company's registered office is located in Rzeszów at 14 Olchowa Street.

The holding company is an issuer of securities as referred to in art. 4 of the Regulation (EC) No 1606/2002 of the European Parliament and of the Council of the European Union of 19 July 2002 on the application of international accounting standards (EC Official Journal L243 dated 11 September 2002, page 1, polish special edition chapter 13, title 29 page 609) and, based on the article 55.5 of the Accounting Act dated 29 September 1994 (2009 Journal of Laws No. 152 item 1223 with subsequent amendments – 'the Accounting Act'), prepares consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU.

The holding company was entered in the Register of Entrepreneurs of the National Court Register under no. KRS 0000284571 on July 11, 2007.

The Company was issued with tax identification number (NIP) 8133513607 on September 12, 2007 and statistical number (REGON) 180248803 on February 25, 2008.

The holding company is part of the Asseco Poland S.A. capital group.

The principal activities of the Company are as follows:

- Holding operations;
- Reproduction of computer media;
- Manufacture of computers and other information processing equipment;
- Data transmission;
- Letting of own property;
- Renting of office machinery, equipment, and computer hardware;
- Hardware consultancy;
- Software consultancy and supply;
- Data processing;
- Database activities;
- Other computer related activities;
- Research and experimental development on engineering;
- Business and management consultancy activities;
- Business management and administration;
- Advertising;
- Adult and other education.

The scope of activities of the Group's subsidiaries are similar to this of the holding company.

As at February 20, 2012, the Company's issued share capital amounted to 518 942 thousand zlotys. Equity as at that date amounted to 664 672 thousand zlotys.

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(Translation performed by Asseco South Eastern Europe S.A.)

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for the year ended 31 December 2012
(in thousand zlotys)*

In accordance with information provided by the Company as at December 31, 2012, the ownership structure of the Company's issued share capital was as follows:

	Number of shares	Number of votes	Par value of shares	% of issued share capital
Asseco Poland S.A.	26 494 676	26 494 676	264 946	51,06%
EBOiR	4 810 880	4 810 880	48 108	9,27%
Liatriis d.o.o.	3 838 683	3 838 683	38 386	7,40%
Other	16 750 012	16 750 012	167 500	32,27%
Total	51 894 251	51 894 251	518 942	100%

According to information provided by the Company, during the financial year reported and from the reporting date till the publication of our opinion, there were no movements in the share capital in the reporting period.

As at February, 20 2013, the holding company's Management Board was composed of the following persons:

Piotr Jeleński	- President of the Management Board
Hatrice 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

During the reporting period, the following changes in the composition of the Management Board:

- on May 14, 2012 the Company received Mr Rafał Kozłowski's resignation from the position of Vice President of the Management Board of Asseco South Eastern Europe S.A. effective on June 1, 2012,
- on May 24, 2012, the Supervisory Board appointed Mr Marcin Rulnicki to the position of the Member of the Management Board effective on June 1, 2012 and for the next five-year, joint term of the Board covering the period from July 11, 2012 to July 11, 2017.

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2. Group Structure

As at 31 December 2012, the Asseco South Eastern Europe Group consisted of the following subsidiaries (direct or indirect):

name of entity	consolidation method	type of opinion of the financial statements	entity auditing the financial statements	reporting date of the financial statements
Asseco South Eastern Europe S.A.		without reservations	Ernst & Young	31.12.2012
Asseco SEE s.r.l., (Bukareszt)	full consolidation	audit in progress	Ernst & Young	31.12.2012
Asseco SEE d.o.o., Beograd	full consolidation	audit in progress	Deloitte	31.12.2012
Asseco SEE d.o.o., (Zagrzeb)	full consolidation	audit in progress	Ernst & Young	31.12.2012
Asseco SEE Sh.p.k., (Prisztina)	full consolidation	audit in progress	Deloitte	31.12.2012
Asseco SEE d.o.o., (Sarajewo)	full consolidation	audit in progress	Deloitte	31.12.2012
Asseco SEE Teknoloji A.Ş., (İstambuł)	full consolidation	audit in progress	Ernst & Young	31.12.2012
Asseco SEE o.o.d., Sofia	full consolidation	audit in progress	Deloitte	31.12.2012
Asseco SEE d.o.o., (Grosuplje)	full consolidation	audit not required	-	31.12.2012
Asseco SEE d.o.o.e.l., (Skopje)	full consolidation	audit in progress	Deloitte	31.12.2012
Sigma Consultancy A.Ş.	full consolidation	audit in progress	PWC	31.12.2012

Details of the type and impact of changes in entities included in the consolidation as compared to the prior year may be found in Note 29 of the summary of significant accounting policies and other explanatory notes ("the additional notes and explanations") to the consolidated financial statements of the Group for the year ended 31 December 2012.

2. Consolidated Financial Statements

3.1 Auditors' opinion and audit of consolidated financial statements

Ernst & Young Audit sp. z o.o. with its registered office in Warsaw, at Rondo ONZ 1, is registered on the list of entities authorised to audit financial statements under no. 130.

Ernst & Young Audit sp. z o.o. was appointed by Supervisory Board on May 24, 2012 to audit the Group's financial statements.

Ernst & Young Audit sp. z o.o. and the key certified auditor in charge of the audit meet the conditions required to express an impartial and independent opinion on the financial

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statements, as defined in Art. 56.3 and 56.4 of the Act on statutory auditors and their self-governance, audit firms authorized to audit financial statements and public oversight, dated 7 May 2009 (Journal of Laws 2009, No. 77, item 649 with subsequent amendments).

Under the contract executed on June 24, 2012 with the holding company's Management Board, we have audited the consolidated financial statements for the year ended 31 December 2012.

Our responsibility was to express an opinion on the consolidated financial statements based on our audit. The auditing procedures applied to the consolidated financial statements were designed to enable us to express an opinion on the consolidated financial statements taken as a whole. Our procedures did not extend to supplementary information that does not have an impact on the consolidated financial statements taken as a whole.

Based on our audit, we issued an auditors' opinion dated February 20, 2013, stating the following:

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

1. We have audited the attached consolidated financial statements of Asseco South Eastern Europe Group ('the Group'), for which the holding company is Asseco South Eastern Europe S.A. ('the Company') located in Rzeszów at 14 Olchowa Street, for the year ended 31 December 2012 containing, the consolidated balance sheet as at 31 December 2012, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flow for the period from 1 January 2012 to 31 December 2012 and the summary of significant accounting policies and other explanatory notes ('the attached consolidated financial statements').
2. The truth and fairness¹ of the attached consolidated financial statements, the preparation of the attached consolidated financial statements in accordance with the required applicable accounting policies and the proper maintenance of the consolidation documentation are the responsibility of the Company's Management Board. In addition, the Company's Management Board and Members of the Supervisory Board are required to ensure that the attached consolidated financial statements and the Directors' Report meet the requirements of the Accounting Act dated 29 September 1994 (2009 Journal of Laws No. 152 item 1223 with subsequent amendments – 'the Accounting Act'). Our responsibility was to audit the attached consolidated financial statements and to express an opinion on whether, based on our audit, these financial statements comply, in all material respects, with the required applicable accounting policies and whether they truly and fairly² reflect, in all material respects, the financial position and results of the operations of the Group.
3. We conducted our audit of the attached consolidated financial statements in accordance with:
 - chapter 7 of the Accounting Act,

¹ Translation of the following expression in Polish: 'rzetelność i jasność'

² Translation of the following expression in Polish: 'rzetelne i jasne'

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- national auditing standards issued by the National Council of Statutory Auditors, in order to obtain reasonable assurance whether these financial statements are free of material misstatement. In particular, the audit included examining, to a large extent on a test basis, documentation supporting the amounts and disclosures in the attached consolidated financial statements. The audit also included assessing the accounting principles adopted and used and significant estimates made by the Management Board, as well as evaluating the overall presentation of the attached consolidated financial statements. We believe our audit has provided a reasonable basis to express our opinion on the attached consolidated financial statements treated as a whole.

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

- present truly and fairly all information material for the assessment of the results of the Group's operations for the period from 1 January 2012 to 31 December 2012, as well as its financial position³ as at 31 December 2012;
- have been prepared in accordance with International Financial Reporting Standards as adopted by the EU;
- are in respect of the form and content, in accordance with the legal regulations governing the preparation of financial statements.

We have read the 'Directors' Report for the period from 1 January 2012 to 31 December 2012 and the rules of preparation of annual statements' ('the Directors' Report') and concluded that the information derived from the attached consolidated financial statements reconciles with these financial statements. The information included in the Directors' Report corresponds with the relevant regulations of the Decree of the Minister of Finance dated 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognition as equivalent the information required by laws of non-EU member states (Journal of Laws No. 33, item 259 with subsequent amendments)."

We conducted the audit of the consolidated financial statements during the period from November 26, 2012 to February 20, 2013. We were present at the holding company's head office from November 26, 2012 to November 30, 2012, in the place where the holding company's books of account are kept from January 28, 2013 to February 1, 2013 and in holding company's head office from February 4, 2013 to February 20, 2013.

3.2 Representations provided and data availability

The Management Board of the holding company confirmed its responsibility for the truth and fairness⁴ of the consolidated financial statements and the preparation of the financial statements in accordance with the required applicable accounting policies, and the correctness of consolidation documentation. The Board stated that it provided us with all financial statements of the Group companies included in the consolidated financial statements, consolidation documentation and other required documents as well as all

³ Translation of the following expression in Polish: 'sytuacja majątkowa i finansowa'

⁴ Translation of the following expression in Polish: "rzetelność i jasność"

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necessary explanations. We also obtained a written representation dated February 20, 2013, from the Management Board of the holding company confirming that:

- the information included in the consolidation documentation was complete,
- all contingent liabilities had been disclosed in the consolidated financial statements, and
- all material events from the balance sheet date to the date of the representation letter had been disclosed in the consolidated financial statements,

and confirmed that the information provided to us was true and fair to the best of the holding company Management Board's knowledge and belief, and included all events that could have had an effect on the consolidated financial statements.

At the same time declare that during the audit of the financial statements, there were no limitations of scope.

3.3 Consolidated financial statements for prior financial year

The consolidated financial statements of the Group for the year ended 31 December 2011 were audited by Jarosław Dac, key certified auditor no. 10138, acting on behalf of Ernst & Young Audit sp. z o.o. with its registered office in Warsaw, at Rondo ONZ 1, entered into the list of entities authorised to audit financial statements under no. 130. The key certified auditor issued an unqualified opinion on the consolidated financial statements for the year ended 31 December 2011. The consolidated financial statements for the year ended 31 December 2011 were approved by the General Shareholders' Meeting on April 14, 2012.

The consolidated financial statements of the Group for the financial year ended 31 December 2011, together with the auditors' opinion, a copy of the resolution approving the consolidated financial statements and the Directors' Report, were filed on April 30, 2012 with the National Court Register.

The consolidated balance sheet as at 31 December 2011, the consolidated profit and loss account, the statement of changes in consolidated equity and the consolidated cash flow statement for the year ended 31 December 2011, together with the auditors' opinion and a copy of the resolution approving the financial statements were published in Monitor Polski B No. 1486 on July 16, 2012.

3. Analytical Review

4.1 Basic data and financial ratios

Presented below are selected financial ratios indicating the economic or financial performance of the Company for the years 2010 – 2012. The ratios were calculated on the basis of financial information included in the financial statements for the years ended 31 December 2010 and 31 December 2012.

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	2012	2011	2010
Total assets	758 920	821 016	728 634
Shareholders' equity	664 672	705 811	597 264
Net profit/ loss	49 587	54 653	43 600
 Return on assets (%)	 6,5%	 6,7%	 6,0%
 Net profit x 100 _____ Total assets			
 Return on equity (%)	 7,0%	 9,2%	 7,5%
 Net profit x 100 _____ Shareholders' equity at the beginning of the period			
 Profit margin (%)	 10,7%	 11,8%	 9,7%
 Net profit x 100 _____ Sales of finished goods, goods for resale and raw materials			
 Liquidity I	 2,5	 2,4	 1,8
 Current assets _____ Short-term creditors			
 Liquidity III	 0,84	 0,95	 0,81
 Cash and cash equivalents _____ Short-term creditors			
 Debtors days	 59 days	 68 days	 58 days
 Trade debtors x 365 _____ Sales of finished goods, goods for resale and raw materials			
 Creditors days	 34 days	 41 days	 39 days
 Trade creditors x 365 _____ Costs of finished goods, goods for resale and raw materials sold			

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Inventory days	18 days	14 days	15 days
Inventory x 365			
Costs of finished goods, goods for resale and raw materials sold			
Stability of financing (%)	89,4%	87,5%	83,7%
(Equity + long-term provisions and liabilities) x 100			
Total liabilities, provisions and equity			
Debt ratio (%)	12,4%	14,0%	18,0%
(Total liabilities and provisions) x 100			
Total assets			
Rate of inflation:			
Yearly average	3,70%	4,3%	2,6%
December to December	2,40%	4,6%	3,1%

4.2 Comments

The following trends may be observed based on the above financial ratios:

The ratios show the following trends:

- Return on assets decreased compared to 2011 and increased compared to 2010, while return on equity declined compared to 2011 and 2010;
- Net profit margin decreased compared to 2011 and increased compared to 2010;
- Liquidity I ratio increased compared to 2011 and 2010;
- Liquidity III ratio decreased compared to 2011, but increased compared to 2010;
- Debtors days ratio decreased compared to 2011, but increased compared to 2010;
- Creditors days ratio decreased compared to 2011 and 2010;
- The inventory turnover rate has increased compared to 2011 and 2010;
- Stability of financing has increased in comparison to the year 2011 and 2010;
- Debt ratio decreased compared to the year 2011 and 2010.

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4.3 Going concern

Nothing came to our attention during the audit that caused us to believe that the holding company is unable to continue as a going concern for at least twelve months subsequent to 31 December 2012 as a result of an intended or compulsory withdrawal from or a substantial limitation in its current operations.

In Note IV.1 of the additional notes and explanations to the audited consolidated financial statements for the year ended 31 December 2012, the Management Board of the holding company has stated that the financial statements of the Group entities included in the consolidated financial statements were prepared on the assumption that these entities will continue as a going concern for a period of at least twelve months subsequent to 31 December 2012 and that there are no circumstances that would indicate a threat to its continued activity.

II. DETAILED REPORT

1. Completeness and accuracy of consolidation documentation

During the audit no material irregularities were noted in the consolidation documentation which could have a material effect on the audited consolidated financial statements, and which were not subsequently adjusted. These would include matters related to the requirements applicable to the consolidation documentation (and in particular eliminations relating to consolidation adjustments).

2. Accounting policies for the valuation of assets and liabilities

The Group's accounting policies and rules for the presentation of data are detailed in note 8 of the additional notes and explanations to the Group's consolidated financial statements for the year ended 31 December 2012.

3. Structure of assets, liabilities and equity

The structure of the Group's assets and equity and liabilities is presented in the audited consolidated financial statements for the year ended 31 December 2012.

The data disclosed in the consolidated financial statements reconcile with the consolidation documentation.

3.1 Goodwill on consolidation and amortisation

The method of determining goodwill on consolidation, up to the balance sheet date were presented in note IV.8.iii and VII.10 of the additional notes and explanations to the consolidated financial statements.

4. Shareholders' funds including non-controlling interest

The amount of shareholders' funds is consistent with the amount stated in the consolidation documentation and appropriate legal documentation. Non-controlling interest amounted to

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181 thousand zlotys as at 31 December 2012. It was correctly calculated and is consistent with the consolidation documentation.

Information on shareholders' funds has been presented in note VII.17 – VII.19 of the additional notes and explanations to the consolidated financial statements.

5. Financial year

The financial statements of all Group companies forming the basis for the preparation of the consolidated financial statements were prepared as at 31 December 2012 and include the financial data for the period from 1 January 2012 to 31 December 2012.

6. Consolidation adjustments

6.1 Elimination of inter-company balances (receivables and liabilities) and inter-company transactions (revenues and expenses) of consolidated entities.

All eliminations of inter-company balances (receivables and liabilities) and inter-company transactions (revenues and expenses) of the consolidated companies reconcile with the consolidation documentation.

6.2 Elimination of unrealised gains/losses of the consolidated companies, included in the value of assets, as well as relating to dividends

All eliminations of unrealised gains/losses of the consolidated companies, included in the value of assets, as well as relating to dividends reconcile with the consolidation documentation.

7. Disposal of all or part of shares in a subordinated entity

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

8. Items which have an impact on the group's result for the year

Details of the items which have an impact on the Group's result for the year have been included in the audited consolidated financial statements for the year ended 31 December 2012.

9. The appropriateness of the departures from the consolidation methods as defined in International Financial Reporting Standards as adopted by the EU

During the process of preparation of the consolidated financial statements there were no departures from the consolidation methods.

10. Additional Notes and Explanations to the Consolidated Financial Statements

The additional notes and explanations to the consolidated financial statements for the year ended 31 December 2012 were prepared, in all material respects, in accordance with International Financial Reporting Standards as adopted by the EU.

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11. Directors' Report

We have read the 'Directors' Report for the period from 1 January 2012 to 31 December 2012 and the rules of preparation of annual statements' ('the Directors' Report') and concluded that the information derived from the attached consolidated financial statements reconciles with these financial statements. The information included in the Directors' Report corresponds with the relevant regulations of the Decree of the Minister of Finance dated 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognition as equivalent the information required by laws of non-EU member states (Journal of Laws No. 33, item 259 with subsequent amendments).

12. Conformity with Law and Regulations

We have obtained a letter of representations from the Management Board of the holding company confirming that no laws, regulations or provisions of the Group entities' Articles of Association were breached during the financial year.

on behalf of:

Ernst & Young Audit sp. z o.o.
Rondo ONZ 1, 00-124 Warsaw
Reg. No 130

Key certified auditor

Artur Źwak
certified auditor
no.9894

Warsaw, February 20, 2013

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