



**Quarterly Report  
of the Asseco South Eastern Europe Group  
for the 1<sup>st</sup> quarter of 2010**

**Rzeszów, 11 May 2010**



**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
OF THE ASSECO SOUTH EASTERN EUROPE GROUP  
FOR THE 1<sup>ST</sup> QUARTER OF 2010**

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# ŚRÓDROCZNE SKRÓCONE SKONSOLIDOWANE SPRAWOZDANIE FINANSOWE OF THE ASSECO SOUTH EASTERN EUROPE GROUP FOR THE 1<sup>ST</sup> QUARTER OF 2010

These interim condensed consolidated financial statements were authorized for publication by the Management Board of Asseco South Eastern Europe SA on 11 May 2010.

Management Board of Asseco South Eastern Europe SA:

Piotr Jeleński President of the Management Board

Rafał Kozłowski Vice President 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

Person responsible for maintaining the accounting books:

Lucyna Pieniążek

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

	3 months ended	3 months ended	3 months ended	3 months ended
	31 March 2010 (unaudited)	31 March 2009 (unaudited)	31 March 2010 (unaudited)	31 March 2009 (unaudited)
	PLN '000	PLN '000	EUR '000	EUR '000
I. Sales revenues	92,298	114,629	23,267	24,923
II. Operating profit	9,616	16,576	2,424	3,604
III. Pre-tax profit	9,368	15,847	2,362	3,445
IV. Net profit for the period reported	8,112	13,688	2,045	2,976
Net profit attributable to Shareholders of the Parent Company	<b>8,173</b>	<b>8,444</b>	<b>2,060</b>	<b>1,836</b>
VI. Net cash provided by (used in) operating activities	636	4,447	160	967
VII. Net cash provided by (used in) investing activities	(828)	(3,632)	(209)	(790)
VIII. Net cash provided by (used in) financing activities	(2,051)	1,305	(517)	284
IX. Cash and cash equivalents at the end of period	99,901	45,953	25,866	9,775
X. Basic earnings per ordinary share attributable to Shareholders of the Parent Company	0.16	0.33	0.04	0.07
XI. Diluted earnings per ordinary share attributable to Shareholders of the Parent Company	0.16	0.33	0.04	0.07

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

- items of the interim condensed consolidated profit and loss account and statement of cash flows were translated into Euro 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 rates were as follows:
  - for the period from 1 January 2010 to 31 March 2010: EUR 1 = PLN 3.9669
  - for the period from 1 January 2009 to 31 March 2009: EUR 1 = PLN 4.5994
- the Group's cash and cash equivalents as at the end of period reported and the corresponding period of the previous year have been translated into Euro at the mid exchange rates as published by the National Bank of Poland. These rates were as follows:
  - exchange rate effective on 31 March 2010: EUR 1 = PLN 3.8622
  - exchange rate effective on 31 March 2009: EUR 1 = PLN 4.7013

**INTERIM CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT  
THE ASSECO SOUTH EASTERN EUROPE GROUP**

	Note	3 months ended 31 March 2010 (unaudited)	3 months ended 31 March 2009 (unaudited)
<b>Sales revenues</b>	<u>1</u>	<b>92,298</b>	<b>114,629</b>
<b>Cost of sales (-)</b>	<u>2</u>	<b>(70,360)</b>	<b>(86,892)</b>
<b>Gross profit on sales</b>		<b>21,938</b>	<b>27,737</b>
Selling expenses (-)		(4,965)	(4,409)
General administrative expenses (-)		(7,469)	(6,820)
<b>Net profit on sales</b>		<b>9,504</b>	<b>16,508</b>
Other operating income		300	243
Other operating expenses (-)		(188)	(175)
<b>Operating profit</b>		<b>9,616</b>	<b>16,576</b>
Financial income		818	1,566
Financial expenses (-)		(1,066)	(2,295)
<b>Pre-tax profit</b>		<b>9,368</b>	<b>15,847</b>
Corporate income tax (current and deferred portions)		(1,256)	(2,159)
<b>Net profit for the period reported</b>		<b>8,112</b>	<b>13,688</b>
Attributable to:			
<b>Shareholders of the Parent Company</b>		<b>8,173</b>	<b>8,444</b>
<b>Minority shareholders</b>		<b>(61)</b>	<b>5,244</b>

**Consolidated earnings per share for the period reported attributable to Shareholders of Asseco South Eastern Europe SA (in PLN):**

Basic consolidated earnings per share from continuing operations for the period reported	<u>3</u>	0.16	0.33
Diluted consolidated earnings per share from continuing operations for the period reported	<u>3</u>	0.16	0.33

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
THE ASSECO SOUTH EASTERN EUROPE GROUP**

	<b>3 months ended 31 March 2010 (unaudited)</b>	<b>3 months ended 31 March 2009 (unaudited)</b>
<b>Net profit for the period reported</b>	<b>8,112</b>	<b>13,688</b>
<b>Other comprehensive income:</b>		
Hedges of cash flows	(1,905)	-
Foreign currency translation differences on subsidiary companies	(33,549)	19,931
<b>Total other comprehensive income</b>	<b>(27,342)</b>	<b>33,619</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		
<b>Attributable to:</b>		
<i>Shareholders of the Parent Company</i>	(27,281)	28,222
<i>Minority shareholders</i>	(61)	5,397

**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET**  
**THE ASSECO SOUTH EASTERN EUROPE GROUP**

<b>ASSETS</b>	<b>Note</b>	<b>31 March 2010</b> (unaudited)	<b>31 Dec. 2009</b> (audited)	<b>31 March 2009</b> (unaudited)
<b>Fixed assets</b>		<b>436,312</b>	<b>467,213</b>	<b>516,283</b>
Property, plant and equipment		10,293	11,392	13,528
Investment property		825	889	1,015
Intangible assets		7,662	8,699	7,530
Goodwill arising from consolidation	8	414,866	443,867	491,054
Investments in associated undertakings valued under the equity method		-	33	42
Financial assets available for sale		44	48	95
Long-term loans		29	33	62
Deferred income tax assets		2,559	2,233	2,957
Long-term deferred expenses		34	19	-
<b>Current assets</b>		<b>196,880</b>	<b>213,205</b>	<b>149,241</b>
Inventories		18,954	25,197	27,950
Deferred expenses	9	3,973	4,018	3,725
Trade accounts receivable		46,210	53,101	43,234
Corporate income tax recoverable		1,371	1,459	1,011
Receivables from the State budget		5,629	5,358	6,270
Receivables relating to valuation of IT contracts		12,971	9,650	13,757
Other receivables	10	7,033	8,853	4,622
Financial assets available for sale		30	31	35
Financial assets held to maturity		545	575	2,244
Short-term loans		106	228	440
Restricted cash	11	157	184	-
Cash and short-term deposits	11	99,901	104,551	45,953
<b>Fixed assets classified as held for sale</b>	12	<b>2,435</b>	<b>2,695</b>	-
<b>TOTAL ASSETS</b>		<b>635,627</b>	<b>683,113</b>	<b>665,524</b>

**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET**  
**THE ASSECO SOUTH EASTERN EUROPE GROUP**

<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>31 March 2010</b> (unaudited)	<b>31 Dec. 2009</b> (audited)	<b>31 March 2009</b> (unaudited)
<b>Shareholders' equity (attributable to Shareholders of the Parent Company)</b>		<b>551,192</b>	<b>578,509</b>	<b>325,075</b>
Share capital	<u>12</u>	495,617	480,375	257,700
Share premium		37,409	26,790	-
Subscribed unregistered share capital		-	25,897	-
Other reserve capitals		24	24	-
Revaluation capital		(2,974)	(1,069)	7
Foreign currency translation differences on subsidiary companies		(40,796)	(7,247)	43,462
Prior years' retained earnings (deficit) and current net profit		61,912	53,739	23,906
<b>Minority interests</b>		<b>(19)</b>	<b>102</b>	<b>1,931</b>
<b>Total shareholders' equity</b>		<b>551,173</b>	<b>578,611</b>	<b>327,006</b>
<b>Long-term liabilities</b>		<b>10,975</b>	<b>10,791</b>	<b>259,515</b>
Interest-bearing bank credits, loans and debt securities	<u>14</u>	-	-	2,228
Deferred income tax provisions		1,189	33	39
Long-term provisions		108	192	611
Long-term financial liabilities	<u>13</u>	9,316	10,317	255,556
Long-term deferred income		44	24	888
Other long-term liabilities		318	225	193
<b>Current liabilities</b>		<b>71,662</b>	<b>91,731</b>	<b>79,003</b>
Interest-bearing bank credits, loans and debt securities	<u>14</u>	3,084	3,379	2,273
Trade accounts payable		26,352	33,666	21,329
Corporate income tax payable		1,242	2,205	1,146
Liabilities to the State budget		3,439	7,125	4,618
Financial liabilities	<u>13</u>	6,342	9,209	19,033
Liabilities relating to valuation of IT contracts		843	985	395
Other liabilities	<u>15</u>	10,297	10,936	16,672
Short-term provisions		4,038	1,892	690
Deferred income	<u>16</u>	7,715	12,711	5,377
Accrued expenses	<u>16</u>	8,310	9,623	7,470
<b>Liabilities directly related to fixed assets classified as held for sale</b>	<u>17</u>	<b>1,817</b>	<b>1,980</b>	-
<b>TOTAL LIABILITIES</b>		<b>84,454</b>	<b>104,502</b>	<b>338,518</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>635,627</b>	<b>683,113</b>	<b>665,524</b>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
THE ASSECO SOUTH EASTERN EUROPE GROUP**

	Note	Share capital	Share premium	Subscribed unregistered share capital	Other reserve capitals	Revaluati on capital	Foreign currency translations differences on subsidiary companies	Prior years' retained earnings (deficit) and current net profit	Shareholders' equity attributable to Shareholders of the Parent Company	Minority interests	Total shareholder s' equity
<b>As at 1 January 2010</b>		480,375	26,790	25,897	24	(1,069)	(7,247)	53,739	578,509	102	578,611
<b>Total comprehensive income for the period reported</b>		-	-	-	-	(1,905)	(33,549)	8,173	(27,281)	(61)	(27,342)
Changes in the Group structure		-	-	-	-	-	-	-	-	(60)	(60)
Issuance of series P shares		15,242	10,619	(25,897)	-	-	-	-	-	(36)	(36)
<b>As at 31 March 2010 (unaudited)</b>	<u>12</u>	<b>495,617</b>	<b>37,409</b>	-	<b>24</b>	<b>(2,974)</b>	<b>(40,796)</b>	<b>61,912</b>	<b>551,192</b>	<b>(19)</b>	<b>551,173</b>

	Share capital	Share premium	Subscribed unregistered share capital	Other reserve capitals	Revaluati on capital	Foreign currency translations differences on subsidiary companies	Prior years' retained earnings (deficit) and current net profit	Shareholders' equity attributable to Shareholders of the Parent Company	Minority interests	Total shareholder s' equity	
<b>As at 1 January 2009</b>	<b>257,700</b>	-	-	-	7	<b>23,684</b>	<b>15,462</b>	<b>296,853</b>	<b>1,651</b>	<b>298,504</b>	
<b>Total comprehensive income for the period reported</b>	-	-	-	-	-	<b>19,778</b>	<b>8,444</b>	<b>28,222</b>	<b>5,397</b>	<b>33,619</b>	
Settlement of contingent liabilities to minority shareholders	-	-	-	-	-	-	-	-	(5,117)	(5,117)	
<b>As at 31 March 2009 (unaudited)</b>	<u>12</u>	<b>257,700</b>	-	-	-	<b>7</b>	<b>43,462</b>	<b>23,906</b>	<b>325,075</b>	<b>1,931</b>	<b>327,006</b>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
THE ASSECO SOUTH EASTERN EUROPE GROUP (continued)**

	Share capital	Share premium	Subscribed unregistered share capital	Other reserve capitals	Revaluati on capital	Foreign currency translation differences on subsidiary companies	Prior years' (deficit) and current net profit	Shareholders' equity attributable to Shareholders of the Parent Company	Minority interests	Total shareholder s' equity	
<b>As at 1 January 2009</b>	<b>257,700</b>	-	-	-	7	<b>23,684</b>	<b>15,462</b>	<b>296,853</b>	<b>1,651</b>	<b>298,504</b>	
<b>Total comprehensive income for the period reported</b>	-	-	-	-	(1,076)	(30,931)	38,277	6,270	9,295	15,565	
Settlement of swap transactions	-	-	-	-	-	-	-	-	(9,000)	(9,000)	
Changes in the Group structure	-	-	-	24	-	-	-	24	(1,844)	(1,820)	
Issuance of series E shares	9,565	-	-	-	-	-	-	9,565	-	9,565	
Issuance of series F shares	14,755	-	-	-	-	-	-	14,755	-	14,755	
Issuance of series G shares	27,084	-	-	-	-	-	-	27,084	-	27,084	
Issuance of series H shares	10,620	-	-	-	-	-	-	10,620	-	10,620	
Issuance of series I shares	17,706	-	-	-	-	-	-	17,706	-	17,706	
Issuance of series J shares	17,142	-	-	-	-	-	-	17,142	-	17,142	
Issuance of series K shares	45,905	-	-	-	-	-	-	45,905	-	45,905	
Issuance of series L shares	21,000	8,400	-	-	-	-	-	29,400	-	29,400	
Issuance of series M shares	48,109	11,766	-	-	-	-	-	59,875	-	59,875	
Issuance of series N shares	10,789	6,624	-	-	-	-	-	17,413	-	17,413	
Issuance of series P shares	-	-	25,897	-	-	-	-	25,897	-	25,897	
<b>As at 31 December 2009 (audited)</b>	<b>12</b>	<b>480,375</b>	<b>26,790</b>	<b>25,897</b>	<b>24</b>	<b>(1,069)</b>	<b>(7,247)</b>	<b>53,739</b>	<b>578,509</b>	<b>102</b>	<b>578,611</b>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**THE ASSECO SOUTH EASTERN EUROPE GROUP**

	Note	3 months ended 31 March 2010 (unaudited)	3 months ended 31 March 2009 (unaudited)
<b>Cash flows - operating activities</b>			
Pre-tax profit from continuing operations and profit (loss) on discontinued operations		9,368	15,847
<b>Total adjustments:</b>		<b>(6,795)</b>	<b>(10,914)</b>
Depreciation and amortization		1,500	1,113
Change in inventories		4,820	6,866
Change in receivables		1,931	4,054
Change in liabilities		(9,112)	(15,860)
Change in deferred and accrued expenses		(5,698)	(7,260)
Change in provisions		2,148	(111)
Interest income and expense		(281)	(304)
Gain (loss) on foreign exchange differences		(2,235)	1,049
Gain (loss) on investing activities		19	(748)
Other		113	287
<b>Net cash generated from operating activities</b>		<b>2,573</b>	<b>4,933</b>
Corporate income tax paid		(1,937)	(486)
<b>Net cash provided by (used in) operating activities</b>		<b>636</b>	<b>4,447</b>
<b>Cash flows - investing activities</b>			
Disposal of tangible fixed assets and intangible assets		50	119
Acquisition of tangible fixed assets and intangible assets		(1,342)	(1,790)
Acquisition of subsidiary and associated companies		(27)	(92)
Cash and cash equivalents of acquired subsidiary companies		-	414
Disposal of shares in subsidiary and associated companies		7	-
Acquisition of financial assets held to maturity		-	(2,226)
Loans granted		(14)	(427)
Loans collected		133	-
Interest received		365	357
Dividends received		-	13
<b>Net cash provided by (used in) investing activities</b>		<b>(828)</b>	<b>(3,632)</b>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**THE ASSECO SOUTH EASTERN EUROPE GROUP (continued)**

	Note	3 months ended 31 March 2010 (unaudited)	3 months ended 31 March 2009 (unaudited)
<b>Cash flows - financing activities</b>			
Proceeds from bank credits and loans		-	1,814
Repayment of bank credits and loans		(143)	(129)
Finance lease commitments paid		(204)	(277)
Dividends paid out to minority shareholders		(1,785)	-
Interest paid		(88)	(103)
Other		169	-
<b>Net cash provided by (used in) financing activities</b>		<b>(2,051)</b>	<b>1,305</b>
Net increase (decrease) in cash and cash equivalents		(2,243)	2,120
Net foreign exchange differences		(2,407)	2,718
Cash and cash equivalents as at 1 January		104,551	41,115
<b>Cash and cash equivalents as at 31 March</b>	<u>11</u>	<b>99,901</b>	<b>45,953</b>

## SUPPLEMENTARY INFORMATION AND EXPLANATIONS

### I. GENERAL INFORMATION

The Asseco South Eastern Europe Group ("Group") is comprised of Asseco South Eastern Europe SA ("Parent Company", "Company", "Issuer") and its subsidiaries.

The parent Asseco South Eastern Europe SA seated at 14 Olchowa Str., Rzeszów, Poland, was established on 10 April 2007 as a joint stock company called Asseco Adria SA. On 11 July 2007, the Company was entered in the register of entrepreneurs maintained by the District Court in Rzeszów, XII Commercial Department of the National Court Register, under the number KRS 0000284571. The Parent Company has been assigned the statistical number REGON 180248803. On 11 February 2008, the Parent Company's corporate name was changed from Asseco Adria SA to Asseco South Eastern Europe SA. In the quarter reported ended 31 March 2010, the Company moved its corporate headquarters from 80 Armii Krajowej Av., Rzeszów to 14 Olchowa Str., Rzeszów.

Asseco South Eastern Europe SA is the parent of the Asseco South Eastern Europe Group. The time of duration of both the Parent Company and the entities incorporated in the Group is indefinite.

According to the Articles of Association, the Parent Company's business profile includes:

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

In addition to comprehensive IT services, the Group also sells goods including mainly computer hardware. The conducted sale of goods is to a large extent connected with the provision of software implementation services. These interim condensed consolidated financial statements provide a description of the Asseco South Eastern Europe Group's core business broken down by relevant segments.

The Parent Company shall operate within the territory of the Republic of Poland as well as abroad.

The parent of Asseco South Eastern Europe SA is Asseco Poland SA (the higher-level parent company). As at 31 March 2010, Asseco Poland SA held a 53.46% stake in the share capital of Asseco South Eastern Europe SA.

These interim condensed consolidated financial statements cover the interim period ended 31 March 2010 and contain comparative data for the interim period ended 31 March 2010 in case of the statement of comprehensive income, statement of changes in equity and

statement of cash flows; and comparative data as at 31 March 2009 and 31 December 2009 in case of the balance sheet.

The Company draws up its financial statements in accordance with the International Financial Reporting Standards ("IFRS") endorsed by the European Union for the current and comparative period.

## II. COMPOSITION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD OF THE PARENT COMPANY

During the period reported the Company's Management Board and Supervisory Board were composed of the following persons:

Supervisory Board	Management Board
Adam Góral	Piotr Jeleński
Przemysław Sęczkowski	Rafał Kozłowski
Gabriela Żukowicz	Calin Barseti
Mihail Petreski	Miljan Mališ
Nicholas Jeffery	Miodrag Mirčetić
Jacek Duch	Dražen Pehar

In the period reported the Management Board composition remained unchanged.

During the period reported the composition of the Parent Company's Supervisory Board was changed as follows:

- On 12 January 2010, the Company received a letter of resignation from Mr. Jacek Duch resigning as Member and Vice Chairman of the Supervisory Board with effect from 18 January 2010.

Furthermore, till the publication of these interim condensed consolidated financial statements, the Supervisory Board composition was changed as follows:

- On 27 April 2010, by its resolution no. 22 the Ordinary General Meeting of Shareholders appointed Mr. Andrzej Mauberg as Member of the Supervisory Board of Asseco South Eastern Europe SA.
- On 27 April 2010, Asseco South Eastern Europe SA received from Asseco Poland SA a notification on appointment of Mr. Jacek Duch as Member of the Supervisory Board pursuant to § 13 sec. 3 item 1) of the Articles of Association.

As at publication of this report, i.e. on 11 May 2010, the Company's Supervisory Board was composed of the following persons:

Supervisory Board	Management Board
Adam Góral	Piotr Jeleński
Przemysław Sęczkowski	Rafał Kozłowski
Gabriela Żukowicz	Calin Barseti
Mihail Petreski	Miljan Mališ
Nicholas Jeffery	Miodrag Mirčetić
Andrzej Mauberg	Dražen Pehar
Jacek Duch	

## MAJOR SHAREHOLDERS

According to the best knowledge of the Management Board of Asseco South Eastern Europe SA, the Shareholders who as at 31 March 2010, either directly or through their

subsidiaries, held at least a 5% voting interest at the General Meeting of Shareholders were as follows:

<b>Name of shareholder</b>	<b>Number of shares held and votes at GMS</b>	<b>Equity interest and voting interest at GMS</b>
Asseco Poland SA	26,494,676	53.46 %
EBRD	4,810,880	9.71%
Liatris d.o.o.	3,842,683	7.75%
Other shareholders	14,413,480	29.08%
	<b>49,561,719</b>	<b>100.00 %</b>

As at 31 March 2010 and on the date of publication of these financial statements, the share capital of Asseco South Eastern Europe SA amounted to PLN 495,617,190 and it was divided into 49,561,719 ordinary shares with a par value of PLN 10 each, which entitled to 49,561,719 votes at the Company's General Meeting of Shareholders.

To the best knowledge of the Company's Management Board, as at the publication date of this report, i.e. on 11 May 2010, the Shareholders who, either directly or through their subsidiaries, held at least 5% of the total votes at the General Meeting of Shareholders were as follows:

<b>Name of shareholder</b>	<b>Number of shares held and votes at GMS</b>	<b>Equity interest and voting interest at GMS</b>
Asseco Poland SA	26,494,676	53.46 %
EBRD	4,810,880	9.71%
Liatris d.o.o.	3,842,683	7.75%
Other shareholders	14,413,480	29.08%
	<b>49,561,719</b>	<b>100.00 %</b>

Since the time of publication of the previous report, i.e. since 16 March 2010, shareholders who, either directly or through their subsidiaries, hold at least a 5% voting interest at the General Meeting of Shareholders remained unchanged.

During the 3-month period ended 31 March 2010, Asseco Poland SA decreased its equity interest as well as voting interest at the General Meeting of Shareholders of Asseco South Eastern Europe SA from 55.15% to 53.46%; whereas, the European Bank for Reconstruction and Development reduced its equity interest and voting interest from 10.01% to 9.71%. In both cases the shareholding interests dropped following the issuance of series P shares, which was registered by the District Court in Rzeszów on 22 January 2010.

**IV. COMPANY'S SHARES HELD BY ITS MANAGEMENT AND SUPERVISORY STAFF**

<b>Supervisory Board</b> <b>Members</b>	<b>Number of shares held as at</b>			
	<b>11 May 2010</b>	<b>31 March 2010</b>	<b>16 March 2010</b>	<b>31 Dec. 2009</b>
Adam Góral <sup>1)</sup>	-	-	-	-
Jacek Duch	-	n/a	n/a	-
Przemysław Sęczkowski	2,500	2,500	2,500	2,500
Gabriela Żukowicz	150	150	150	150
Mihail Petreski <sup>2)</sup>	-	-	-	-
Nicholas Jeffery	-	-	-	-
Andrzej Mauberg	-	n/a	n/a	n/a

  

<b>Management Board</b> <b>Members</b>	<b>Number of shares held as at</b>			
	<b>11 May 2010</b>	<b>31 March 2010</b>	<b>16 March 2010</b>	<b>31 Dec. 2009</b>
Piotr Jeleński	550	550	550	550
Rafał Kozłowski	150	150	150	150
Calin Barseti	-	-	-	-
Miljan Mališ <sup>3)</sup>	-	-	-	-
Miodrag Mirčetić <sup>4)</sup>	-	-	-	-
Dražen Pehar	779,068	779,068	779,068	779,068

<sup>1)</sup> Adam Góral, Member of the Supervisory Board of Asseco South Eastern Europe SA, a shareholder in Asseco Poland SA which in turn is a shareholder in Asseco South Eastern Europe SA; as at 31 March 2010 Asseco Poland SA held 26,494,676 shares in Asseco South Eastern Europe SA.

<sup>2)</sup> Mihail Petreski, Member of the Supervisory Board of Asseco South Eastern Europe SA, a shareholder in the company Liatris d.o.o. which in in turn is a shareholder in Asseco South Eastern Europe SA; as at 31 March 2010 Liatris d.o.o. held 3,842,683 shares in Asseco South Eastern Europe SA.

<sup>3)</sup> Miljan Mališ, Member of the Management Board of Asseco South Eastern Europe SA, a shareholder in the company of Mini Invest d.o.o. which in turn is a shareholder in Asseco South Eastern Europe SA; as at 31 March 2010 Mini Invest d.o.o. held 839,597 shares in Asseco South Eastern Europe SA.

<sup>4)</sup> Miodrag Mirčetić, Member of the Management Board of Asseco South Eastern Europe SA, a shareholder in the company 14-INVENTION d.o.o. which in turn is a shareholder in Asseco South Eastern Europe SA; as at 31 March 2010 14-INVENTION d.o.o. held 1,776,971 shares in Asseco South Eastern Europe SA.

## **V. ACCOUNTING PRINCIPLES 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 principle, except for hedged assets and liabilities. The balance sheet value of recognized hedged assets and liabilities is adjusted by changes in their fair value which are attributable to the risk against which such assets and liabilities are hedged.

The presentation currency of these consolidated financial statements is 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 the going-concern basis, assuming the Group will continue its business activities in the foreseeable future. These interim condensed consolidated financial statements were prepared on a going-concern basis, assuming the Company and its subsidiary and associated will continue their business activities in the foreseeable future.

Till the date of approving these financial statements, there were observed no indications of a threat to the Group companies' ability to continue as going concerns in the period of 12 months following the balance sheet date.

### **2. Compliance statement**

These interim condensed consolidated financial statements were prepared in compliance with the International Financial Reporting Standards ("IFRS"), and in particular in accordance with the International Accounting Standard 34 Interim Financial Reporting, and IFRS adopted by the European Union. As at the date of approving publication of these financial statements, given the ongoing process of implementing the IFRS standards in the European Union as well as the Group's operations, in the scope of accounting principles applied by the Group there is no difference between the IFRS that came into force and the IFRS endorsed by the EU.

IFRS include standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

Some of the Group companies maintain their accounting books in accordance with the accounting policy (principles) 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 undertakings, which were introduced to adjust the financial statements of those undertakings to the IFRS.

### **3. Estimates**

In the period of 3 months ended 31 March 2010, the Company's approach to making estimates was not subject to any substantial changes.

### **4. 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.

Below are presented the main areas, which in the process of applying the accounting principles (policy) were subject to accounting estimates and the management's professional judgement, and whose estimates, if changed, could significantly affect the Group's future results.

***i. Operating cash flows assumed for valuation of IT contracts as well as measurement of their completion***

The Group executes a number of contracts for construction and implementation of information technology systems. The contractual cash flows are denominated in foreign currencies. Valuation of IT contracts requires that future operating cash flows are determined in order to arrive at the fair value of income and expenses and to provide the fair value of the embedded currency derivatives, as well as it requires measurement of the progress of contract execution. The progress of contract execution shall be measured as a relation of costs already incurred (provided such costs contribute to the progress of work) to the total costs planned, or as a portion of man-days worked out of the total work-effort required.

Assumed future operating cash flows are not always consistent with the agreements with customers or suppliers due to modifications of IT projects implementation schedules. As at 31 March 2010, receivables from the valuation of IT contracts amounted to PLN 12,971 thousand, while liabilities due to such valuation equalled PLN 843 thousand.

***ii. Rates of depreciation and amortization***

The level of depreciation and amortization rates is determined on the basis of anticipated period of useful economic life of the components of tangible and intangible assets. The Group verifies the adopted periods of useful life on an annual basis, taking into account the current estimates.

***iii. Goodwill – impairment test***

The Management Board of the Parent Company performed an impairment test, as at 31 December 2009, on goodwill that resulted from acquisition of subsidiary companies as well as from mergers. This task required making estimates of the value in use of cash-generating units to which goodwill is allocated. The value in use is estimated by determination of the future cash flows expected to be achieved from the cash-generating unit and determination of a discount rate to be subsequently used in order to calculate the net present value of those cash flows. Goodwill arising from acquisition of subsidiary companies amounted to PLN 414,866 thousand as at 31 March PLN 2010, 443,867 thousand as at 31 December 2009, and PLN 491,054 thousand as at 31 March 2009.

***iv. Liabilities to pay for the remaining stakes of shares in subsidiary companies***

Both as at 31 March 2010 and 31 December 2009, the Group recognized liabilities by virtue of future payments to the minority shareholders of Multicard d.o.o.; whereas, as at 31 March 2009 such liabilities included future payments to the minority shareholders in the companies of Pexim d.o.o., Net Consulting Srl, FIBA Software Srl., Arbor Informatika d.o.o., Logos d.o.o., Pexim Cardinfo d.o.o., and Antegra d.o.o. Determination of the amounts payable under such liabilities required making estimates of the companies' financial results. Such liabilities equalled PLN 8,725 thousand as at 31 March PLN 2010, 9,658 thousand as at 31 December 2009, and PLN 262,126 thousand as at 31 March 2009.

***v. Deferred income tax assets (net of deferred income tax provision)***

In the period of 3 months ended 31 March 2010, the Group recognized a deferred income tax asset (net of deferred income tax provision). Due to the lack of an unambiguous interpretation of the tax regulations currently in force, the Parent Company did not recognize the entire balance of deferred income tax assets related to the prior years' losses.

Based on the current financial budget and applicable tax regulations, the Group's management believes that future utilization of deferred tax assets recognized in the amount of PLN 2,559 thousand is very likely.

## **5. Major accounting principles**

The major accounting principles adopted by the Asseco South Eastern Europe Group have been described in the consolidated financial statements for the year ended 31 December 2009, which were published on 16 March 2010 and are available at the Issuer's website: <http://www.asseco-see.com/pl>. 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 2009.

The accounting principles (policy) adopted for drawing up this report for the 1<sup>st</sup> quarter of 2010 are coherent with those applied for preparation of the Group's consolidated financial statements for the year ended 31 December 2009, except for applying the following amendments to standards and new interpretations effective for annual periods beginning on or after 1 January 2010.

## **6. Changes in the applied principles of presentation**

In the period reported the Group did not introduce any changes to the applied principles of data presentation.

## **7. Changes in the accounting principles applied**

In the period reported the Group did not introduce any changes to the applied principles of accounting.

## **8. Corrections of material errors**

In the period reported there were no events or developments that would require making corrections of any material misstatements.

## **VI. INFORMATION ON OPERATING SEGMENTS**

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

- a) Banking Solutions,
- b) Mobile Banking & Authentication,
- c) Card Business,
- d) Systems Integration.

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

### *Banking Solutions*

The Banking Solutions segment deals with integrated banking systems, and primarily core banking systems. The Asseco South Eastern Europe Group offers core banking systems operating either on the Oracle platform (ASEBA Banking Intranet and ASEBA INTBANK) or on the Microsoft platform (ASEBA Pub2000). Furthermore, the Group is engaged in development of a new core banking system called Experience. In the period reported, we completed a pilot implementation of the system for one client and signed implementation agreements with the next two clients.

Additionally, the integrated systems include solutions dedicated for specific distribution channels, such as e-banking, as well as local systems for management of payments, reporting, Business Intelligence tools offering risk management functionality, scoring and rating systems, regulatory compliance systems, etc.

### *Mobile Banking & Authentication*

The Mobile Banking & Authentication segment deals with systems enabling the secure authentication of bank clients and IT system users. These solutions are marketed as an integral part of the core and multi-channel banking systems offered by Group companies or separately for the purpose of being integrated with the IT solutions or third-party software already utilized by banks. Our offering features the authentication technologies making use of mobile tokens, SMS, PKI (Public Key Infrastructure)/chip cards (smartcards) as electronic signature devices. Furthermore, we offer the ASEBA JiMBA mobile banking system and a variety of e-commerce solutions.

### *Card Business*

This segment is engaged in the sale and maintenance of ATMs and POS terminals as well as in provision of the related support services. Furthermore, this segment provides 'top-up' services, i.e. distribution of services offered by third-party vendors based on proprietary IT solutions, using the network of ATMs and POS terminals (e.g. phone card recharging, bill payments).

### *Systems Integration*

This segment deals with the integration of third-party software and elements of infrastructure as well as with the sale of hardware.

### *Geographical breakdown of sales*

During the first 3 months of 2010, the Group generated 38% of its sales revenues in Romania, 25% in Serbia, 22% in Macedonia, 7% in Croatia, and 4% in Kosovo.

<b>For 3 months ended 31 March 2010 and as at 31 March 2010 (unaudited)</b>	<b>Banking Solutions</b>	<b>Mobile Banking &amp; Authentication</b>	<b>Card Business</b>	<b>Systems Integration</b>	<b>Unallocated</b>	<b>Eliminations</b>	<b>Total</b>
<b>Sales revenues:</b>	<b>21,288</b>	<b>5,589</b>	<b>13,313</b>	<b>53,179</b>	-	<b>(1,071)</b>	<b>92,298</b>
Sales to external customers	20,997	5,589	13,088	52,624	-	-	92,298
Inter/intra segment sales	291	-	225	555	-	(1,071)	-
<b>Gross profit (loss) on sales</b>	<b>7,316</b>	<b>1,934</b>	<b>4,473</b>	<b>8,215</b>	-	-	<b>21,938</b>
Selling expenses	(926)	(199)	(672)	(3,168)	-	-	(4,965)
General administrative expenses	(2,659)	(667)	(920)	(2,514)	(709)	-	(7,469)
<b>Net profit (loss) on sales</b>	<b>3,731</b>	<b>1,068</b>	<b>2,881</b>	<b>2,533</b>	<b>(709)</b>	-	<b>9,504</b>
Segment assets, of which:							
<i>goodwill from consolidation</i>	186,637	47,068	77,419	199,814	124,689	-	635,627
<i>property, plant and equipment</i>	155,451	41,130	67,756	150,529	-	-	414,866
<i>intangible assets</i>	3,293	598	2,467	3,930	5	-	10,293
<i>trade accounts receivable</i>	6,960	16	466	220	-	-	7,662
receivables relating to valuation of IT contracts	9,495	4,660	3,411	28,631	13	-	46,210
inventories	11,089	538	-	1,344	-	-	12,971
other	349	126	3,319	15,160	-	-	18,954
<b>Segment expenditures for tangible and intangible assets</b>	<b>(195)</b>	<b>(53)</b>	<b>(373)</b>	<b>(450)</b>	-	-	<b>(1,071)</b>

For 3 months ended 31 March 2009 and as at 31 March 2009 (unaudited)	Banking Solutions	Mobile Banking & Authentication	Card Business	Systems Integration	Unallocated	Eliminations	Total
<b>Sales revenues:</b>	<b>21,760</b>	<b>8,717</b>	<b>16,526</b>	<b>67,979</b>	-	(353)	<b>114,629</b>
Sales to external customers	21,551	8,717	16,382	67,979	-	-	114,629
Inter/intra segment sales	209	-	144	-	-	(353)	-
<b>Gross profit (loss) on sales</b>	<b>9,826</b>	<b>3,663</b>	<b>5,242</b>	<b>9,006</b>	-	-	<b>27,737</b>
Selling expenses	(969)	(180)	(575)	(2,685)	-	-	(4,409)
General administrative expenses	(3,127)	(775)	(1,030)	(1,846)	(42)	-	(6,820)
<b>Net profit (loss) on sales</b>	<b>5,730</b>	<b>2,708</b>	<b>3,637</b>	<b>4,475</b>	(42)	-	<b>16,508</b>
Segment assets, of which:							
<i>goodwill from consolidation</i>	176,007	69,801	118,400	232,845	68,471	-	665,524
<i>property, plant and equipment</i>	145,449	64,175	104,885	176,545	-	-	491,054
<i>intangible assets</i>	6,926	951	1,873	3,778	-	-	13,528
<i>trade accounts receivable</i>	3,519	3	975	3,033	-	-	7,530
<i>receivables relating to valuation of IT contracts</i>	8,516	4,130	5,546	25,042	-	-	43,234
<i>inventories</i>	6,821	334	1,075	5,527	-	-	13,757
<i>other</i>	4,776	208	4,046	18,920	-	-	27,950
<b>Segment expenditures for tangible and intangible assets</b>	<b>(48)</b>	<b>(401)</b>	-	<b>(222)</b>	-	-	<b>(671)</b>

<b>As at 31 December 2009 (audited)</b>	<b>Banking Solutions</b>	<b>Mobile Banking &amp; Authentication</b>	<b>Card Business</b>	<b>Systems Integration</b>	<b>Unallocated</b>	<b>Eliminations</b>	<b>Total</b>
Segment assets, of which:							
<i>goodwill from consolidation</i>	193,442	51,070	89,378	218,016	131,207	-	683,113
<i>property, plant and equipment</i>	164,934	43,674	75,075	160,184	-	-	443,867
<i>intangible assets</i>	3,973	687	2,543	4,189	-	-	11,392
<i>trade accounts receivable</i>	4,160	22	999	3,518	-	-	8,699
<i>receivables relating to valuation of IT contracts</i>	10,850	6,647	4,815	30,789	-	-	53,101
<i>inventories</i>	8,485	-	-	1,165	-	-	9,650
<i>other</i>	1,040	40	5,946	18,171	-	-	25,197
	-	-	-	-	131,207	-	131,207
<b>Segment expenditures for tangible and intangible assets</b>	<b>(3,923)</b>	<b>(265)</b>	<b>(1,739)</b>	<b>(3,893)</b>		<b>-</b>	<b>(9,820)</b>

## VII. SUMMARY AND ANALYSIS OF FINANCIAL RESULTS OF THE ASSECO SOUTH EASTERN EUROPE GROUP

In the 1<sup>st</sup> quarter of 2010 sales revenues of the Asseco South Eastern Europe Group amounted to PLN 92,298 thousand and, when compared with the corresponding period last year, they decreased by 19% in PLN or by 6.64% if restated in EUR; such difference is a result of the appreciation of Polish zloty over a year's period.

Sales revenues by sectors	3 months ended 31 March 2010 (unaudited)	3 months ended 31 March 2009 (unaudited)
Banking and finance	51,238	71,996
Enterprises	32,499	31,365
Public institutions	8,561	11,268
	<b>92,298</b>	<b>114,629</b>

  

Sales revenues by sectors	3 months ended 31 March 2010 (unaudited)	3 months ended 31 March 2009 (unaudited)
Banking and finance	56%	63%
Enterprises	35%	27%
Public institutions	9%	10%
	<b>100%</b>	<b>100%</b>

In the 1<sup>st</sup> quarter of 2010 the Group achieved 56% of its sales revenues from the banking and financial sector, yet in comparison with the 1<sup>st</sup> quarter of 2009 such sales dropped by 7 percentage points as portion of the total turnover and by 29% in money terms (or by 17% if restated in EUR).

On the other hand, in the period reported the Group managed to improve its sales to the enterprises sector by 3.6% (or by 20% if restated in EUR). In the 1<sup>st</sup> quarter of 2010 sales revenues from this sector reached PLN 32,499 thousand or 35% of the total turnover; whereas, in the corresponding period of 2009 sales to enterprises amounted to PLN 31,365 thousand and represented 27% of the total turnover.

In the 1<sup>st</sup> quarter of 2010 the Group's sales to public institutions were PLN 8,561 thousand as compared with PLN 11,268 thousand generated in the 1<sup>st</sup> quarter of 2009. Concurrently, the share of sales to this sector decreased slightly to 9% from the level of 10% observed last year.

	3 months ended 31 March 2010 (unaudited)	3 months ended 31 March 2009 (unaudited)	Change %
Sales revenues	92,298	114,629	-19%
Gross profit on sales	21,938	27,737	-21%
Net profit on sales	9,504	16,508	-42%
Operating profit	9,616	16,576	-42%
Net profit for the period reported	8,112	13,688	-41%
<b>Net profit attributable to Shareholders of the Parent Company</b>	<b>8,173</b>	<b>8,444</b>	-3%

	<b>3 months ended 31 March 2010 (unaudited)</b>	<b>3 months ended 31 March 2009 (unaudited)</b>
Gross profit margin	24%	24%
EBITDA margin	12%	15%
Operating profit margin	10%	14%
Net profit margin	9%	7%
Return on equity (ROE)	1%	1%
Return on assets (ROA)	1%	3%

The above ratios have been computed using the following formulas:

Gross profit margin = gross profit on sales / sales

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

Operating profit margin = operating profit / sales

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

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

In the 1<sup>st</sup> quarter of 2010 the Group posted a gross profit on sales of PLN 21,938 thousand which decreased by 21% year on year. Gross profit margin achieved in the 1<sup>st</sup> quarter of 2010 equalled 24% and it remained unchanged from the corresponding period last year. Net profit attributable to shareholders of the Parent Company amounted to PLN 8,173 thousand in the 1<sup>st</sup> quarter of 2010 and, when compared with the level of PLN 8,444 thousand earned in the corresponding period of 2009, it decreased by 3% (or increased by 12% if restated in EUR). In the 1<sup>st</sup> quarter of 2010 total sales revenues declined 19% when compared with the year ago level; however, the Group managed to improve its net profit margin from 7% to 9%.

## **VIII. EFFECTS OF CHANGES IN THE ORGANIZATIONAL STRUCTURE**

In the 1<sup>st</sup> quarter of 2010 the Issuer's organizational structure did not undergo any changes.

## **IX. ORGANIZATION AND STRUCTURAL CHANGES IN THE ASSECO SOUTH EASTERN EUROPE GROUP, WITH SPECIFICATION OF THE ENTITIES SUBJECT TO CONSOLIDATION**

During the period of 3 months ended 31 March 2010 the following changes in the Group composition were observed:

### ***□ Mergers of subsidiary companies under the integration of the Group's organizational structure:***

Under the strategy for integration of the organizational structure of the Asseco South Eastern Europe Group, we have completed business combination processes in individual countries where the Group runs its operations.

As at the time of amalgamation, the parent Asseco South Eastern Europe SA was either the sole or majority shareholder in all the merged companies. Due to the nature of the transaction of business combinations under common control, the mergers were accounted for by acquirers as a uniting of interests. In the uniting-of-interests method, the individual items of respective assets, equity and liabilities as well as revenues and expenses of the combined companies are aggregated, using the balances as at the merger date which have been previously adjusted to consistent valuation approach and after elimination of any mutual transactions. All the merger transactions involved the acquisition of assets, rights and obligations of the acquired company by the taking-over company that was each time accompanied by an increase of the share capital of the taking-over company.

### ***Merger of companies in Romania***

On 28 September 2009, the Group approved the Plan of Merger between the companies of Asseco SEE S.R.L. (the taking-over company, former Net Consulting S.R.L.) and Fiba Software S.R.L. (the acquired company). According to the Merger Plan, the merger was executed by transferring all the assets, rights and obligations of Fiba Software S.R.L. to Asseco SEE S.R.L. in exchange for an increase of the share capital of Asseco SEE S.R.L. In connection with the merger Asseco SEE S.R.L. issued 308 merger shares with a par value of RON 1,500 each, thereby increasing its share capital by RON 462 thousand, from RON 1,500 thousand to RON 1,962 thousand. Additionally, Asseco SEE S.R.L. recognized a share premium of RON 3,776 thousand. The share exchange ratio was determined taking into account the book value of shares of each company, which was measured on the basis of net assets value. Following the merger, the acquired company of Fiba Software S.R.L. was dissolved without liquidation.

On 15 October 2009, the subsidiary Net Consulting S.R.L. changed its corporate name into Asseco South Eastern Europe S.R.L., which was subsequently replaced by Asseco SEE S.R.L. on 29 December 2009. The merger of subsidiaries, namely Asseco SEE S.R.L. and Fiba Software S.R.L., was recognized as at 31 December 2009. The merger was officially registered on 5 January 2010.

### ***Merger of companies in Serbia***

On 25 December 2009, shareholders of Asseco SEE d.o.o., Beograd (the taking-over company) passed a resolution on the merger with Pexim Cardinfo d.o.o. (the acquired company) and Antegra d.o.o. (the acquired company). Subsequently, on 28 December 2009, the Management Boards of the three above-mentioned companies signed the Merger Agreement under which Asseco SEE d.o.o. Beograd took over all the assets, rights and obligations of the acquired companies.

On 23 November 2009, the subsidiary Pexim d.o.o. was renamed as Asseco SEE d.o.o. Beograd. The merger of Asseco SEE d.o.o. Beograd with Pexim Cardinfo d.o.o. and Antegra d.o.o. was registered on 4 January 2010.

***Merger of companies in Croatia***

On 30 November 2009, Asseco SEE d.o.o. (former Logos d.o.o.) signed a Merger Agreement with Arbor Informatika d.o.o. Under this agreement Arbor Informatika d.o.o. (the acquired company) made a commitment to transfer all of its assets, rights and obligations to Asseco SEE d.o.o. (the taking-over company). The provisions of the agreement took effect on 1 January 2010. Following the merger, the acquired company was dissolved without liquidation. The merger of Asseco SEE d.o.o. with Arbor Informatika d.o.o. was registered by the Registry Court in Zagreb on 4 January 2010 and therefore became effective the following resolutions of the General Meeting of Shareholders:

- The share capital of Asseco SEE d.o.o. was increased by HRK 400 thousand (equivalent of the amount of share capital of the company Arbor Informatika d.o.o. before the merger) up to the total amount of HRK 2,446 thousand;
- The compositions of the Management Board and Supervisory Board of Asseco SEE d.o.o. were changed.
- The corporate name of Logos d.o.o. was changed to Asseco SEE d.o.o.

***□ Sale of shares in Pexim Tirane Sh.p.k., a subsidiary of Asseco SEE DOOEL, Skopje***

On 28 December 2009, the companies of Asseco SEE DOOEL, Skopje (former Pexim DOOEL, Skopje) and Asseco SEE Sh.p.k., Tirana (former Pronet Albania Sh.p.k., a subsidiary of Asseco SEE Sh.p.k.) signed an agreement for sale of shares in Pexim Tirane Sh.p.k. According to the agreement, ownership of those shares was transferred to the buyer on 1 January 2010.

***□ Liquidation of the associated Enovčanik A.D.***

During the 3 months ended 31 March 2010, an associated company of Asseco SEE d.o.o. Beograd, namely Enovčanik A.D. seated in Belgrade was liquidated. This company used to be engaged in development of databases.

The table below presents the Asseco South Eastern Europe Group structure along with equity interests and voting interests at the general meetings of shareholders/partners as at 31 March 2010.

	<b>Country of registration</b>	<b>Voting interest</b>		<b>Equity interest</b>	
		<b>31 March 2010</b>	<b>31 Dec. 2009</b>	<b>31 March 2010</b>	<b>31 Dec. 2009</b>
<b>Asseco South Eastern Europe SA</b>	Poland				
<b>Asseco SEE S.R.L., <sup>1)</sup></b>	Romania	100%	100%	100%	100%
<b>Asseco SEE d.o.o., Beograd <sup>2)</sup></b>	Serbia	100%	100%	100%	100%
Asseco SEE DDOEL, Skopje <sup>3)</sup>	Macedonia	100%	100%	100%	100%
Pexim Solution o.o.d. , Sofia	Bulgaria	51%	51%	51%	51%
Pexim Solutions d.o.o., Banja Luka	Bosnia & Herzegovina	100%	100%	100%	100%
E-Mon d.o.o., Podgorica	Montenegro	50%	50%	50%	50%
eMS d.o.o., Beograd	Serbia	100%	100%	100%	100%
Cardinfo Montenegro d.o.o.	Montenegro	100%	100%	100%	100%
SIMT Cardinfo d.o.o.	Slovenia	50%	50%	50%	50%
Cardinfo BDS d o.o.	Bosnia & Herzegovina	50%	50%	50%	50%
Multicard d o.o.	Serbia	45%	45%	45%	45%
Ibis a.d.	Bosnia & Herzegovina	100%	100%	100%	100%
Enovčanik a.d.	Serbia	n/a	28%	n/a	28%
<b>Asseco SEE d.o.o. <sup>4)</sup></b>	Croatia	100%	100%	100%	100%
<b>Asseco SEE Sh.p.k. <sup>5)</sup></b>	Kosovo	100%	100%	100%	100%
Asseco SEE Sh.p.k., Tirana <sup>6)</sup>	Albania	100%	100%	100%	100%
Pexim-Tirane Sh.p.k.	Albania	100%	100%	100%	100%
<b>Probass S.A.</b>	Romania	100%	100%	100%	100%

- 1) On 15 October 2009, the subsidiary Net Consulting S.R.L. changed its corporate name into Asseco South Eastern Europe S.R.L., which was subsequently replaced by Asseco SEE S.R.L. on 29 December 2009. The merger between the companies of Asseco SEE S.R.L. (the taking-over company) and Fiba Software S.R.L. (the acquired company) was recognized as at 31 December 2009.
- 2) On 23 November 2009, the subsidiary Pexim d.o.o. was renamed as Asseco SEE d.o.o. Beograd. On 4 January 2010, there was registered a merger of Asseco SEE d.o.o. Beograd (the taking-over company) with Pexim Cardinfo d.o.o. (the acquired company) and Antegra d.o.o. (the acquired company).
- 3) On 25 January 2010, the subsidiary Pexim DDOEL, Skopje was renamed as Asseco SEE DDOEL, Skopje.
- 4) On 4 January 2010, the subsidiary Logos d.o.o. was renamed as Asseco SEE d.o.o. On 4 January 2010, there was registered a merger of Asseco SEE d.o.o. (the taking-over company) with Arbor d.o.o. (the acquired company).
- 5) On 25 January 2010, the subsidiary Pronet Sh.p.k. was renamed as Asseco SEE Sh.p.k.
- 6) On 8 January 2010, Pronet Albania Sh.p.k was renamed as Asseco SEE Sh.p.k, Tirana.

The parent of Asseco South Eastern Europe SA is Asseco Poland SA (the higher-level parent company). As at 31 March 2010, Asseco Poland SA held a 53.46% stake in the share capital of Asseco South Eastern Europe SA.

Within the Group's organizational structure the following companies are treated as co-subsidiaries: E-Mon d.o.o., Podgorica, SIMT Cardinfo d.o.o., and Cardinfo BDS d.o.o. Whereas, Enovčanik used to be an associated company. The remaining companies incorporated within the Group are treated as subsidiaries. Asseco Poland SA holds one share of both Asseco SEE S.R.L. and Probass S.A.

As at 31 March 2010 as well as at 31 December 2009 and 31 March 2009, voting interests the Group was entitled to exercise in its subsidiary companies were proportional to the Group's equity holdings in those undertakings.

With regard to the call options embedded in the agreement for acquisition of Multicard d.o.o., under which Asseco SEE d.o.o., Beograd is entitled to buy out the remaining minority interests, the company of Multicard d.o.o. is treated as a subsidiary and is subject to full consolidation.

**X. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**1. Breakdown of sales revenues**

During the 1<sup>st</sup> quarter of 2010 and the corresponding comparative period, the operating revenues were as follows:

<b>Sales revenues by type of business</b>	<b>3 months ended 31 March 2010 (unaudited)</b>	<b>3 months ended 31 March 2009 (unaudited)</b>
Proprietary software and services	30,360	31,580
Third-party software and services	22,798	21,922
Computer hardware and infrastructure	33,193	52,832
Outsourcing	5,947	7,224
Other sales	-	1,071
	<b>92,298</b>	<b>114,629</b>

**2. Breakdown of operating costs**

	<b>3 months ended 31 March 2010 (unaudited)</b>	<b>3 months ended 31 March 2009 (unaudited)</b>
Materials and energy used (-)	(787)	(869)
Third-party work (-)	(7,106)	(7,467)
Salaries (-)	(19,503)	(17,889)
Employee benefits (-)	(3,272)	(2,708)
Depreciation and amortization (-)	(1,500)	(1,113)
Taxes and charges (-)	(173)	(114)
Business trips (-)	(1,347)	(1,057)
Other (-)	(2,472)	(337)
	<b>(36,160)</b>	<b>(31,554)</b>
<b>Cost of sales:</b>		
<i>production cost</i> (-)	(23,726)	(20,325)
<i>cost of merchandise, materials and third-party work sold (COGS)</i> (-)	(46,634)	(66,567)
<b>Selling expenses (-)</b>	<b>(4,965)</b>	<b>(4,409)</b>
<b>General administrative expenses (-)</b>	<b>(7,469)</b>	<b>(6,820)</b>

### 3. Earnings per share

	3 months ended 31 March 2010 (unaudited)	3 months ended 31 March 2009 (unaudited)
<b>Consolidated earnings per share for the period reported attributable to Shareholders of Asseco South Eastern Europe</b>		
<b>SA (in PLN):</b>		
Basic consolidated earnings per share from continuing operations for the period reported	0.16	0.33
Diluted consolidated earnings per share from continuing operations for the period reported	0.16	0.33

Basic earnings per share are computed by dividing net profit for the period reported, attributable to shareholders of the Parent Company, by the average weighted number of ordinary shares outstanding during that financial period.

Diluted earnings per share are computed by dividing net profit for the period reported, attributable to shareholders of the Parent Company, by the adjusted (due to diluting impact of potential shares) average weighted number of ordinary shares outstanding during that financial period, adjusted by the factor of conversion of bonds convertible to ordinary shares.

The below tables present net profits and numbers of shares used for calculation of basic and diluted earnings per share:

	<b>3 months ended 31 March 2010 (unaudited)</b>	<b>3 months ended 31 March 2009 (unaudited)</b>
<b>Consolidated net profit for the period reported attributable to Shareholders of the Parent Company</b>	<b>8,173</b>	<b>8,444</b>
Average weighted number of ordinary shares outstanding, used for calculation of basic earnings per share	49,561,719	25,770,009
Dilution factors	-	-
<b>Adjusted average weighted number of ordinary shares, used for calculation of diluted earnings per share</b>	<b>49,561,719</b>	<b>25,770,009</b>

Both during the period reported and the prior year's corresponding period there took place no events that would cause dilution of earnings per share.

#### 4. Factors influencing the Group's financial results

- Average exchange rates of the functional currencies of the Group subsidiaries applied in translation to the Group's presentation currency, i.e. Polish zloty;
- Negative foreign exchange differences on dividends received and on valuation of dividends receivable (although in the consolidation process dividends are excluded from consolidated earnings, foreign exchange differences are recognized in profit or loss in accordance with IFRS),
- Recognition of a provision for income tax on dividends received, in connection with withholding tax charged in the jurisdictions where the Group companies are seated and the adjustment of income tax payable to the Poland's statutory tax rate.

## 5. Non-typical events influencing the Group's financial results

During the 3 months ended 31 March 2010 there occurred no extraordinary items which would affect the financial results achieved for that period.

## 6. Significant events during the period reported

### **Mergers of subsidiary companies under the integration of the Group's organizational structure**

Under the strategy for integration of the organizational structure of the Asseco South Eastern Europe Group, we have completed business combination processes in individual countries where the Group runs its operations. The company mergers have been already described in Section IX of this condensed consolidated financial report.

### **Approval of the Plan of Merger between Probass S.A. and Asseco SEE S.R.L.**

On 25 February 2010, the General Meeting of Shareholders of Probass S.A. consented to the merger of that company (the acquired company) with Asseco SEE S.R.L. (the taking-over company). The majority stakes of shares in both the companies are held by Asseco South Eastern Europe SA (whereas, one share in each company is held by Asseco Poland SA). The Plan of Merger between those companies was signed on 18 March 2010. In line with the resolution of the General Meeting of Shareholders, the company of Probass S.A. shall be dissolved without liquidation and merged with effect from 31 May 2010.

During the 3-month period ended 31 March 2010, no other significant events took place despite those referred to above.

## 7. Information on dividends paid out or declared

The Ordinary General Meeting of Shareholders of Asseco South Eastern Europe SA seated in Rzeszów, acting on the basis of art. 395 §2 item 2) of the Polish Commercial Companies Code as well as pursuant to §12 sec. 4 item 2) of the Company's Articles of Association, by its resolution adopted on 27 April 2010, decided that the net profit for the year 2009 in the amount of PLN **16,609** thousand shall be distributed as follows:

- a) PLN **1,430** thousand shall be allocated to reserve capital pursuant to art. 396 §1 of the PCCC;
- b) PLN **9,727** thousand shall be appropriated to cover the Company's losses for the years 2007 and 2008;
- c) PLN **5,452** thousand shall be distributed among the Company's shareholders as a dividend of PLN 0.11 per share.

## 8. Goodwill arising from consolidation

	31 March 2010 (unaudited)	31 Dec. 2009 (audited)	31 March 2009 (unaudited)
Banking Solutions	155,451	164,934	145,449
Mobile Banking & Authentication	41,130	43,674	64,175
Card Business	67,756	75,075	104,885
Systems Integration	150,529	160,184	176,545
	<b>414,866</b>	<b>443,867</b>	<b>491,054</b>

During the period reported and corresponding period, the consolidation goodwill changed as follows:

	31 March 2010 (unaudited)	31 Dec. 2009 (audited)	31 March 2009 (unaudited)
<b>Consolidation goodwill at the beginning of the period</b>	<b>443,867</b>	<b>463,105</b>	<b>463,105</b>
Banking Solutions	164,934	140,523	140,523
Mobile Banking & Authentication	43,674	58,418	58,418
Card Business	75,075	98,537	98,537
Systems Integration	160,184	165,627	165,627
<b>Change in consolidation goodwill due to acquisition of shares (+/-)</b>	<b>-</b>	<b>6,514</b>	<b>12,230</b>
Banking Solutions	-	33,707	1,707
Mobile Banking & Authentication	-	(13,426)	2,505
Card Business	-	(17,585)	4,932
Systems Integration	-	3,818	3,086
<b>Foreign currency differences on translation of goodwill arising from foreign subsidiaries (+/-)</b>	<b>(29,001)</b>	<b>(25,752)</b>	<b>15,719</b>
Banking Solutions	(9,483)	(9,296)	3,219
Mobile Banking & Authentication	(2,544)	(1,318)	3,252
Card Business	(7,319)	(5,877)	1,416
Systems Integration	(9,655)	(9,261)	7,832
<b>Total book value at the end of period</b>	<b>414,866</b>	<b>443,867</b>	<b>491,054</b>

## 9. Deferred expenses

Short-term	31 March 2010 (unaudited)	31 Dec. 2009 (audited)	31 March 2009 (unaudited)
Maintenance services	2,943	2,637	1,764
Prepaid insurance	105	135	116
Prepaid subscriptions	43	222	69
Prepaid rents	18	20	21
Prepaid consulting services	30	78	31
Expenses related to issuance of shares, company acquisitions and non-cash contributions	-	42	1,133
Other	846	884	591
Revaluation charges on deferred expenses	(12)	-	-
	<b>3,973</b>	<b>4,018</b>	<b>3,725</b>

As at 31 March 2010, 31 December 2009 and 31 March 2009, deferred expenses included primarily the costs of maintenance services amounting to PLN 2,943 thousand, PLN 2,637 thousand and PLN 1,764 thousand, respectively, that will be successively expensed in the future periods. Additionally, in connection to the Group's expansion, share issuance expenses constituted a substantial portion of deferred expenses as at 31 March 2009.

## 10. Receivables

Other receivables	31 March 2010 (unaudited)	31 Dec. 2009 (audited)	31 March 2009 (unaudited)
Receivables from non-invoiced deliveries	3,271	5,504	2,954
Advance payments to other suppliers	1,656	1,080	793
Receivables from employees	4	-	-
Other receivables	2,102	2,269	889
Revaluation write-down on other doubtful receivables (-)	-	-	(14)
	<b>7,033</b>	<b>8,853</b>	<b>4,622</b>

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

## 11. Cash and cash equivalents, restricted cash

	31 March 2010 (unaudited)	31 Dec. 2009 (audited)	31 March 2009 (unaudited)
Cash at bank and in hand	23,601	83,775	28,038
Short-term deposits	76,241	20,759	17,905
Cash equivalents	59	17	10
	<b>99,901</b>	<b>104,551</b>	<b>45,953</b>
Restricted cash	157	184	-

The interest on cash at bank is calculated with variable interest rates which depend on bank overnight deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

Short-term deposits did not serve as security for any bank guarantees (of due performance of contracts and tender deposits) as at 31 March 2010, 31 December 2009 nor as at 31 March 2009.

Restricted cash served as security for the bank guarantees (of due performance of contracts and tender deposits) both as at 31 March 2010 and 31 December 2009.

## 12. Share capital

Share capital		Par value per share	31 March 2010 (unaudited)		31 Dec. 2009 (audited)		31 March 2009 (unaudited)	
Shares	Series		Number of shares	Value of shares	Number of shares	Value of shares	Number of shares	Value of shares
Ordinary registered shares	A*	0.1	5,000,000	500	5,000,000	500	5,000,000	500
Ordinary registered shares	B*	0.1	5,000,000	500	5,000,000	500	5,000,000	500
Ordinary registered shares	C*	0.1	2,567,000,900	256,700	2,567,000,900	256,700	2,567,000,900	256,700
Ordinary registered shares	D	10	25,770,009	257,700	25,770,009	257,700	25,770,009	257,700
Ordinary registered shares	E	10	956,447	9,565	956,447	9,565		
Ordinary registered shares	F	10	1,475,509	14,755	1,475,509	14,755		
Ordinary registered shares	G	10	2,708,378	27,084	2,708,378	27,084		
Ordinary registered shares	H	10	1,062,030	10,620	1,062,030	10,620		
Ordinary registered shares	I	10	1,770,609	17,706	1,770,609	17,706		
Ordinary registered shares	J	10	1,714,209	17,142	1,714,209	17,142		
Ordinary registered shares	K	10	4,590,470	45,905	4,590,470	45,905		
Ordinary registered shares	L	10	2,100,000	21,000	2,100,000	21,000		
Ordinary registered shares	M	10	4,810,880	48,109	4,810,880	48,109		
Ordinary registered shares	N	10	1,078,909	10,789	1,078,909	10,789		
Ordinary registered shares	P	10	1,524,269	15,242				
			<b>49,561,719</b>	<b>495,617</b>	<b>48,037,450</b>	<b>480,375</b>	<b>25,770,009</b>	<b>257,700</b>

\* Following a reverse stock split of series D shares

In the period reported the Company's share capital was increased by the amount of PLN 15,242 thousand through the issuance of 1,524,269 series P shares that was registered by the District Court in Rzeszów on 22 January 2010. As at 31 December 2009 the said issuance was disclosed in the line "subscribed unregistered share capital".

### 13. Long-term and current financial liabilities

<b>Long-term</b>	<b>31 March 2010 (unaudited)</b>	<b>31 Dec. 2009 (audited)</b>	<b>31 March 2009 (unaudited)</b>
Liabilities due to acquisition of shares in subsidiaries (put options)	8,725	9,658	254,639
Finance lease commitments	591	659	917
	<b>9,316</b>	<b>10,317</b>	<b>255,556</b>

Both as at 31 March 2010 and 31 December 2009, the Group carried a long-term liability under the put options held by minority shareholders of Multicard d.o.o. Such liability corresponds to the estimated present value of future payment for the remaining stake of shares in the above-mentioned company. Determination of fair value of the liability resulting from the possible exercise of stock put options was based on the following several assumptions. The Group assumes the stock put options will be exercised by all the minority shareholders, and as a consequence the Group will acquire a 100% share in profits. The concluded stock option agreement stipulates that the future payment shall be equal to the amount of audited net profit for the calendar year preceding the option exercise year, multiplied by a contractually predefined fixed rate. Net profit assumed for measurement of the aforesaid liability has been based on the most up-to-date financial forecasts for the current year and future periods. This foreign-currency liability has been restated in Polish zlotys at the exchange rate established by the National Bank of Poland on 31 March 2010 and 31 December 2009, and it amounted to PLN 8,725 thousand and PLN 9,658 thousand, respectively.

<b>Name of company</b>	<b>Earliest stock option exercise date as per the agreement</b>	<b>Assumptions concerning net earnings</b>
Multicard d.o.o.	2013-01-01	Audited net profit for the calendar year preceding the option exercise year

As at 31 March 2009, the Group reported liabilities under the put options held by minority shareholders in the companies of Pexim d.o.o., Net Consulting S.R.L., FIBA Software Srl, Arbor Informatika d.o.o., Logos d.o.o., Pexim Cardinfo d.o.o., and Antegra d.o.o. Such liabilities corresponded to the estimated present value of future payments for the additional stakes of shares in the above-mentioned companies. As a result of the execution of 'swap transactions', the contingent liabilities under the put options expired.

<b>Short-term</b>	<b>31 March 2010 (unaudited)</b>	<b>31 Dec. 2009 (audited)</b>	<b>31 March 2009 (unaudited)</b>
Liability due to dividend payment	3,757	5,920	7,368
Finance lease commitments	377	528	887
Liabilities due to acquisition of shares	2,208	2,761	3,291
Liabilities due to acquisition of shares in subsidiaries (put options)	-	-	7,487
	<b>6,342</b>	<b>9,209</b>	<b>19,033</b>

As at 31 March 2010, the Asseco South Eastern Europe Group recognized a liability in the amount of PLN 2,208 thousand by virtue of the acquisition of shares in Pronet IT Konsalting Inxhiningier Telekomunikime Sh.p.k seated in Kosovo. Liability due to dividend payment was recognized by virtue of dividends payable to the former minority shareholders of subsidiary companies.

#### **14. Interest-bearing bank credits and debt securities issued**

<b>Short-term</b>	<b>Name of entity</b>	<b>Maximum debt as at 31 March 2010</b>	<b>Maximum debt as at 31 Dec. 2009</b>	<b>Maximum debt as at 31 March 2009</b>	<b>Effective interest rate %</b>	<b>Currency</b>	<b>Date of maturity</b>	<b>31 March 2010</b>	<b>31 Dec. 2009</b>	<b>31 March 2009</b>
Current account credit	Volksbank	-	-	197	n/a	EUR	n/a	n/a	n/a	-
Current account credit	NLB Tutunska Banka AD Skopje	63	67	n/a	19.5%	MKD	2010-03-31	20	16	n/a
Current account credit	NLB Tutunska Banka AD Skopje	13	13	44	15%	MKD	2010-03-31	-	1	42
Current account credit	Nova Ljubljanska Banka	1,545	1,643	n/a	n/a	EUR	2010-11-23	-	-	n/a
Current account credit	Alpha Bank Unirii	7,736	8,201	9,417	3M LIBOR +margin 3M BUBOR +margin	multi-currency	2010-07-15	-	-	-
		<b>9,357</b>	<b>9,924</b>	<b>9,658</b>				<b>20</b>	<b>17</b>	<b>42</b>
<b>Other short-term credits</b>		<b>Maximum debt as at 31 March 2010</b>	<b>Maximum debt as at 31 Dec. 2009</b>	<b>Maximum debt as at 31 March 2009</b>	<b>Effective interest rate %</b>	<b>Currency</b>	<b>Date of maturity</b>	<b>31 March 2010</b>	<b>31 Dec. 2009</b>	<b>31 March 2009</b>
Investment credit	Volksbank	-	-	2,821	n/a	EUR	n/a	n/a	n/a	183
Operating credit facility	Komercijalna Banka A.D.	95	105	116	12.25%	MKD	2010-06-03	-	105	116
Operating credit facility	Nova Ljubljanska banka	-	411	470	0	EUR	n/a	-	-	n/a
Operating credit facility	Nova Ljubljanska banka	n/a	n/a	470	n/a	EUR	n/a	n/a	n/a	85
Loan	Minority shareholders	3,711	4,104	720	0	RSD	2010-09-30	2,950	3,136	720
Loan	Minority shareholders	35	37	180	7%	BGN	2010-10-13	35	37	180
Loan	Minority shareholders	35	37	3,904	7%	BGN	2010-10-12	35	37	947
Loan	Minority shareholders	44	47	n/a	7%	BGN	2010-10-14	44	47	n/a
		<b>3,920</b>	<b>4,741</b>	<b>8,681</b>				<b>3,064</b>	<b>3,362</b>	<b>2,231</b>

**Interest-bearing bank credits and debt securities issued (continued)**

Long-term credits	Name of entity	Maximum debt as at 31 March 2010	Maximum debt as at 31 Dec. 2009	Maximum debt as at 31 March 2009	Effective interest rate %	Currency	Date of maturity	31 March 2010	31 Dec. 2009	31 March 2009
Loans	Volksbank	n/a	n/a	2,821	n/a	EUR	n/a	n/a	n/a	2,228
Investment credit	EBRD	27,035	28,757	n/a	3M EURIBOR + margin	EUR	2016-01-31	-	-	n/a
		<b>27,035</b>	<b>28,757</b>	<b>2,821</b>				-	-	<b>2,228</b>

As at 31 March 2010, total liabilities of the Asseco South Eastern Europe Group under all the credits taken out and debt securities issued aggregated at PLN 4,901 thousand, of which PLN 1,817 thousand were directly related to assets classified as held for sale and were presented in a separate line of the balance sheet. As at 31 December 2009 such liabilities totalled at PLN 5,359 thousand, of which PLN 1,980 thousand were related to assets classified as held for sale. Whereas, as at 31 March 2009 such liabilities amounted to PLN 4,501 thousand.

As at 31 March 2010, total funds available to the Asseco South Eastern Europe Group under credit facilities in current accounts, operating and investment credits, and loans reached approx. PLN 40,312 thousand (vs. PLN 43,422 thousand available as at the end of 2009, and PLN 21,160 thousand as at 31 March 2009). As at the end of the period reported, the Group has drawn PLN 20 thousand from the current account credit facilities (vs. PLN 17 thousand utilized as at the end of the prior year, and PLN 42 thousand as at 31 March 2009). The Group's liabilities under other credits and loans amounted to PLN 3,064 thousand as at 31 March 2010 (vs. PLN 3,362 thousand as 31 December 2009, and PLN 4,459 thousand as at 31 March 2009).

Both as at 31 March 2010 and 31 December 2009, tangible fixed assets and intangible assets did not serve as security for any bank credits contracted by the Group.

As at 31 March 2009, tangible fixed assets and intangible assets with the book value of PLN 3,187 thousand served as security for bank credits taken out. As at 31 March 2009, liabilities under the credits secured with those assets amounted to PLN 2,412 thousand.

As at 31 March 2010, 31 December 2009, and 31 March 2009, inventories did not serve as security for any bank credits taken out by the Group.

As at 31 March 2010, current receivables and future receivables in the amount of PLN 1,049 thousand served as security for bank credits and guarantee facilities. As at 31 March 2010, there were no liabilities under the credits secured with those assets.

As at 31 December 2009, current receivables and future receivables in the amount of PLN 4,040 thousand served as security for bank credits and guarantee facilities. As at 31 December 2009, there were no liabilities under the credits secured with those assets.

As at 31 March 2009, receivables did not serve as security for any bank credits and guarantee facilities.

Additionally, as at 31 March 2010, assets classified as held for sale with the book value of PLN 2,435 thousand served as security for a bank credit taken out. Liability by virtue of that credit as at 31 March 2010 amounted to PLN 1,817 thousand and has been presented in a separate line of the balance sheet.

As at 31 December 2009, assets classified as held for sale with the book value of PLN 2,695 thousand served as security for a bank credit taken out. Liability by virtue of that credit as at 31 December 2009 amounted to PLN 1,980 thousand and has been presented in a separate line of the balance sheet.

As at 31 March 2009, no assets classified as held for sale were reported.

## 15. Liabilities

Other current liabilities	31 March 2010 (unaudited)	31 Dec. 2009 (audited)	31 March 2009 (unaudited)
Liabilities to employees relating to salaries and wages	2,691	738	3,391
Liabilities due to non-invoiced deliveries	392	2,813	3
Trade prepayments received	7,025	6,887	12,413
Other liabilities	189	498	865
	<b>10,297</b>	<b>10,936</b>	<b>16,672</b>

Other liabilities include basically the amounts of non-invoiced deliveries. Other liabilities are not interest-bearing.

## 16. Accrued expenses and unearned revenues

Short-term accrued expenses	31 March 2010 (unaudited)	31 Dec. 2009 (audited)	31 March 2009 (unaudited)
Provision for unutilized holiday leaves	207	72	108
Provision for the employee bonuses	4,868	5,605	6,100
Provision for non-invoiced costs	3,074	3,238	809
Provision for the audit of financial statements	161	708	453
	<b>8,310</b>	<b>9,623</b>	<b>7,470</b>

Accrued expenses comprise mainly provisions for unutilized holiday leaves, provisions for salaries and wages of the current period to be paid out in future periods, which result from the bonus schemes applied by the Asseco South Eastern Europe Group, as well as provisions for the current operation expenses which have been incurred but not yet invoiced.

Short-term deferred income	31 March 2010 (unaudited)	31 Dec. 2009 (audited)	31 March 2009 (unaudited)
Maintenance services	6,055	5,822	4,752
Prepayments received	847	5,743	625
Other	813	1,146	-
	<b>7,715</b>	<b>12,711</b>	<b>5,377</b>

The balance of deferred income relates mainly to prepayments for provision of services such as maintenance and IT services.

## 17. Assets available for sale

<b>Assets</b>	<b>31 March 2010</b> (unaudited)	<b>31 Dec. 2009</b> (audited)	<b>31 March 2009</b> (unaudited)
Property, plant and equipment	2,435	2,695	-
<hr/>			
<b>Liabilities</b>	<b>31 March 2010</b> (unaudited)	<b>31 Dec. 2009</b> (audited)	<b>31 March 2009</b> (unaudited)
Liabilities directly related to fixed assets classified as held for sale	1,817	1,980	-
	<b>1,817</b>	<b>1,980</b>	-

Under the agreement of 21 May 2008 concluded between Asseco South Eastern Europe SA and minority shareholders in Antegra d.o.o., the minority shareholders were provided with a right to acquire from Antegra d.o.o. the below mentioned assets and liabilities in the period till 30 June 2010:

1. the building situated at 37-39 Vojvode Mišića Str., with the value of PLN 2,435 thousand as at the balance sheet date,
2. the investment credit granted for purchase of the above-mentioned property, with the value of PLN 1,817 thousand as at 31 December 2009.

As the minority shareholders requested the execution of the above-mentioned right, the assets and liabilities subject to the agreement were classified as held for sale.

## 18. Transactions with related companies

Until the date of approval of these interim condensed consolidated financial statements, Asseco South Eastern Europe SA 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.

As a result of transactions conducted in the prior reporting periods, as at 31 March 2010 the Group had a liability towards the companies of Liatris d. o.o. and I4 Invention d.o.o., by virtue of a non-interest-bearing loan of PLN 2,950 thousand. As at 31 December 2009, this liability equalled PLN 3,136 thousand, while as at 31 March 2009 it amounted to PLN 720 thousand. 100% of shares in Liatris d.o.o. are owned by Mihail Petreski, Member of the Supervisory Board of Asseco South Eastern Europe SA. The company I4 Invention d.o.o. is a shareholder in Asseco South Eastern Europe SA; whereas, Member of the Management Board of Asseco South Eastern Europe SA, namely Miodrag Mirčetić is a shareholder in I4 Invention d.o.o.

## 19. Off-balance-sheet liabilities concerning related companies

During the 3 months ended 31 March 2010 neither the Issuer nor any of its subsidiaries granted any bank credit/loan sureties or guarantees to any single entity or their subsidiary, where the aggregate value of all the existing sureties or guarantees extended to such entity would equal at least 10% of the Issuer's equity.

### Employment

<b>Average Group workforce in the reporting period</b>	<b>3 months ended 31 March 2010</b>	<b>3 months ended 31 March 2009</b>

	<b>(unaudited)</b>	<b>(unaudited)</b>
Management Board of the Parent Company*	6	3
Management Boards of the Group companies	17	25
Production departments	570	464
Maintenance departments	180	189
Sales departments	75	65
Administration departments	142	113
Other employees	16	24
	<b>1,006</b>	<b>883</b>

<b>The Group workforce as at</b>	<b>31 March 2010 (unaudited)</b>	<b>31 Dec. 2009 (audited)</b>	<b>31 March 2009 (unaudited)</b>
Management Board of the Parent Company*	6	6	3
Management Boards of the Group companies	12	22	25
Production departments	575	538	459
Maintenance departments	182	191	190
Sales departments	77	76	66
Administration departments	145	142	119
Other employees	15	25	24
	<b>1,012</b>	<b>1,000</b>	<b>886</b>

\* In 2009 members of the Management Board of Asseco South Eastern Europe SA were not employed by the Parent Company. All of them performed their functions by virtue of an assignment from the Supervisory Board; whereas, in the period reported ended 31 March 2010, Piotr Jeleński and Rafał Kozłowski acted as members of the Management Board of Asseco South Eastern Europe SA on the basis of work contracts. The remaining members of the Company's Management Board performed their functions under an assignment.

<b>Numbers of employees in the Group companies as at</b>	<b>31 March 2010 (unaudited)</b>	<b>31 Dec. 2009 (audited)</b>	<b>31 March 2009 (unaudited)</b>
Asseco South Eastern Europe SA	8	2	3
Asseco SEE S.R.L., 1)	156	158	166
Asseco SEE d.o.o., Beograd <sup>2)</sup>	641	642	636
Asseco SEE d.o.o. <sup>3)</sup>	83	82	81
Asseco SEE Sh.p.k. <sup>4)</sup>	92	86	n/a
Probass S.A.	32	30	n/a
	<b>1,012</b>	<b>1,000</b>	<b>886</b>

- 1) The merger between the companies of Asseco SEE S.R.L. (former Net Consulting S.R.L.; the taking-over company) and Fibra Software S.R.L. (the acquired company) was registered on 5 January 2010; whereas, for accounting purposes it was recognized as at 31 December 2009. For the sake of comparability, financial data of both the merged companies have been presented in aggregate as at 31 December 2009 and 31 March 2010.
- 2) On 4 January 2010, there was registered a merger of Asseco SEE d.o.o. Beograd (former Pexim d.o.o.; the taking-over company) with the companies of Pexim Cardinfo d.o.o. (the acquired company) and Antegra d.o.o. (the acquired company). For the sake of comparability, financial data of both the merged companies have been presented in aggregate as at 31 December 2009 and 31 March 2010.
- 3) On 4 January 2010, there was registered a merger of Asseco SEE d.o.o. (former Logos d.o.o.; the taking-over company) with Arbor Informatika d.o.o. (the acquired company). For the sake of comparability, financial data of both the merged companies have been presented in aggregate as at 31 December 2009 and 31 March 2010.
- 4) On 25 January 2010, the subsidiary Pronet Sh.p.k. was renamed as Asseco SEE Sh.p.k.

## 21. Off-balance-sheet liabilities in favour of other companies

Within its commercial activities the Asseco South Eastern Europe Group uses bank guarantees, letters of credit, contract performance guarantees as well as tender deposits as forms of securing its business transactions with miscellaneous organizations,

companies and administration bodies. The related contingent liabilities equalled PLN 8,625 thousand and PLN 11,469 thousand as at 31 March 2010 and 31 December 2009, respectively, while no such liabilities were recognized as at 31 March 2009.

As at 31 March 2009, inventories with the book value of PLN 3,324 thousand as well as current and future receivables in the amount of PLN 1,049 thousand served as security for bank guarantee facilities. As at 31 March 2010, the relevant contingent liabilities amounted to PLN 5,948 thousand.

As at 31 December 2009, inventories with the book value of PLN 3,075 thousand as well as current and future receivables in the amount of PLN 4,040 thousand served as security for bank guarantee facilities. As at 31 December 2009, the related contingent liabilities amounted to PLN 8,343 thousand.

As at 31 March 2009, inventories with the book value of PLN 3,295 thousand served as security for bank guarantee facilities. As at 31 March 2009, no relevant contingent liabilities were recognized.

As at 31 March 2010, restricted cash up to the amount of PLN 157 thousand served as security for the bank guarantees (of due performance of contracts and tender deposits).

As at 31 March 2009, restricted cash up to the amount of PLN 184 thousand served as security for the bank guarantees (of due performance of contracts and tender deposits).

As at 31 March 2010, 31 December 2009 and 31 March 2009, the Group was a party to a number of rental, leasing and other contracts of similar nature, resulting in the following future payments:

<b>Liabilities under lease of space</b>	<b>31 March 2010 (unaudited)</b>	<b>31 Dec. 2009 (audited)</b>	<b>31 March 2009 (unaudited)</b>
In the period up to 1 year	6,911	9,944	6,801
In the period from 1 to 5 years	25,955	24,108	23,176
	<b>32,866</b>	<b>34,052</b>	<b>29,977</b>
<b>Liabilities under operating lease of property, plant and equipment</b>	<b>31 March 2010 (unaudited)</b>	<b>31 Dec. 2009 (audited)</b>	<b>31 March 2009 (unaudited)</b>
In the period up to 1 year	240	236	172
In the period from 1 to 5 years	350	682	808
	<b>590</b>	<b>918</b>	<b>980</b>

**22. Information on pending legal proceedings concerning liabilities or receivables of Asseco South Eastern Europe SA or its subsidiary companies**

During the period reported no proceedings were instituted or pending before any court, arbitration authority or public administration authority, concerning any liabilities or receivables of Asseco South Eastern Europe SA or its subsidiary companies, whose aggregate value would equal or exceed 10% of the Company's equity.

**23. Seasonal and cyclical nature of business**

The Group's activities are subject to seasonality in terms of uneven distribution of turnover 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 licences usually in the last quarter.

**24. Capital expenditures**

During the 1<sup>st</sup> quarter of 2010 the Group incurred capital expenditures of PLN 1,098 thousand, of which PLN 1,071 thousand were spent for non-financial fixed assets.

During the 1<sup>st</sup> quarter of 2009 the Group incurred capital expenditures of PLN 6,957 thousand, of which PLN 671 thousand were spent for non-financial fixed assets.

**25. Opinion on feasibility of the Management Board financial forecasts for the year 2010**

The Management Board of Asseco South Eastern Europe SA did not publish any financial forecasts for 2010.

**26. Issuance, redemption and repayment of non-equity and equity securities**

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

**27. Factors which in the Management's opinion may affect the Group's financial performance at least till the end of this financial year**

In the opinion of the Management Board of Asseco South Eastern Europe SA, the Group's current financial standing, its production potential and market position pose no threats to continued operations and growth throughout 2010. However, there are numerous factors, both internal and external, which may directly or indirectly affect the Group's financial performance in the next quarters.

The external factors with a bearing on the future performance of the Asseco South Eastern Europe Group include:

- economic growth in the region of South Eastern Europe;
- condition of the IT market in the SEE region;
- consolidation and development of the banking sector in the SEE countries;
- prospects for expansion of the Group's foreign operations and its product portfolio in connection with the planned acquisitions;
- ability to capture the market niches;
- availability of the EU funds in Romania and Bulgaria;
- implementation of the public administration informatization processes in order to upgrade the quality and functionality of their services to the European Union requirements;
- inflation and fluctuations in the foreign exchange rates (primarily of euro, but also the currencies of the countries where the Group operates);

- more and more severe competition both from the local players and international IT corporations, which is observed especially when it comes to execution of large and prestigious contracts;
- changes in the credit standing, financial liquidity, and availability of credit financing for clients;
- opportunities and risks resulting from relatively rapid technological changes and innovations in the IT market.

The internal factors with a bearing on the future performance of the Asseco South Eastern Europe Group include:

- high quality and comprehensive offering of the Asseco South Eastern Europe Group;
- research and development expenditures;
- committed and experienced managerial staff;
- plenty of experience in the execution of complex IT projects involving provision of diversified services in broad geographical regions;
- effective activities of the sales and marketing force;
- opportunities for the execution of complex information technology projects carried out under long-term agreements;
- implementation of the Group's business strategy involving expansion into new foreign markets;
- successful finalization of the intended company acquisitions.

## **28. Other factors significant for assessment of the Group's human resources, assets, and financial position**

Except for those mentioned above, the Asseco South Eastern Europe Group is not aware of any information, the disclosure of which might significantly affect the assessment of human resources, assets, and financial position of the Group.

## **29. Significant events after the balance sheet date**

In the period from 31 March 2010 till the date of approval of these interim condensed consolidated financial statements, i.e. till 11 May 2010, there took place no significant events, the disclosure of which might significantly affect the assessment of human resources, assets, and financial position of the Asseco South Eastern Europe Group.

## **30. Significant events related to prior years**

Until the date of preparing these interim condensed consolidated financial statements for the period of 3 months ended 31 March 2010, this is until 11 May 2010, there occurred no significant events related to prior years, which have not but should have been included in the accounting books.



**ASSECO SOUTH EASTERN EUROPE SA  
SEPARATE FINANCIAL DATA  
FOR THE 1<sup>ST</sup> QUARTER OF 2010**

**Rzeszów, 11 May 2010**

## FINANCIAL HIGHLIGHTS OF THE ASSECO SOUTH EASTERN EUROPE SA

	3 months ended 31 March 2010 (unaudited)	3 months ended 31 March 2009 (unaudited)	3 months ended 31 March 2010 (unaudited)	3 months ended 31 March 2009 (unaudited)
	PLN '000	PLN '000	EUR '000	EUR '000
I. Dividend income	-	-	-	-
II. Operating loss	(533)	(41)	(134)	(9)
III. Pre-tax loss	(598)	(352)	(151)	(77)
IV. Net loss for the period reported	<b>(576)</b>	<b>(351)</b>	<b>(145)</b>	<b>(76)</b>
V. Net cash provided by (used in) operating activities	(1,831)	(1,765)	(462)	(384)
VI. Net cash provided by (used in) investing activities	34	13	9	3
VII. Net cash provided by (used in) financing activities	-	-	-	-
VIII. Cash and cash equivalents at the end of period	46,217	1,139	11,966	242
IX. Basic net loss per ordinary share for the period reported	(0.01)	(0.01)	(0.00)	(0.00)
X. Diluted net loss per ordinary share for the period reported	(0.01)	(0.01)	(0.00)	(0.00)

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

- items of the interim condensed profit and loss account and statement of cash flows were translated into Euro 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 rates were as follows:
  - for the period from 1 January 2010 to 31 March 2010: EUR 1 = PLN 3.9669
  - for the period from 1 January 2009 to 31 March 2009: EUR 1 = PLN 4.5994
- the Company's cash and cash equivalents as at the end of period reported and the corresponding period of the previous year have been translated into Euro at the mid exchange rates as published by the National Bank of Poland. These rates were as follows:
  - exchange rate effective on 31 March 2010: EUR 1 = PLN 3.8622
  - exchange rate effective on 31 March 2009: EUR 1 = PLN 4.7013

CONDENSED PROFIT AND LOSS ACCOUNT  
 ASSECO SOUTH EASTERN EUROPE SA

	3 months ended 31 March 2010 (unaudited)	3 months ended 31 March 2009 (unaudited)
<b>Dividend income</b>	-	-
<b>Cost of sales (-)</b>	-	-
<b>Gross profit (loss) on sales</b>	-	-
Selling expenses (-)	-	-
General administrative expenses (-)	(709)	(42)
<b>Net loss on sales</b>	<b>(709)</b>	<b>(42)</b>
Other operating income	959	1
Other operating expenses (-)	(783)	-
<b>Operating loss</b>	<b>(533)</b>	<b>(41)</b>
Financial income	87	13
Financial expenses (-)	(152)	(324)
<b>Pre-tax loss</b>	<b>(598)</b>	<b>(352)</b>
Corporate income tax (current and deferred portions)	22	1
<b>Net loss for the period reported</b>	<b>(576)</b>	<b>(351)</b>
<hr/>		
<b>Net loss per share (in PLN):</b>		
on continuing operations for the period reported - basic	(0.01)	(0.01)
on continuing operations for the period reported - diluted	(0.01)	(0.01)

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
ASSECO SOUTH EASTERN EUROPE SA**

	<b>3 months ended 31 March 2010 (unaudited)</b>	<b>3 months ended 31 March 2009 (unaudited)</b>
<b>Net loss for the period reported</b>	<b>(576)</b>	<b>(351)</b>
<b>Other comprehensive income:</b>		
Hedges of cash flows	(1,905)	-
<b>Total other comprehensive income</b>	<b>(2,481)</b>	<b>(351)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>(2,481)</b>	<b>(351)</b>

**CONDENSED BALANCE SHEET  
ASSECO SOUTH EASTERN EUROPE SA**

<b>ASSETS</b>	<b>31 March 2010</b> (unaudited)	<b>31 Dec. 2009</b> (audited)	<b>31 March 2009</b> (unaudited)
<b>Fixed assets</b>	<b>490,256</b>	<b>490,601</b>	<b>243,733</b>
Property, plant and equipment	5	-	-
Investments in subsidiary companies	489,893	490,281	243,733
Deferred income tax assets	324	301	-
Long-term deferred expenses	34	19	-
<b>Current assets</b>	<b>53,054</b>	<b>55,267</b>	<b>7,472</b>
Inventories	-	700	-
Deferred expenses	447	489	1,133
Trade accounts receivable	1,154	1,125	-
Receivables from the State budget	4,922	4,611	5,200
Other receivables	314	328	-
Cash and short-term deposits	46,217	48,014	1,139
<b>TOTAL ASSETS</b>	<b>543,310</b>	<b>545,868</b>	<b>251,205</b>

**CONDENSED BALANCE SHEET  
ASSECO SOUTH EASTERN EUROPE SA**

<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>31 March 2010</b>	<b>31 Dec. 2009</b>	<b>31 March 2009</b>
	(unaudited)	(audited)	(unaudited)
<b>Shareholders' equity</b>			
Share capital	495,617	480,375	257,700
Share premium	37,409	26,790	-
Subscribed unregistered share capital	-	25,897	-
Revaluation capital	(2,974)	(1,069)	-
Prior years' retained earnings (deficit) and current net profit	6,305	6,881	(10,079)
<b>Total shareholders' equity</b>	<b>536,357</b>	<b>538,874</b>	<b>247,621</b>
<b>Long-term liabilities</b>			
Long-term deferred income	44	24	-
<b>Current liabilities</b>	<b>6,909</b>	<b>6,970</b>	<b>3,584</b>
Trade accounts payable	2,552	1,968	11
Liabilities to the State budget	44	21	2
Financial liabilities	2,208	2,761	3,291
Other liabilities	10	-	-
Provisions	1,228	1,177	-
Deferred income	672	238	-
Accrued expenses	195	805	280
<b>TOTAL LIABILITIES</b>	<b>6,953</b>	<b>6,994</b>	<b>3,584</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>543,310</b>	<b>545,868</b>	<b>251,205</b>

**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**ASSECO SOUTH EASTERN EUROPE SA**

	Share capital	Share premium	Subscribed unregistered share capital	Revaluation capital	Prior years' retained earnings (deficit) and current net profit	Total shareholders' equity
<b>As at 1 January 2010</b>	<b>480,375</b>	<b>26,790</b>	<b>25,897</b>	<b>(1,069)</b>	<b>6,881</b>	<b>538,874</b>
Total comprehensive income for the period reported	-	-	-	(1,905)	(576)	(2,481)
Issuance of series P shares	15,242	10,619	(25,897)	-	-	(36)
<b>As at 31 March 2010 (unaudited)</b>	<b>495,617</b>	<b>37,409</b>	<b>-</b>	<b>(2,974)</b>	<b>6,305</b>	<b>536,357</b>
<b>As at 1 January 2009</b>	<b>257,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,728)</b>	<b>247,972</b>
Total comprehensive income for the period reported	-	-	-	(1,069)	16,609	15,540
Issuance of series E shares	9,565	-	-	-	-	9,565
Issuance of series F shares	14,755	-	-	-	-	14,755
Issuance of series G shares	27,084	-	-	-	-	27,084
Issuance of series H shares	10,620	-	-	-	-	10,620
Issuance of series I shares	17,706	-	-	-	-	17,706
Issuance of series J shares	17,142	-	-	-	-	17,142
Issuance of series K shares	45,905	-	-	-	-	45,905
Issuance of series L shares	21,000	8,400	-	-	-	29,400
Issuance of series M shares	48,109	11,766	-	-	-	59,875
Issuance of series N shares	10,789	6,624	-	-	-	17,413
Issuance of series P shares	-	-	25,897	-	-	25,897
<b>As at 31 December 2009 (audited)</b>	<b>480,375</b>	<b>26,790</b>	<b>25,897</b>	<b>(1,069)</b>	<b>6,881</b>	<b>538,874</b>

**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**ASSECO SOUTH EASTERN EUROPE SA (continued)**

	Share capital	Share premium	Subscribed unregistered share capital	Revaluation capital	Prior years' retained earnings (deficit) and current net profit	Total shareholders' equity
<b>As at 1 January 2009</b>	<b>257,700</b>		-	-	<b>(9,728)</b>	<b>247,972</b>
Total comprehensive income for the period reported	-		-	-	<b>(351)</b>	<b>(351)</b>
<b>As at 31 March 2009 (unaudited)</b>	<b>257,700</b>		-	-	<b>(10,079)</b>	<b>247,621</b>

**CONDENSED STATEMENT OF CASH FLOWS  
ASSECO SOUTH EASTERN EUROPE SA**

	<b>3 months ended 31 March 2010 (unaudited)</b>	<b>3 months ended 31 March 2009 (unaudited)</b>
<b>Cash flows - operating activities</b>		
Pre-tax loss	(598)	(352)
<b>Total adjustments:</b>	<b>(1,233)</b>	<b>(1,413)</b>
Change in inventories	700	-
Change in receivables	(326)	(217)
Change in liabilities	437	(948)
Change in deferred and accrued expenses	(129)	(605)
Change in provisions	51	-
Interest income and expense	(61)	(13)
Gain (loss) on foreign exchange differences	(1,905)	370
<b>Net cash generated from operating activities</b>	<b>(1,831)</b>	<b>(1,765)</b>
Corporate income tax paid	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>(1,831)</b>	<b>(1,765)</b>
<b>Cash flows - investing activities</b>		
Acquisition of subsidiary companies	(27)	-
Interest received	61	13
<b>Net cash provided by (used in) investing activities</b>	<b>34</b>	<b>13</b>
<b>Cash flows - financing activities</b>		
<b>Net cash provided by (used in) financing activities</b>	<b>-</b>	<b>-</b>
Net change in cash and cash equivalents	(1,797)	(1,752)
Cash and cash equivalents as at 1 January	48,014	2,891
<b>Cash and cash equivalents as at 31 March</b>	<b>46,217</b>	<b>1,139</b>