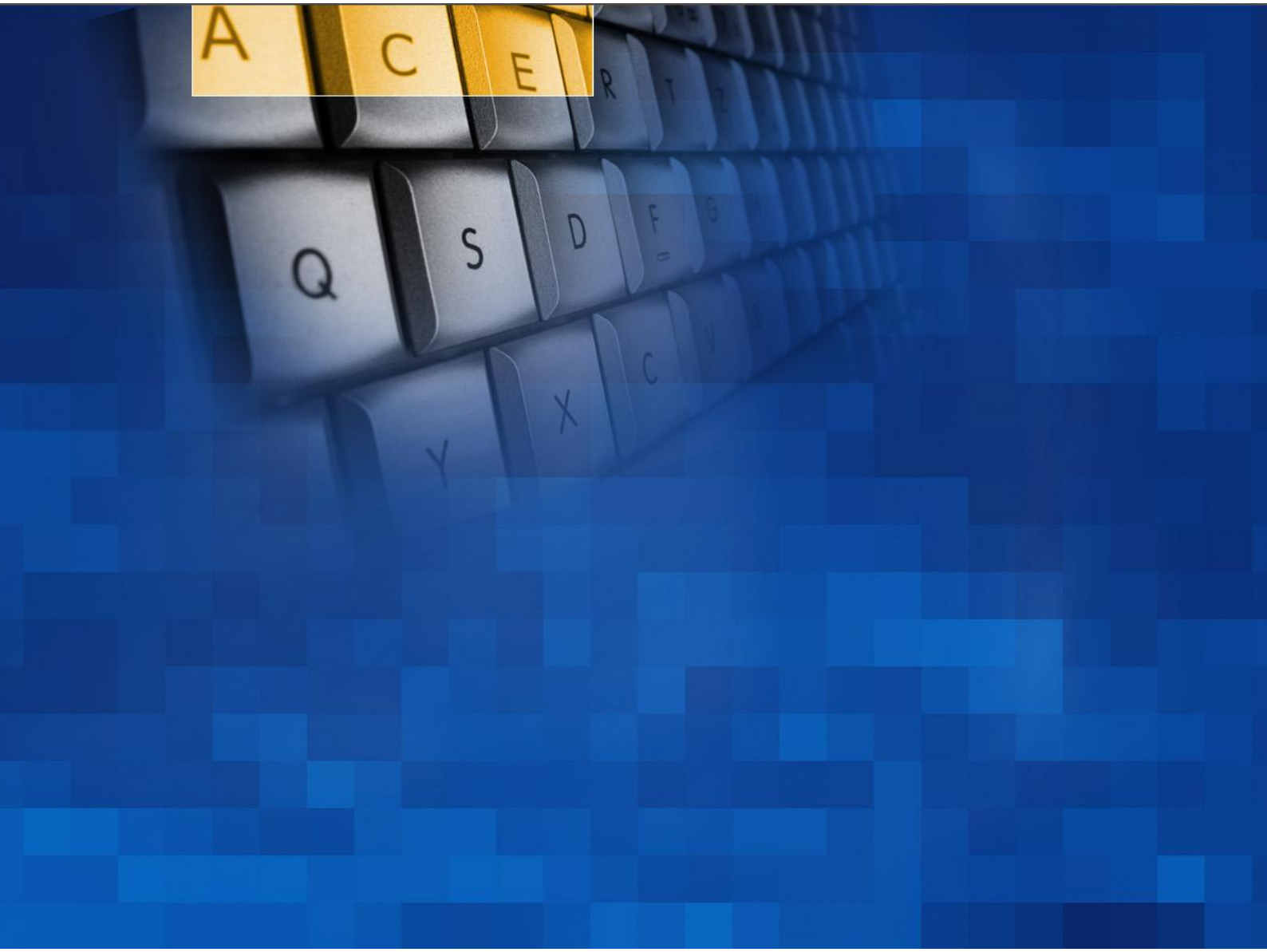
asseco CENTRAL EUROPE

Solutions for Demanding Business



ANNUAL REPORT 2011

CHAIRMAN´S LETTER
MANAGEMENT REPORT
SELECTED CONSOLIDATED FINANCIAL DATA
CORPORATE GOVERNANCE
STANDALONE FINANCIAL STATEMENTS

8 March 2012

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I. CHAIRMAN´S LETTER

Dear colleagues, shareholders and investors, dear friends,

The first months of 2012 have already passed, and it seems to me that each day goes by faster than those before it.

Exactly one year ago, I stated here that following the elections held in mid-2010 we expected in both the Czech and Slovak government sectors a "*liberalisation of conditions for acquisitions, increased transparency and above all the creation of a competitive climate in which many more firms (including us) will have more opportunities than had been the case in the past".*

And how did it turn out? Well, our expectations were far from fulfilled.

During 2011, public IT contracts nearly vanished from Slovakia. We were expecting them particularly in the fourth quarter and believed several large tenders would be called. Our government fell, however, and again everything slowed to a halt. It seems as if certain state institutions have stopped working, and the expected public contracts are no longer on the schedule and will not be for the foreseeable future. Everyone is waiting for the March elections! Slovakia's political scene, on the other hand, is teeming with scandals, the investigation of which is being awaited by journalists, politicians, as well as the common people like us. In the Czech Republic, too, the political climate is far from ideal. Frequent personnel changes at ministries and the steamy topic of corruption do not in any way contribute to accelerating today's already strained schedule for drawing European funds. Despite these sceptical statements about the state sector, 2011 marked one of the best periods in the past four years for the Czech arm of Asseco Central Europe and the Public Business Unit (BU). We won a public tender to deliver one of the basic registries – the **Registry of Rights and Obligations (RRO)** – and upon signing the contract with the Ministry of the Interior of the Czech Republic this project became one of our Company's driving projects for 2011–2012.

Last year, I addressed you with these words: "*I believe that together we can create the climate and conditions that will lead to steady growth for Asseco CE in both countries. I have faith in the consolidation of the Czech part of the Company and in our business potential, which I feel will bring us new projects, success from those projects and ultimately the joy brought from a job well done together."*

And did this come to pass? Not only do I think it has, I know for a fact that it has.

For 2011, we had laid out several important objectives at Asseco CE. I am pleased to report that we nearly managed to fulfil many of them:

To acquire at least one prominent new customer in each of the Czech and Slovak republics

The most important contract for Asseco CE in 2011 was, and still is, the aforementioned RRO project for the **Ministry of the Interior of the Czech Republic (MICR)** of nearly EUR 17 million for the Public BU. The RRO project will continue into 2012. In addition to MICR, we also acquired as a client the **Vysočina Regional Office** for which we are supplying a BI project. The Building Savings Division again concluded a contract with **Českomoravská stavební spořitelna** for supply of the StarBUILD solution.

In Slovakia, our new customers are the **Ministry of Transport**, for which we implemented the Smart Traffic System in 2011 as part of the NSDI project, and the **National Highway Company**, for which we supply SAP consultation services.

To supply our customers with contracted projects in the required quality

Customers become more demanding each year, requiring higher quality of services while expecting a lower rate of errors. We did not manage to carry out all implemented projects on time, and thus we must openly admit that there is still room for improvement. In 2012, we will need to focus on stronger quality testing. Although we did not deliver the projects for Wüstenrot in the Czech Republic in the agreed time, we believe that with StarINS initiated in January we will also manage to initiate StarBUILD as from 1 March 2012.

Nevertheless, we did successfully implement and conclude many projects last year. These indisputably include the KIS project for the Supreme Audit Office, integrated traffic system within the NSDI for the City of Trnava, the registry of persons for the Czech Statistical Office, StarBUILD II for Česká Spořitelna's constructions savings Company, as well as logistics projects for Vodafone and T-Mobile. Many other partial implementations also were successful, and, both on my own behalf as well as that of the management, I would like to thank all of you for your contributions.

To fulfil the budget of Asseco CE

The audited financial results of Asseco Central Europe in the Czech Republic and Slovakia show that in 2011 we achieved **10%** higher revenues versus 2010 and we even surpassed the budgeted revenues for 2011 by **8%.** Earnings before interest and taxes (EBIT) for 2011 were **2%** higher than the budgeted EBIT.

And once again I am pleased to state that Asseco in the Czech Republic contributed significantly to Asseco CE's financial results, achieving profitability comparable to that of Asseco CE in Slovakia and in proportion to the overall results achieved.

To form a functional Board of Directors of Asseco CE

In January, Public BU Director **Radek Levíček** was appointed to the Board of Directors of Asseco CE in the Czech Republic. In February, the Czech branch was reinforced with two new managers – **Miroslav Řezníček** as Country Manager and **David Stoppani** as Sales Director. After initiation and acquiring Secret level clearance, both gentlemen were appointed members of the Board of Directors of the Czech Asseco CE. The last person appointed to a statutory position was **Hana Bečková** (Chief Financial Officer CZ), who became Company secretary.

The Slovak Board of Directors also was reinforced by two new members in 2011: **Tomáš Osuský** (Business Development Director) and **Marek Grác** (Healthcare BU Director). **Branislav Tkáčik** (Chief Financial Officer) became Company secretary for Asseco CE SK. These appointments by the Supervisory Board brought membership in the Board up to the full count of five members. I believe my colleagues in the Board of Directors will confirm with their work and attitude that they were the right choices for their appointments and that they will significantly help Asseco CE to achieve top performance and, last but not least, to continue in step with the results and targets reached in 2011.

The difficult task of searching for new customers and projects again awaits us in 2012. In Slovakia, we are faced with early elections and the subsequent lengthy post-election formation of state institutions' managements. In the Czech Republic, we would like to follow up on the successes of 2011 and thus confirm the stability of Asseco CE CZ's development. We are anticipating new internal projects within the entire Asseco Group for enhancing group integrity in 2012. In addition to existing Business Units in the group, a new HR project entitled "Corporate Spirit" is under preparation. The project aims to formulate values for the Company and Asseco Group as a whole and to introduce a united spirit and principles throughout Asseco Group.

Dear colleagues and friends,

Thank you for your efforts in 2011. I wish you all the best in 2012 and an abundance of good luck, health, strength and the strong nerves to endure in carrying out complicated

tasks in the projects ahead. I also wish you the calm and energy necessary to overcome any hardships you may face in your social and personal lives. May you fare at least as well in 2012 as in 2011. May our teamwork bring us pleasant moments and may we fulfil the satisfaction of our customers.

Jozef Klein

CEO and Chairman of the Board of Directors

II. MANAGEMENT REPORT

1 COMPANY PROFILE

Asseco Central Europe ("Asseco CE", "the Company") is a member of the international Asseco Group, one of the leading software houses in Europe.

1.1 History

The Company operates on market since 1990. The original name of the Company, ASSET Ltd., was changed in February 1999 to ASSET Soft, since the owners decided to transform the Company into a joint-stock Company and to separate software development from other activities. By the end of 2004, a strategic partnership between ASSET Soft and Comp Rzeszów (later renamed to Asseco Slovakia and Asseco Poland) was created, thus laying the foundations of the international software Asseco Group. The main reason behind the formation of the IT group of companies operating in Central and Eastern Europe was to face the pressure of multinational giants and to ensure successful growth in domestic as well as foreign markets.

One of the main objectives of both companies was to gain trust of renowned European investors and analysts, and the acquisition of funds to implement a strategic acquisitions plan. In 2006 the Company entered the Warsaw Stock Exchange and became the first Slovak company directly listed on a foreign stock exchange. The next year, 2007, was an "acquisition" year, when the Company used the funds gained to fulfil its expansion plans by acquiring a majority stake in three Slovak, three Czech and one Austrian company. On the background of the acquisition processes being completed at the beginning of 2008, the Company focused on the next stage of consolidation and integration of the firms already acquired. Moreover, by the end of May 2008, it had subscribed additional shares intended for institutional investors at the stock exchange within a SPO (Secondary Public Offer). The Company used the funds thereby gained to strengthen its market position in Central Europe through further acquisitions abroad and integration-consolidation processes within the Asseco CE Group.

1.2 Present days

In July 2009 the Company expanded by integrating Asseco Slovakia and Asseco Czech Republic, two suppliers of complex IT solutions for recognized financial institutions, public administration authorities and for large commercial entities. The commercial name Asseco Central Europe was registered in both countries in spring 2010. This project is a logical conclusion of the integration process in the Asseco Group. It mirrors the current trends in the global IT markets and the Company's goal to be one of the European leaders in this area.

Through a joint strategy for the development of new solutions, knowledge sharing, and expanding offer for its customers, Asseco Central Europe has increased its sales potential and competitiveness. Proven Slovak solutions can thus be used in the Czech Republic, and vice versa (e.g. Slovak banking systems and Czech digital telematics). Part of the Asseco Central Europe Group are also other companies with IT and telecommunications focus and the Company thus employs more than 1,500 people.

General information:

Company's name:	Asseco Central Europe, a. s.
Registered seat:	Trenčianska 56/A, 821 09 Bratislava

ID number:	35 760 419
VAT ID:	SK2020254159
Established:	12 February 1999
Legal form:	joint stock company
Share capital:	EUR 709,023.84
Number of shares:	21,360,000
Type of shares:	bearers shares
Nominal value of share:	EUR 0.033194
Registered:	Commercial Register maintained by the District Court of Bratislava I., Section.: Sa, File No.:2024/B,

1.3 Scope of activities

- Advice and consultancy in the fields of software and hardware and computer and organizational systems
- Provision of software/sale of finished programs based on an agreement withauthors
- Market research in the fields of information systems
- Purchase and sales of computer technology
- Administrative operation
- Advertising and promotion activities
- Business mediation
- Automated data processing
- Organisation and performance of training course in the area of computertechnology
- Provision of system software maintenance except for intervention with reserved technical equipment
- Lease of IT equipment
- Design and optimization of information technology solutions, their development and implementation
- Information system operation assurance
- Completing of computer networks and hardware, except for intervention into reserved technological equipment
- Completing of IT technology, installation of technology, computer and datanetworks in the scope of safe voltage
- Installation and configuration of operational systems, programmes (software) and their maintenance
- Management of computer networks and hardware with the exception of interference with reserved technical facilities
- Creation of computer and data networks and information systems
- Management in the area of information systems and information technology
- Assembly, repair and maintenance of office and computer technology in the cope of safe voltage
- Advisory and consultancy activity in the area of information systems in information technologies
- Providing of Internet access, transfer of data and other communication services, electronic transactions with authenticity, authorization and clearance
- Research and development in natural sciences and engineering

2 BUSINESS OFFER

During 2011, products and services provided by individual entities of the group were divided at the level of Asseco Group to transparently defined business units. A matrix-oriented organisational structure was created, which combines the hierarchic management line of individual regions and entities in regions with a segment-oriented organisational structure, which is strictly focused on creating business opportunities in the given segment. This organisational arrangement makes it possible to consolidate products and services within Business Units and at the same time to simplify the offer of the whole group. Products and services at the group level were divided into the following areas: **Banking, Insurance, Healthcare, Public, Telco & Utility, IT infrastructure and ERP (Enterprise Resource Planning).**

The offer of products and services is arranged within every regional grouping to segment-oriented groups/areas which are autonomously managed. Within Asseco Central Europe, they include the following areas: **Finance, Healthcare, Public, Telco and ERP.**

Specific divisions of Asseco CE SK/CZ or entities belonging to Asseco CE at the regional level are allocated to individual Business Units.

Products or product groups are divided in the same way. Asseco CE builds its offer on key products which represent the basis of its competences and experience. One of the

basic goals of the Company is to create efficient and easily accessible solutions which fully respect the differences and specifics of individual customers and thus help them achieve their competitive advantage. This goal has been fulfilled by a suitable combination of offered products and preset solutions and by the development of customized solutions.

The product offer is complemented by key services and competences which spread across the product portfolio. They include two basic services: software development and outsourcing.

2.1 Software development

Software development is the strongest competence of Asseco CE, covering all activities associated with software development – from detailed analysis of customer requirements through the consultation of possible solutions, development, design of optimal technology architecture, technology and development tools, up to testing, documentation, implementation, training or support in the solution of operational problems. The Company has technical expertise as for commercial entities – banks and insurance companies, and also for health care facilities or public organizations.

2.2 Outsourcing

Servicing information technologies

To provide assistance to both external and internal customers, an jot just with service-related activities: handling queries regarding repairing of different types of ICT equipment (computers, notebooks and servers) and peripherals (printers, scanners and UPS), HW and SW procurement consulting, HW upgrade, equipment, equipment installation and consequent preventive checks, installation and maintenance of operating systems – all of that by means of remote, as well as local service support in the entire territory of Slovak Republic.

Personalization of smart cards

Smart card personalization services, supplies of hardware, software and cards, development and integration of complete card systems, commercial and technical

services. The complexity of services is provided by subsequent support for users. In addition smart cards personalisation, we provide graphic personalisation of plastic cards, magnetic tape encryption, covering and distributing these cards together with the printing and distribution of PINs.

A complementary service is the creation of customer applications using an identification or authentication carrier – a chip or hybrid card. These applications are used in all areas, including organisational processes such as payment and loyalty systems, identification, and attendance systems, etc.

2.3 Business Unit Finance

StarBANK

StarBANK is a client-oriented, multicurrency bank information system for medium-sized and large banks. The system automates all retail and wholesale operations and provides a comprehensive set of reports, controlling and intra dealing. Main functions: client management, active and passive management accounts, cash and cashless payments, currency exchange, checks, Trade Finance, Treasury securities, Data warehouse, MIS, controlling, reporting, current and financial accounts, etc.

eStarBANK

Portal solution enabling the use of electronic distribution channels that ensures all basic retail functions for remote clients (Internet banking, home banking, mail banking and GSM banking).

StarTREASURY

A solution designed to support the administration of available funds and trading on financial and capital markets. It provides for automation of such activities from the implementation of transactions up to the outcome in the general ledger. It is a tool which is not only suitable for investment companies, but also for companies which only need to manage their own funds and investments.

StarCARD

Full information system supporting pay card transactions for banks and processing centers. It includes authorization support, clearing and transaction settlement and dealer administration. Integral part of the system is an application software for end devices, ATM, and POS terminals.

StarBUILD

A complex banking information system specialized for the needs of building savings banks, which fully covers the individual business processes of the building savings bank. Besides the core-banking system, it also contains a wide portfolio of superstructure modules which are mutually integrated into one unit. The maximum integration of individual modules in a single complex solution brings a significant reduction in the costs of HW, standard SW licensing (operating systems, databases) and their maintenance.

StarINS

Comprehensive information system for insurance companies automates all front-office and back-office operations including personal, property and liability insurance, as well as life (capital, investment and hazardous) insurance. The system operates as an independent product above the electronic distribution channels.

SofiSTAR

Production information system for management of the retirement savings of citizens. The system provides for front-office and back-office activities with a high degree of process automation with the addition of Internet access for clients to their personal pension accounts and automatic processing of electronic documents related to pension savings.

StarSTAT

This solution matches the requirements of all types of companies that deal with regular extraction, loading, transformation and production of generated data. Its key functionalities can be described in two ways.

The first group of usage is to use StarSTAT as a universal reporting tool for daily reporting activities. Gathering financial data, cash-flow information, key statistical data about an organization, management and managerial reports or regular statistical reports processing; all activities are focused on gathering, editing, processing data and producing reports for public institutions.

The other group of StarSTAT usage is represented by banks, insurance houses, leasing companies and other financial institutions. StarSTAT brings ready-made functionalities for mandatory reporting to finance market regulators.

StarBI

Solution enabling the centralization of data from distributed and heterogeneous systems, consolidation of data, creation of data domains and automation of the management of processes and data stored in DWH. It serves as the basis for the creation of add-on applications for decision support.

AQS (Asseco Quality Services)

The solution implies the product, methodology and related consulting and implementation services in the area of processing and data quality, whereas data can be derived from one or more data sources in the organization. The product supports a process-driven approach of processing large volumes of data in one or more cycles with an emphasis on complex documentation and reporting processes carried out. AQS contains functionality for collecting, cleaning, automated or manual consolidation of data with the possibilities of their transformation into new pre-defined structures at the exit.

2.4 Business Unit Healthcare

Asseco Group has a wide range of solutions for the whole vertical of health segment. Our activities are targeted for three basic customer groups:

- State represented by the central bodies of public administration (such as ministries and specialized health institutions) and organizations of local governments (owners and operators of regional health care networks)
- Health insurance companies
- Health care providers ranging from the biggest hospitals and specialized medical facilities to ambulances and general practitioners

Mediform

A comprehensive information system for health insurance companies covers the most important processes in the insurance company, e.g. IS administration, dials and catalogues, client registers, receipt and claiming of insurance premium, annual accounting, realization of payments of provided healthcare, medical revision of costs and refunding of costs for insured persons from the EU. Accounting is a part of the system.

ZPIS

ZPIS is a centralized multi-tier information system (IS) for health insurance companies (HIC). It includes complete application program facilities for the administration and support of health insurance company activities. It is built based on the long lasting experiences in developing and extending of the systems for health insurance and contains the latest modern technologies knowledge. It is a universally usable and modifiable system based on relational database technology. The IS is integrated with Internet portal and electronic registry for contact between the customer and their clients and partners. The IS can be connected to other support systems (ERP, MIS, call centre, ect.).

2.5 Business Unit Public

In the field of central public administration, we specialize in the creation and supplying such solutions which cannot be implemented using standard means and tools without a large amount of creative work. Our biggest domain is the ability to design and implement systems for processing large volumes of data with sophisticated transaction logics. A specific offer for public administration consists of the design and delivery of complex systems for the state administration including HW, network infrastructure and specialized highly loaded applications with a guaranteed high availability for the specific needs of the state administration, such as central registers, commercial registers, control systems for state allowance and subsidy distributions or budget information systems for processing and publishing large data files on the Informix or Oracle platform, using application servers of Weblogic and Geocluster RAC topologies and the Java development environment.

The biggest projects implemented in this field include deliveries of solutions for the Ministries of the Transport. We also cooperate with the Supreme Audit Office, Central Statistical Offices and many other offices and Ministries in Slovakia.

Transport telematics

Support of processes and integration of supplies for the information systems of state technical supervision, central register of carriers and digital tachograph. Designed for performance pricing of selected roads in the Czech Republic, construction and operation of distribution and contact points for the distribution and change of OBU units. Flexible system of solutions intended for the storage, archiving and analysis of data from digital and analogue tachographs using a web application.

StarBI*G

Add-on solutions for data from production systems or other sources of reference data (CRM, accounting DB, etc.), which are mainly intended for public administration bodies. The solutions enable the operative creation of data analysis through OLAP technologies, the development of statistical analyses and forecasts and the preparation of data as a basis for decision support. Prearranged solutions for economy, transport, education, grants, etc.

StarECM

A modular information system making possible to cover all aspects associated with the administration and recording of documents, fast search, process processing and archiving of documents and information. The solution covers the whole life cycle of documents. It enables working with all types and formats of documents and information (structured / non-structured document, database record, image, sound or otherwise

recorded information). The solutions use standard products and technologies of Microsoft, IBM and Oracle. These products are extended by services in the field of designing the electronization of customer's processes, workflow setting, working with digitally signed documents, etc.

2.6 Business Unit ERP

Within the composition of Asseco CE, the competence in the field of corporate information systems is supplemented with SAP consulting services. The main focus is the provision of consulting services in the field of implementation of the complex economic information system SAP ERP and introducing and selling SAP ERP and software solutions such as SAPCRM, SAP SRM, etc.

3 COMPANY VALUES

3.1 Mission

The mission of Asseco CE comprises binding values which form an integral part of the business environment and also apply internationally. These binding values are represented in particular by the high and stable quality of the offered solutions and services, continuous care for customers, flexible response to the needs of the market and providing the customers professional IT services and information systems on the basis of modern information technologies which support their business activities and success. Last, but not least, it includes the assurance of the long-term prosperity of Asseco Central Europe.

3.2 Visions

Asseco Central Europe's vision

The credo of the Company is **"Solutions for Demanding Business".** The credo represents a key and stable IT service-provider that is at the same time building its position of a strong, reputable and reliable company on the domestic, and international ICT market.

Asseco Group's vision

International Asseco Group is a stable and competitive software center within the European region in the field of providing ICT services. Its goal is to expand its activities worldwide. The Group is achieving this vision by building and developing group of locally-oriented, highly-developed ICT companies that comprise a federative group structure, emphasizing local specifics and local motivation.

3.3 Our values

Satisfied Customer

The only reliable way how to win and keep customers is to provide them with quality services and solutions with a high added value to reach their strategic goals. Their satisfaction and loyalty resulting from it are the basis of success of each company.

Trust of Investors and Shareholders

With its listing on a stock exchange market Asseco Central Europe was transformed from a privately-owned joint-stock company to a publicly traded one. Its presence on the stock exchange means particularly the necessity of a new approach to process management and the implementation of key decisions, while considering the interests of investors, fulfillment of their expectations and building their trust.

Constant Organic Growth

We want to improve constantly, keep up with the times and bring advanced technologies and "Solutions for Demanding Business" to the market, thus meeting the needs of our clients.

Employee Satisfaction

The aim of the Company is to create a stimulating working environment that develops the creativity of employees and supports their personal growth. The Company is aware of the fact that its employees represent a key factor in the provision of quality services; therefore it considers their motivation and loyalty an integral part of the Company's values.

Social Responsibility

Asseco Central Europe strives to contribute to increasing the quality of life of society not only by developing of modern information technologies, but also by supporting scientific institutions committed to this goal.

3.4 Company Management Code

Asseco CE is fully aware of the importance of having Corporate Governance standards in place and complying with them. In accordance with standards valid in the market, the above corporate management principles and methodology - "Best Practices" – were incorporated into the Company's documents and procedures.

The Company Management Code was approved by the Company´s Board of Directors and published in the Current Report, i.e. in the stock exchange report, on March 13, 2008. This report is accessible on the Company's official web site under the "Investors" Section. It contains complete information about the management methods utilized in the Company as well as all information about deviations from the Management Code and the reasons why the decision deviating from the Code was made.

3.5 Code of Conduct

The Company's Code of Conduct represents a set of principles that are focused inside the Company – towards the employees, as well as towards its surrounding environment. It recognizes principles of ethical behaviour while conducting business and upholds principles of objectivity, transparency, accountability and openness in its activities. Asseco Central Europe declares that it nowadays, as well as in the future, wants to be a reliable partner for its customers, shareholders, business partners, employees and also for the public in all the countries and regions where it operates. Based on conditions for an open and transparent corporate culture that are created by the Company, the staff members are able to distinguish between reasonable and contentious actions.

Asseco CE regards as its core values, above all, to be:

Relations within the Company, especially:

- respect for people – a basis for interpersonal relationships
- honest, conscientious and efficient work
- communication ethics
- company loyalty
- upholding the company's reputation and safeguarding its assets
- ethics in conflict resolution

and **relations with customers and suppliers**, meaning respect for customers and correctness toward business partners.

Local or international legal frameworks apply to all entrepreneurial conduct. Once the Company was listed on the Warsaw Stock Exchange, the impact of these frameworks on Company's conduct is even more significant.

Asseco CE encourages any expression of opinions and suggestions staff members make. If necessary, staff members can make any non-public expressions of opinion, complaints or communications by means of anonymous post box located in unmonitored spaces in the Company's headquarters or via intranet. The Company will handle each opinion, suggestion or recommendation it receives, with answers to anonymous inquiries being released on the intranet of Asseco CE.

3.6 The Company's Strategic Goals

- Improve existing customer`s satisfaction by delivering modern information systems with business value.
- Penetrating the international market through a portfolio of the Company's solutions and mutual synergies within the Asseco Group
- Improve cooperation within Asseco Central Europe and Asseco Group, focused on synergies in sales enforcement, customer benefits and knowledge sharing
- Maintaining customer focused, morally strong and technically robust company staff base
- Sharpening and improving internal corporate processes and raising the Company's corporate culture.

4 SHAREHOLDERS' STRUCTURE OF ASSECO CENTRAL EUROPE, A.S.

According the information available to the Board of Directors following shareholders exceeded the 5% share as at 31 December 2011:

Shareholder	Number of shares	Number of votes	% share
Asseco Poland	8,560,000	8,560,000	40.07
ING Otwarty Fundusz Emerytalny	1,406,946	1,406,946	6.59

The share capital of the Company as at 31 December 2011 was equal to EUR 709,023.84 and was divided into 21,360,000 bearer's shares with a nominal value of EUR 0.033194 each.

4.1 Changes in the shareholders structure

There were no changes in the structure of the shareholders owning more than 5% of shares reported during the reporting period.

According the information available to the Board of Directors following shareholders exceeded the 5% share as at 8 March 2012:

Shareholder	Number of shares	Number of votes	% share
Asseco Poland	8,560,000	8,560,000	40.07
ING Otwarty Fundusz Emerytalny	1,406,946	1,406,946	6.59

The share capital of the Company as at 8 March 2012 was equal to EUR 709,023.84 and was divided into 21,360,000 bearer's shares with nominal value of EUR 0.033194 each.

5 MEMBERS OF THE BOARDS OF ASSECO CENTRAL EUROPE, A. S.

There were following members of the Board of Directors and Supervisory Board of Asseco Central Europe, a. s. as at 31 December 2011:

Board of Directors	Period	Supervisory Board	Period
Jozef Klein	1.1.2011-31.12.2011	Adam Tadeusz Góral	1.1.2011-31.12.2011
Marek Grác	8.12.2011-31.12.2011	Andrej Košári	1.1.2011-31.12.2011
Martin Morávek	1.1.2011-31.12.2011	Eva Balážová	1.1.2011-6.6.2011
Michal Navrátil	1.1.2011-31.12.2011	Ján Handlovský	23.9.2011-31.12.2011
Tomáš Osuský	1.8.2011-31.12.2011	Marek Paweł Panek	1.1.2011-31.12.2011
		Przemysław Sęczkowski	1.1.2011-31.12.2011

There were following members of the Board of Directors and Supervisory Board of Asseco Central Europe, a. s. as at 8 March 2012:

Board of Directors	Period	Supervisory Board	Period
Jozef Klein	1.1.2012-present	Adam Tadeusz Góral	1.1.2012-present
Marek Grác	1.1.2012-present	Andrej Košári	1.1.2012-present
Martin Morávek	1.1.2012-present	Ján Handlovský	1.1.2012-present
Michal Navrátil	1.1.2012-present	Marek Paweł Panek	1.1.2012-present
Tomáš Osuský	1.1.2012-present	Przemysław Sęczkowski	1.1.2012-present

5.1 Changes in the number of shares in Asseco Central Europe, a.s. owned by the members of the Board of Directors (BoD) and Supervisory Board (SB):

Person	Number of shares as on 8 March 2012	Number of shares as on 31 Dec 2011	Number of shares as on 31 Dec 2010
Jozef Klein (BoD)	275,000	275,000	275,000
Martin Morávek (BoD)	300,000	300,000	300,000
Michal Navrátil (BoD)	4,050	4,050	300
Andrej Košári (SB)	522,385	522,385	566,220

6 PERSONNEL INFORMATION AND POLICY

Asseco Central Europe is an important employer in the IT sector in Slovakia, comprising a team of top professionals at all management levels and in all areas of the Company's operation. This fact reflects the strong position of the Human Resources Department, which plays an important role in the strategic management process. Asseco CE's system of human resources values is permanently enshrined in the Company's relevant documents and all decisions that directly or indirectly affect the human factor are governed by this system.

The personnel management is based on principles of integrity, transparency, respect, cohesion, personal responsibility and trust. In practice, this means daily cascading of the principles in running the Company, its behaviour and communication towards external and internal environment.

Given the focus of the Company, software development specialists have the largest representation. Almost 90% of the total number of employees consists of programmers, analysts, system and database specialists, testers, documentarians, project specialists and consultants. A model based on transferring experts – business consultants – directly

to production divisions to join developers and consultants together and provide our customers with solutions has been proven to work. Sales and Marketing specialists steadily represent 3%, management staff similarly 3% and less than 5% of the employees secure the financial, personnel and administrative support of the Company. More than four-fifths of the Slovak employees have achieved a university degree.

Company's gender structure has stabilized after increasing in 2008 in favour of women; the proportion of women in the Company exceeds one-fifth of the total number of workers in the Slovak Republic. Asseco CE enables their promotion to leading positions as well as their professional growth. Women equality is also evident also in their representation in middle management.

6.1 Employment structure in the Asseco Central Europe

Number of employees as on	31 Dec 2011	31 Dec 2010
Management board of the parent company	5	3
Production departments	277	271
Maintenance departments	30	32
Sales departments	8	11
Administration departments	17	20
Other	5	10
TOTAL	**342**	**347**

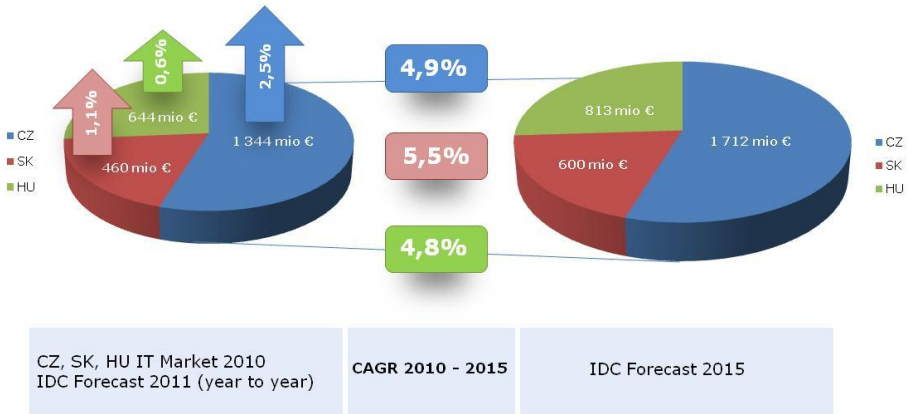
7 MARKET POSITION

7.1 IT Market

In 2011, the IT market in Slovakia was influenced by several factors. At the beginning of the year slight optimism prevailed with regard to positive economic predictions. These gradually began to turn to negative zones, which clearly caused a gradual increase of concerns in the field of IT. The political situation also contributed to the fact that numerous ongoing projects in the state and public administration have gradually slowed down the pace. The IT sector in Slovakia is highly influenced by financial support from the EU structural funds and many big projects have currently been in the last stage of the approval process. All IT sector participants strongly believe that the change in government and state officers after early election will not result in the suspension of these projects, which have already been delayed, and further slowing in the preparation of these projects can have a fatal consequence – the failure to draw the offered financial funds from the EU.

In 2010, the Slovak market of information and communication technologies represented about EUR 460 million in the field of IT services with a predicted growth of 0.6% for 2011 (to compare: it is EUR 1,344 million (2.5%) in the Czech Republic and EUR 644 million (1.1%) in Hungary). The market is characterized by the domination of a small number of main suppliers and software providers, which together control more than one third of the IT market. Asseco CE is very well established in the market and permanently belongs among important suppliers of IT solutions, which is proven by several leading

positions in the lists of IT companies published by the opinion-shaping professional magazine, Trend. In 2011, Asseco CE ranked 1st as the biggest IT solution supplier for financial institutions and 2nd in the list of suppliers for public administration, which is an improvement of three places compared with 2010.



The year of 2012 will be demanding for the sector. Domestic financial institutions face big challenges due to the overall financial situation in the EU countries and their pressure to reduce costs will accelerate during 2012. The industry is also before a difficult period, because the demand for products will gradually drop until signs of the end of the debt crisis in EU and the world appear. All of that is flavoured with the domestic political situation, because after the early election the new government will have to be compiled, as well as the administration of public issues.

During this period, IT companies will have to reach to the bottom of their capabilities, come to the market with innovative solutions that will help clients face these political, economic and financial challenges of 2012. It will be a period when competition will increase not only in the field of IT, but we can presume it will apply to other economic sectors as well. Modern and innovative IT solutions provide clients with an ideal tool for increasing their competitive power, on the one hand by making it possible to reduce operating costs through correct setting of the optimum to decrease operating costs, and on the other hand by helping to come to clients with new products, absolutely necessary for keeping their customer base, and at the same time enable penetrating competitors´ areas.

7.2 Trade

Asseco CE operates throughout the entire EU and within Asseco Central Europe we manage operations in the Czech Republic, Slovakia and Hungary. This is a big advantage because we are able to diversify our efforts over a larger geographic area and with a bigger customer background. Our plan for the coming period is to continue the development of solutions and products which we provide our clients with. We will continue unifying and simplifying our product portfolio and we will further closely cooperate with our clients to be able to provide them with the necessary solutions for their business.

The main strategic role of the Sales Department of Asseco CE is to identify new business opportunities, thoroughly perform business activities at our new potential customers which should consequently result in signing contracts. The aim is to bring about reasonable projects for the Company and professional work for our specialists.

The main attributes the Sales Department is built on, are as follows:

Working consistently and straightforwardly with customers
Success in business is based on detailed knowledge of the needs of our current and potential clients in combination with targeted quotes designed according to those needs, while carrying out direct business activities.

Transparency
Each member of the business team should be sharing his or her knowledge responsibly, understandably and especially based on facts.

Equal and open cooperation with Business Units
Business success is based on teamwork between all participating Sales units within the Company. The Sales Department is an integral part of the new organisational structure with Business Units within Asseco CE.

Selection of business cases

A deep knowledge of clients and their business needs, combined with the optimal choice of business situations where we have the greatest chance to win a contract, is the key to successful building of an effective Sales Department.

7.3 Awards

Asseco Central Europe and its affiliated companies are holders of numerous important awards. The Company has for a long time placed high in the rankings of the most important IT companies in Slovakia, which are compiled by economic weekly Trend.

Asseco Central Europe among TOP ICT Companies

In 2011, Asseco Central Europe appeared at leading positions of the prestigious "TREND TOP in Information Technologies" ranking compiled on the basis of economic results of the previous year. The Company was successful in several categories. It won the category of IT service providers in Slovakia, where it moved from the 5th place in the previous year. It also defended its first place among TOP IT suppliers for the private financial sector. It also got to the proverbial golden rung in the category of TOP IT suppliers for its industrial production. The Company ranked second in the category of suppliers to the public sector where it moved to from the last year´s 5th position. Asseco CE also ranked among the most important software houses in Slovakia – it placed fourth in this category.

Poskytovatelia IT služieb na Slovensku (2010)
IT Service Providers in Slovakia (2010)

	Predaj IT služieb (tis. €)	Ročná zmena (%)	Služby subjektom v zahraničí	Rozdelenie tržieb podľa typu služieb [1] (tis. €)					
				vývoj softvéru na zakázku	nové implementácie	podpora nasadených aplikácií	outsourcing	technický servis hardvéru	bezpečnosť IT
	IT services sales (000 €)	Annual Change (%)	Exported services	Sales by type of service [1] (000 €)					
				tailor-made software development	new implementations	support of existing applications	outsourcing	technical hardware maintenance	IT security
1. Asseco Central Europe, a.s., Bratislava	106 704	-8,3	106 763	15 698	11 688	36 211	30 198	689	–
2. Siemens IT Solutions and Services, s.r.o., Bratislava	69 249	6,9	–	n	n	n	n	n	n
3. T-Systems Slovakia, s.r.o., Košice	60 333	48,2	60 333	–	–	–	60 333	–	–
4. Soitron, a.s., Bratislava	47 070	12,6	–	–	15 970	–	19 800	11 300	–
5. Tempest, a.s., Bratislava	47 048	46,3	–	1 055	5 695	10 550	19 033	7 925	2 000
6. Siemens Program and System Engineering, s.r.o., Bratislava [2]	37 626	-17,5	34 992	37 626	–	–	–	–	–
7. Ness Slovensko, a.s., Bratislava	34 032	25,0	n	16 523	7 633	9 813	–	–	63
8. SAP Slovensko, s.r.o., Bratislava	23 635	n	–	n	n	n	n	n	n
9. PosAm, s.r.o., Bratislava	20 707	20,0	950	9 157	1 351	4 314	3 957	1 928	–
10. Alcatel-Lucent Slovakia, a.s., Bratislava	17 678	n	–	–	–	–	–	17 678	–
11. Datalan, a.s., Bratislava	16 551	-10,2	340	7 303	179	181	3 042	2 554	–
12. S&T Slovakia, s.r.o., Bratislava	14 108	2,4	–	–	5 751	2 344	1 161	2 103	510
13. RWE IT Slovakia, s.r.o., Košice	13 377	17,4	n	2 007	3 344	8 026	–	–	–
14. Gratex International, a.s., Bratislava	13 081	-26,2	n	6 547	1 150	5 055	–	–	–
15. Konica Minolta Slovakia, s.r.o., Bratislava	11 940	n	–	–	–	–	–	6 385	–
16. Softip, a.s., Bratislava	11 875	-12,7	n	5 258	–	6 542	75	–	–

Softvérové domy na Slovensku (2010)

Software Houses in Slovakia (2010)

	Vývoj softvéru celkovo (tis. €)		Zmena (%)	Podiel na celkových tržbách (%)	Výroba balíkového softvéru (tis. €)	Vývoj aplikácií na zákazku (tis. €)	Počet vývojárov	
	Software development (000 €)		Change (%)	Share on total sales (%)	Production of package software (000 €)	Tailor-made development (000 €)	No. of developers	
	2010	2009	2010/2009	2010	2010	2010	2010	2009
1. Eset, s.r.o., Bratislava	92 312	80 274	15,0	100,0	92 312	–	160	102
2. Siemens Program and System Engineering, s.r.o., Bratislava	37 626	45 593	-17,5	100,0	–	37 626	585	667
3. Ness Slovensko, a.s., Bratislava	16 523	9 709	70,2	48,6	–	16 523	288	200
4. Asseco Central Europe, a.s., Bratislava	15 698	18 730	-16,2	12,3	–	15 698	373	n
5. PosAm, s.r.o., Bratislava	9 157	8 297	10,4	29,5	–	9 157	109	98
6. Softec, s.r.o., Bratislava	8 051	9 157	-12,1	84,6	15	8 036	190	180
7. Datalan, a.s., Bratislava	7 303	5 064	44,2	17,0	–	7 303	72	72
8. Gratex International, a.s., Bratislava	6 547	9 653	-32,2	37,7	–	6 547	193	n
9. Softip, a.s., Bratislava	6 374	n	n	45,0	1 116	5 258	67	69
10. Sygic, a.s., Bratislava	6 074	4 339	40,0	98,5	6 074	–	20	15
11. Alcatel-Lucent Slovakia, a.s., Bratislava[1]	5 774	5 327	8,4	–	–	5 774	88	76
12. Unicorn Systems Sk, s.r.o., Bratislava	5 082	1 822	178,9	99,8	–	5 082	80	n
13. Anasoft APR, s.r.o., Bratislava	2 668	4 184	-36,2	43,3	169	3 499	n	n
14. I.S.D.D. plus, s.r.o., Bratislava	2 614	1 822	43,5	68,0	–	2 614	40	n
15. Kros, a.s., Žilina	2 497	1 974	26,5	35,8	2 358	139	55	51
16. InsData, s.r.o., Nitra	2 442	3 489	-30,0	25,4	–	2 442	47	41
17. RWE IT Slovakia, s.r.o., Košice	2 007	1 709	17,4	15,0	–	2 007	36	20
18. QBSW, a.s., Bratislava	1 831	1 945	-5,8	45,0	–	1 831	n	n
19. YMS, a.s., Trnava	1 760	2 219	-20,7	79,8	–	1 760	24	19
20. ICZ Slovakia, a.s., Trenčín	1 698	789	115,2	61,3	–	1 698	16	16
21. Axasoft, a.s., Bratislava	1 644	5 170	-68,2	13,8	–	1 644	35	43
22. Ipesoft, s.r.o., Žilina	1 623	1 673	-3,0	35,2	1 120	503	20	12
23. Asseco Solutions, a.s., Bratislava	1 460	491	197,4	16,3	962	498	43	n
24. Gamo, a.s., Banská Bystrica	1 325	864	53,4	7,6	–	1 325	17	12
25. Sféra, a.s., Bratislava	1 160	3 384	-65,7	33,7	–	1 160	30	30
26. Tempest, a.s., Bratislava	1 055	2 856	-63,1	1,4	–	1 055	n	n

Najväčší dodávatelia IT pre priemyselnú výrobu (2010)

Top IT Suppliers For Industrial Production (2010)

	Dodávky pre priemyselnú výrobu (tis. €)		Zmena (%)	Podiel na celkových tržbách (%)	
	Supplies for industrial production (000 €)		Change (%)	Share on total revenues (%)	
	2010	2009	2010/2009	2010	2009
1. Asseco Central Europe	51 663	n	n	40,6	n
2. Siemens Program and System Engineering	10 145	4 103	147,2	27,0	9,0
3. SAP Slovensko	7 715	n	n	22,0	n
4. Siemens IT Solutions and Services	6 671	7 809	-14,6	6,9	8,9
5. S&T Slovakia	4 688	4 245	10,4	15,1	14,7
6. Ness Slovensko	3 760	3 194	17,7	11,0	11,7
7. Telegrafia	3 156	2 688	17,4	30,0	29,3
8. Datalan	2 576	1 848	39,4	6,0	3,0
9. Soitron	1 880	2 240	-16,1	2,3	3,0
10. Gratex International	1 735	1 865	-6,9	10,0	9,0
11. Softip	1 712	3 240	-47,2	12,1	20,6
12. Asseco Solutions	1 544	724	113,3	17,2	9,4
13. Tempest	1 516	972	56,0	2,0	1,9
14. BSC Line	1 475	1 587	-7,1	35,0	55,0
15. GiTy-Slovensko	765	937	-18	25,2	35

Pozn.: Priemyselná výroba zahŕňa sektory ako automotive, strojárstvo, elektrotechnika, potravinárstvo, chémia alebo hutníctvo

Najväčší dodávatelia IT pre verejný sektor (2010)

Top IT Suppliers For Public Sector (2010)

	Dodávky pre verejný sektor (tis. €)		Zmena (%)	Podiel na celkových tržbách (%)	
	Supplies for the public sector (000 €)		Change (%)	Share on total revenues (%)	
	2010	2009	2010/2009	2010	2009
1. Siemens IT Solutions and Services	53 585	37 627	42,4	55,5	42,8
2. Asseco Central Europe	40 599	37 047	9,6	31,9	27,0
3. Tempest	36 849	27 676	33,1	48,6	54,1
4. Datalan	28 760	36 964	-22,2	67,0	60,0
5. Soitron	25 677	15 680	63,8	31,4	21,0
6. SAP Slovensko	20 690	n	n	59,0	n
7. PosAm	17 368	11 784	47	56,0	50
8. S&T Slovakia	13 224	7 966	66,0	42,7	27,5
9. Ness Slovensko	12 025	7 404	62,4	35,3	27,2
10. Gamo	11 421	5 268	116,8	67,0	51,2
11. elfa	10 363	5 149	101,3	84,3	62,4
12. Gratex International	4 339	5 594	-22,4	25,0	27,0
13. Telegrafia	4 208	1 154	264,6	40,0	12,6
14. Softip	3 400	3 989	-15	24,0	25
15. BSC Line	2 529	866	192,1	60,0	30,0

Pozn.: Verejný sektor zahŕňa štátnu a verejnú správu, školstvo, verejnoprávne organizácie, vrátane Slovenskej televízie, Slovenského rozhlasu, Sociálnej poisťovne, štátnych zdravotných poisťovní, Národnej diaľničnej spoločnosti, Slovenskej správy ciest a štátnych železničných firiem

Najväčší dodávatelia IT pre súkromný finančný sektor (2010)

Top IT Suppliers For Private Financial Sector (2010)

	Dodávky pre súkromný finančný sektor (tis. €)		Zmena (%)	Podiel na celkových tržbách (%)	
	Supplies for the private financial sector (000 €)		Change (%)	Share on total revenues (%)	
	2010	2009	2010/2009	2010	2009
1. Asseco Central Europe	35 002	35 297	-0,8	27,5	25,7
2. Siemens IT Solutions and Services	12 169	14 697	-17,2	12,6	16,7
3. InsData	9 628	7 488	28,6	100,0	100,0
4. Soitron	9 400	7 571	24,2	11,5	23,0
5. Ness Slovensko	8 615	5 907	45,8	25,3	21,7
6. Gratex International	6 768	8 908	-24,0	39,0	43,0
7. Softec	6 516	7 410	-12,1	68,5	70,8
8. PosAm	5 238	5 502	-4,8	16,9	23,5
9. S&T Slovakia	4 596	2 483	85,1	14,8	8,6
10. Logica Slovakia	3 528	n	n	33,1	n
11. Datalan	3 005	4 312	-30,3	7,0	7,0
12. Axasoft	2 367	3 862	-38,7	19,9	15,7
13. Unicorn Systems Sk	1 971	n	n	38,7	n
14. SAP Slovensko	1 753	n	n	5,0	n
15. Tempest	1 628	2 302	-29,3	2,1	4,5

Pozn.: Súkromný finančný sektor zahŕňa banky, poisťovne, súkromné zdravotné poisťovne, dôchodkové správcovské spoločnosti a podobne

Source: Trend TOP in IT, economy weekly Trend, May 2011

The Best Annual Report

The Annual Report for 2011 won the highest prize in the competition in the Slovak Republic. Members of the jury particularly appraised its openness, comprehensiveness and specificity of the stated data.

8 NEW PROJECTS, PRODUCTS AND SERVICES

Implementation of StarINS for Wüstenrot Life Insurance Company and Wüstenrot Insurance Company

At the beginning of 2010, a big project for the supply and customizing of production systems for the Wüstenrot Group started in the Czech Republic. Its major part included the delivery of StarINS, a production system, for Wüstenrot Life Insurance Company and Wüstenrot Insurance Company. In the first half of the year, the main implementation works were finished together with the preparation of migration from the original production-supportive systems of both of the insurance companies. In the second half of the year, intensive works on acceptance testing were carried out together with the implementation of modifications to the system and its setting for the needs of Wüstenrot. StarINS was put into operation at the end of the year and starting from 1 January 2012 Wüstenrot Life Insurance Company and Wüstenrot Insurance Company have only been working with StarINS. The migration to StarINS has brought a significant automation of corporate processes to both of the insurance companies, which speeded up the processing of client requirements and contributed to a higher productivity and a reduction of operating costs. Better support for consultants and clients resulted in a faster and higher quality of provided services.

Implementation of the portal for online selling of VZP Insurance Company products

The VZP Insurance Company is an affiliated Company of the biggest Czech health insurance - VZP CR (the General Health Insurance Company of the Czech Republic). StarINS, a production-information system has been operating in the VZP Insurance Company since 2007. In 2011, we continued the provision of services and solutions, which improve the quality of VZP Insurance Company services. One of these types of activities was the implementation of a new portal intended for on-line selling of VZP Insurance Company products, with the products of travel insurance being sold first. The commencement of the portal brought an interesting increase of growth.

Implementation of a new production system in Slovenská sporiteľňa

Slovenská sporiteľňa, to which we supply electronic banking and payment card solutions, implemented a new production banking system during 2011. The migration to the new system was divided to several stages throughout the year. This difficult process, to which the bank had prepared for over a long period of time, was successfully completed largely thanks to our eStarBANK and StarCARD systems. Our solutions for electronic banking and payment cards had to communicate, due to a gradual branch-by-branch migration, on-line in parallel with two production systems (the old and the new ones), while the migration time had to be minimized due to the 24x7 operation. This parallel operation of both of our systems enabled the bank to replace the production system with a minimum impact on services to its clients.

Connecting the Slovenská pošta network to the Poštová banka banking system

In 2011, Poštová banka implemented a project which interconnected on-line, the

StarBANK banking information system with the counters of Slovenská pošta. This project, which is difficult in terms of integration, gradually connected individual branches of Slovenská pošta to the environment of Poštová banka during the year. At the end of 2011, the majority of the 1,600 operating units were connected. At present, on-line services for cash deposits and withdrawals and the opening of personal and term accounts and the processing of selected types of postal services are run under the production operation. The system will gradually integrate and connect other services to cover as wide a scope of client requirements as possible.

Innovation of StarBUILD in Stavební spořitelna České spořitelny (Building Savings Bank of Česká spořitelna)

In 2010, the works on the innovation to the StarBUILD production information system for Stavební spořitelna České spořitelny started. The goal of this project was to implement a new generation of the information system - StarBUILD II. This system represents a technologically new generation of StarBUILD, built on a three-layer smart-client architecture in the Microsoft.NET environment. One of the key aspects of StarBUILD II is its Service Oriented Architecture (SOA), which brings the possibility to simplify the integration of other information systems with StarBUILD, increases the reusability of the solution and thereby, reducing the costs of integration of various information systems. In addition to the technological innovation, StarBUILD II brought the customer the entire portfolio of new services.

By using web services provided by StarBUILD II, StarBUILD II in SSČS were interconnected on-line with the systems at branches of Česká spořitelna (ČS) by means of the ESB layer (Enterprise Service Bus). Through the on-line connection of the ČS internet banking - Servis24 with StarBUILD II, the clients of SSČS gained the advantage of direct access to their accounts and loans and to selected changes in building savings accounts**.**

New generation of StarSTAT

During 2011, we implemented a project on the innovation of the compulsory reporting system of commercial banks to the National Bank - StarSTAT II. The system innovation meant a complete migration to the new technological platform of Microsoft.NET. User functionalities and system services were extended and the processing speed and efficiency improved. During 2011, we implemented the innovated version of StarSTAT II in OTP Bank and UniCredit Bank.

Controlling tool for monitoring profitability in Allianz Slovenská poisťovňa

In the first half of 2011, we elaborated and delivered a feasibility study for our client of long standing - Allianz Slovenská poisťovňa, which contained a proposal for the solution of profitability and performance monitoring, including the proposal of modifications to the affected IS, as well as the data delivery systems. Upon accepting the feasibility study, the customer signed a contract for the creation and delivery of the controlling tool for monitoring profitability. The solution delivery included the implementation of a presentation and analytical layer on the SAS BI platform.

By the end of 2011, a detailed analysis was elaborated and we started implementing the solution which would provide managers and methodologists at various management levels tools for multidimensional cost-benefit analysis. In addition, the solution will include a user interface with the functionality for defining allocation rules and key KPI indicators. Another part of the solution will be a presentation layer with pre-defined outputs, with the possibility to create one's own outputs or perform multidimensional analyses using a wide SAS platform functionality. After delivery of the solution, Allianz Slovenská poisťovňa will obtain a comprehensive set of new information and analytical functions which will provide, support for decision-making processes and open another space for improving the profitability and performance.

Pilot solution to the National Transport and Information Centre and building a pilot intelligent transport system in Trnava

The pilot solution to the National Transport and Information Center (pNDIC) forms a part of the "Concept and Documentation of the National Transport Information System" project. The National Transport Information System is a unique technological solution and at the same time, an advanced central workplace. By creating a central control room and by centralizing all transport information and transport-related data, an effective environment is created which will help to objectively make decisions of operative and strategic importance. The main goals of the system may include a reduction of the number of accidents and travel time and an increase in the safety and fluency of traffic on roads. This will also contribute to lower pollution. From the point of view of travelling people, positive impacts will especially manifest in the availability of transport information by means of various distribution channels.

A pilot solution of the Intelligent transport system (pIDS) in Trnava was a part of the delivery within the "Concept and Documentation of the National Transport Information System" project. The pilot project represents a project on the creation of the network of facilities for dynamic collection and processing of transport and transport-related data, for the purposes of creating real-time transport information. More than 100 detectors have been installed in the road network of Trnava which will be, together with the developed background, an integral part of the future NSDI system with the possibility of gradual extension of functions and gradual coverage of a larger territory. Results of the pilot solution serve as a source of permanent transport monitoring in the city and provide information about the current status of traffic and a prediction of traffic development for the nearest two hours. Information will be available for the professional and general public and together with the created operative instructions they are the basis both for the support of the transport control process and the planning and designing transport systems.

9 KEY CLIENTS

BANKING

Československá obchodní banka, a. s.

EXIMBANKA SR

GE Money Bank, a. s.

GE Money Multiservis, a. s.

OTP Banka Slovensko, a. s.

Poštová banka, a. s.

Slovenská sporiteľňa, a. s.

UniCredit Bank Slovakia, a. s.

Wincor Nixdorf, s. r. o.

Wüstenrot hypoteční banka, a. s.

BUILDING SAVINGS

Českomoravská stavební spořitelna, a. s

Modrá pyramida stavební spořitelna, a. s.

Stavební spořitelna České spořitelny, a. s.

Wüstenrot - stavební spořitelna, a. s.

INSURANCE

Allianz - Slovenská poisťovňa, a. s.
ČSOB d.s.s., a. s.
Pojišťovna Všeobecné zdravotní pojišťovny, a. s.
STABILITA d.d.s., a. s.
VÚB Generali dôchodková správcovská spoločnosť, a. s.

HEALTHCARE
Európska zdravotná poisťovňa, a. s
Fakultná nemocnica s poliklinikou F. D. Roosevelta
Fakultná nemocnica Trnava
Národné centrum zdravotníckych informácií
Union zdravotná poisťovňa, a. s.
Všeobecná zdravotná poisťovňa, a. s.

PUBLIC
Daňové riaditeľstvo Slovenskej republiky
Ministerstvo dopravy, výstavby a regionálneho rozvoja SR
Ministerstvo zdravotníctva SR
Najvyšší kontrolní úrad SR
Štatistický úrad SR

TELCO AND IT
Orange Slovensko, a. s.
SWAN
Telekom, a. s.

10 ANALYSIS OF FINANCIAL RESULTS OF ASSECO CENTRAL EUROPE, A.S.

In the last three financial years ended 31 December 2011, 31 December 2010 and 31 December 2009, Asseco Central Europe, a.s. (the "Company") posted the following financial results:

EUR thousand	2009	Margin	2010	Margin	2011	Margin
Sales revenues	30,764	*N/A*	31,285	*N/A*	33,162	*N/A*
Operating profit	6,711	*21.8%*	7,261	*23.2%*	6,632	*20.0%*
Pre-tax profit	13,473	*43.8%*	8,514	*27.2%*	12,978	*39.0%*
Net profit for the period	12,321	*40.1%*	7,006	*22.4%*	11,687	*35.0%*

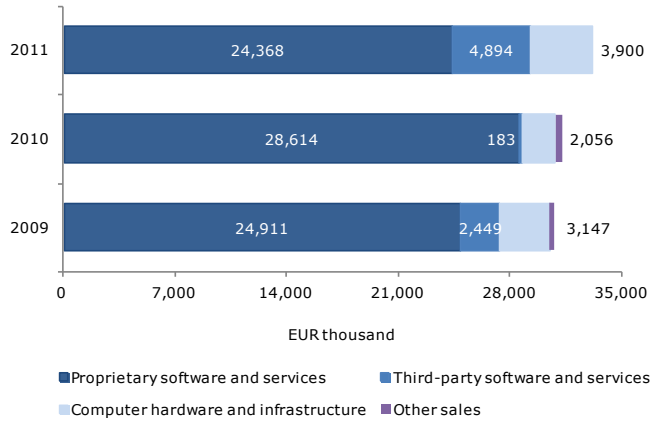
The Company reported increase in sales by 6% in 2011 on year-on-year basis ("y/y"), compared to a 1.7% growth in 2010 y/y. A more detailed analysis of revenues reveals that the core revenues from proprietary software and services dropped by 15% in 2011 y/y, after the same percentual increase in 2010 y/y. The decline in revenues in 2011 was compensated by sales of third-party software and higher sales of hardware and infrastructure equipment.

The Company's results were adversely influenced by the business environment in

Slovakia. Parliamentary elections in 2010 and early elections planned for 10 March 2012 resulted in personnel changes in public administration and have essentially stopped new tenders in public sector. Further to that, the post-crisis macroeconomic development did not support new IT investments by clients from commercial sphere who focused on cost savings.

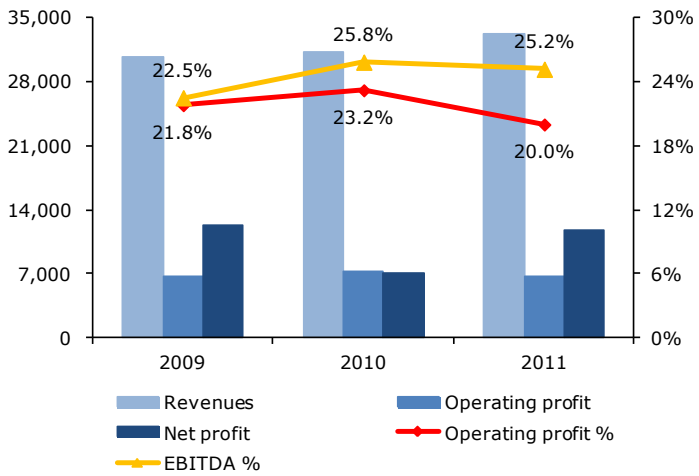
Besides the general market trends, the fall in proprietary software revenues in 2011 was also caused by completion of major projects in 2010 which were not repeated in 2011. Missing revenues from sizeable projects were replaced by participation in a number of smaller projects at cost of lower margins.

Structure by type of revenues



Operating profit of the Company declined by EUR 0.6 million in 2011 y/y. The drop was influenced mainly by amortization of UNiQUARE license (put in use at the beginning of 2011) which brought in a negative impact worth EUR 0.9 million.

The Company's EBITDA soared in the presented period. EBITDA, which adjusts for depreciation and amortization expenses, amounted to EUR 6.9 million, EUR 8.1 million and EUR 8.3 million in the 2009, 2010 and 2011. In spite of the lower margins on sales in 2011, the EBITDA margin showed only a moderated decrease when compared to the previous period. The main reason of only mild slowdown was net loss of MPI division in 2H2010 (almost EUR 0.5 million) which reported a break-even in 2011. A combined impact of accounting operations (provisions, write-offs, allowances, etc.) in 2010 and 2011 futher smoothed the difference in reported EBITDA by EUR 0.5 million.



Given the relatively stable operating performance in the analyzed period, the reported changes in net income were driven mainly by results from financial activities. In 2009, the Company earned on dividends from subsidiaries EUR 6.4 million and reported EUR 12.3 million net income. In 2010 dividend income decreased to EUR 4.8 million. Additionally, a loss from a write-off of the UNiQUARE investment of EUR 3.2 million caused a fall in net profit of the Company EUR to 7 million. In 2011 dividends received accounted for EUR 6.2 million of net profit for the period of EUR 11.7 million.

Financial position of the Company

EUR thousand	As at 31 Dec 2009	Share on total	As at 31 Dec 2010	Share on total	As at 31 Dec 2011	Share on total
PP&E and other non-current assets	3,377	3.3%	1,751	1.6%	1,314	1.1%
Ingangible assets	21	0.0%	15,792	14.4%	13,299	11.0%
Financial investments	70,189	67.7%	63,007	57.3%	62,348	51.4%
Current assets, excluding cash	14,666	14.2%	18,040	16.4%	27,182	22.4%
Cash and cash equivalents	15,371	14.8%	11,450	10.4%	17,209	14.2%
Total Assets	**103,624**	100.0%	**110,040**	100.0%	**121,352**	100.0%
Equity	91,949	88.7%	94,256	85.7%	101,244	83.4%
Interest-bearing debt[1]	88	0.1%	105	0.1%	29	0.0%
Other non-interest bearing liabilities[1]	11,587	11.2%	15,679	14.2%	20,079	16.5%
Total Equity and Liabilities	**103,624**	100.0%	**110,040**	100.0%	**121,352**	100.0%

Note 1: the figure includes both current and non-current portion of liabilities.

Financial indicators

Net debt	(15,283)		(11,345)		(17,180)	
Net liabilities	(3,696)		4,334		2,899	
Net liabilities to Equity	-4%		5%		3%	

The balance sheet combines results of both holding and operating (software) activities of the Company. The Company raised capital at the Warsaw Stock Exchange via means of the IPO and the SPO in total amount of EUR 56 million. In addition to that, the parent Company Asseco Poland made a contribution in-kind of EUR 16 million which increased the Company's equity by a corresponding amount. The funds have been used for equity investments in software companies in amount of EUR 70 million as at 31 December 2009.

In 2010 the Company disposed of the shareholding in UNiQUARE and merged with its subsidiaries MPI Consulting and ISZP. The transactions had impact on balance of financial investments, intangibles and other receivables reported at the end of 2010 and 2011. Financial investments decreased by EUR 22.3 million in this respect. In the same period, the Company acquired interests in Statlogics and GlobeNet at cost of EUR 15.1 million. The balance of financial investments outstanding after the changes in the group structure, was EUR 63 million as at 31 December 2010.

Transaction price of the disposal of shares in UNiQUARE was structured in a form of the Company's acquisition of licenses for UNiQUARE products worth EUR 12.3 million and a

receivable from disposal of EUR 5.5 million. Legal mergers with MPI and ISZP led to a recognition of intangible assets in total amount of EUR 4.2 million. The carrying amount of intangibles stood at EUR 15.8 million at the end of 2010 and decreased to EUR 13.3 million due to amortization of intangibles as well as impairment charge of EUR 0.3 million recognized at 31 December 2011.

In 2011, the Company increased its ownership interest in Statlogics from 70% to 85% for a consideration of EUR 0.7 million. Owing to the both (i) worsened macroeconomic situation in Hungary and (ii) lower than budgeted performance, the Company recognized impairment on its investment in GlobeNet in amount of EUR 1.6 million as at 31 Decemeber 2011.

Following to the disposal of the UNiQUARE investment and acquisition of the UNiQUARE licenses, the Company and Asseco Poland S.A. agreed to trade-off two solutions of the UNiQUARE licenses (Teller and Loan) and Def 3000 software developed by Asseco Poland S.A. The transaction took place at the end of 2011 and resulted in a recognition of intercompany receivable of EUR 5.7 million and payable of EUR 5.2 million on the face of the Company's statement of financial position.

Net working capital calculated as a difference between non-financial current receivables and payables amounted to EUR 3.6 million, EUR 3.3 million and EUR 5 million as at the end of 2009, 2010 and 2011, respectively. These levels indicate a self-sufficient financing of operating cycle of the Company. Further to that, virtually zero indebtedness and a growing tendency in accumulation of retained earnings (EUR 20 million as at 31 December 2011) confirm a healthy capital structure of the Company in the analyzed period.

Cash-flow analysis

EUR thousand	2009	2010	2011
Cash-flow from operating activities	6,075	5,667	4,456
Cash-flow from investing activities	(9,776)	(4,809)	6,076
Cash-flow from financial activities	(10,118)	(4,778)	(4,773)
Change in cash for the period	**(13,819)**	**(3,921)**	**5,759**
Cash and cash equivalents, beginning of period	29,190	15,371	11,450
Cash and cash equivalents, end of period	15,371	11,450	17,209

Cash-flow statement provides a clear view on both activities of the Company. Cash-flows generated in operations represents net cash income from rendering of software services. Cash conversion ability of the Company was strong in 2009-2011, though part of the cash generated in the period remained tied in receivables due from customers.

Cash-flow from investing activities represents outlays spent on acquisition of shareholding interests (and proceeds from disposals of shares) and cash collection of dividends from subsidiaries. In 2009 and 2010, the outflow of cash on investments prevailed over dividend proceeds. In 2009, the major investment outlays includeda settlement of acquisition price for UNiQUARE, ISZP and Asseco Solutions SK. In 2010, controlling interests in Statlogics and GlobeNet became the acquisition targets of the Company. The opposite holds for year 2011 when only non-controlling interest in Statlogics was acquired but cash from dividends of EUR 5.8 million was collected.

Cash-flow from financial activities summarizes cash paid in dividends to shareholders of the Company (EUR 10 million in 2009 and EUR 4.7 million in 2010 and 2011). Since the

income from dividends exceeds the distribution of dividends to the Company's shareholders, the Company's cash balances increased with cash-flow from software operations.

Analysis of concentration risks

Sales revenues to the following customers exceeded a 10% share on total sales of the Company in year 2011: Všeobecná zdravotná poisťovňa, a.s. and s IT solutions, s.r.o.

There were no suppliers exceeding a 10% share on total purchases of the Company in year 2011.

11 DESCRIPTION OF SIGNIFICANT RISKS AND THREATS

Risks associated with the environment in which the Company operates

- Risks associated with the macroeconomic situation in Slovakia - uncertain development of the IT market (mainly because of still appreciable effects of the global financial crisis), uncertain economic growth, decline in business investment in previous periods, decline in public procurement due to budgetary savings or increase in inflation can have a negative impact on the activities and financial situation of the Company, its financial results and prospects of development.

- Unstable situation before elections in Slovakia – early election will be held on 10 March 2012.

- Changes in the way of adoption, interpretation and application of legislation - any changes in legislation, especially in the field of taxation, labor, social security, may have an adverse impact on business activities, forecasts, financial results and position

- Increasing competition on the IT market can have a negative impact on the ability of the companies of the Company to acquire new projects, which can result in reduction of profit margins and lead to a reduction in market share

- The persistence of lack of IT professionals in the labor market

- Adverse changes in exchange rates, but clearly slowed by the introduction of Euro in the Slovak republic, especially in the case of group companies that operate in the Euro area and mostly invoice in Euros

- Risks connected with concentration of activities on domestic market – the Company may not benefit (diversify risks) from positive (negative) market development

- Risks linked with the development in the financial sector - most of the Company's customers are customers from the financial sector, development in this sector will have an impact on the results of the Company

- Risks connected with the interpretation of the laws of a foreign legal systesm, with the inaccuracy of interpretation - Asseco Central Europe, a.s. was founded and operates in accordance with Slovak legislation. The Company is listed on the Warsaw Stock Exchange and is subject to the relevant legislation valid in Poland, which is available in Polish or English language

- The risk of non-compliance of Polish or Slovak legislation with the legislation of the

country where subsidiaries operate. There is a additional risk from not assessing the current situation of a subsidiary correctly from the public point of view.

Risks associated with business activities of the Company

- Dependence on few big projects and any difficulties in obtaining new projects may have an adverse impact on the Company's activities - each loss of an important project, which is not offset by revenue from new or existing projects may affected adversely the operating activities, forecasts, financial results and financial position of the Company

- Dependence on major customers, loss of which could have an adverse impact on the Company's activities, may adversely affect operating activities, forecasts, financial results and position of the Company

- Failure to prepare and implement new products and services may have a material adverse effect on the Company's activities

- The Company plans to participate in the implementation of projects in the public sector, some of which will be co-financed from the resources available in the operational programs of the European Union. Any delays or restrictions on these projects may adversely affect the Company's operations

- Failure to meet contractual deadlines, or other parameters specified by the clients of the Company or the improper functioning of the solutions provided by the Company - there is still a potential risk that the Company will not be able to meet all the needs of customers, which may result in a penalty payment.

- Loss of reputation in the eyes of customers - for example, following a competitive efforts toward the creation of competitive pressure on the Company through the media

- Customization of products to changes in the law may incur significant costs that may not be fully paid by the customer

- Major suppliers may limit cooperation with the Company (this applies primarily to support of the standardized third-party products that we use to deliver our solutions)

- Operational and financial difficulties of sub-contractors may adversely affect the reliability of the Company in the eyes of customers.

- General risks of acquisition of companies - there is still a potential risk that the integration process of new companies in the Group will be less successful or we may experience some difficulties.

- Failure to execute the strategic goals of expansion

Risks associated with the management of Asseco Central Europe, a. s.:

- A majority shareholder can take action in contradiction with the interests of other shareholders

- The risk of a potential conflict of interest of members of the Board of Directors and the Supervisory Board
- The number of members of the Supervisory Board, which elect employees according to relevant provisions of the Statute, may not be consistent with the law
- Insurance policy may not cover all risks
- Rapid growth and development can lead to difficulties in obtaining adequate managerial and operational resources
- Dependence on key personnel whose loss could adversely affect the Company's activities
- Board members who resign, may require compensation
- Company may not be able to maintain the existing corporate culture in relation with activities development
- Integration of management processes in the Company may be incorrectly interpreted and cause divergent decisions
- The adoption, interpretation and application of legislation in Slovakia may be different than in Poland and other countries
- Polish courts issued rulings against the Company may be more difficult to apply in Slovakia than it would be if the Company and its management were in Poland
- Shareholders from Poland may have difficulty with the exercise of rights under the Slovak legislative
- Investors may not be able to sell shares of the Company at the expected price or the expected date due to the lack of an active or liquid market
- Excess supply of the Company shares on the stock market may have an adverse impact on their price

12 SIGNIFICANT EVENTS AND ACHIEVEMENTS OF ASSECO CENTRAL EUROPE, A.S.

On 28 July 2011, the Supervisory Board of the Company at its meeting adopted a resolution on the appointment of Mr. Tomáš Osuský, Business Development Director of Asseco Central Europe (Slovakia), as a new member of the Board of Directors of the Company. The appointment came into effect on 1 August 2011.

On 8 December 2011, the Supervisory Board of the Company at its meeting adopted a resolution on the appointment of Mr. Marek Grác, Healthcare Business Unit Director of the Company as a new member of the Board of Directors of the Company. At the same day, Finance Director of the Company, Mr. Branislav Tkáčik, was appointed to be a Company secretary. Both appointments came into effect on the same day.

On 23 September 2011, the employees of the Company elected Mr. Ján Handlovský as a new employee representative in the Supervisory Board of the Company.

Important business contracts realized in the Company

- Ministry of Transport - National System of Traffic Information, pilot project
- Ministry of Transport – (ERRU) - Implementation of National level of European Register of Road Transport Undertakings
- Národná diaľničná spoločnosť - Comprehensive information system and extended SAP support
- Slovak Telekom – SAP Unification project T-Com, T-Mobile
- Českomoravská stavební spořitelna – StarBUILD, first phase of project - Proof of Concept
- Slovenská sporiteľňa (the Erste Group) – Contactless Payment Cards, 3D-Secure Payment

13 ADDITIONAL INFORMATION

13.1 Indication of the proceedings pending before the courts and public administration

Currently there are no ongoing proceedings before the courts, the authority responsible for arbitration proceedings or public administration bodies, in which the party would be Asseco Central Europe, a.s. which would be subject to claims or liabilities of at least 10 % of the equity of the Company.

13.2 Information about seasonality

Production of the Company is subject to the usual seasonality observed across the IT industry. According to past experience most of the Company revenues are generated in the fourth quarter, when investments budgets are realized by the customers.

13.3 Information on the dividends paid or declared

According to information published in the Prospectus, the Company has not declared a dividend policy.

Ordinary General Shareholders Meeting which was held on 20 April 2011 approved consolidated and standalone financial statements of Asseco Central Europe, a.s. and distribution of net profit for 2010. The dividends were paid out in the total amount of EUR 4,699,200 which represents EUR 0.22 per share.

13.4 Information on changes in contingent liabilities or contingent assets

Information on contingent liabilities or contingent assets are presented in the Note 25 of the Company's financial statements.

13.5 Transactions with related parties

Transactions of the Company with related parties are provided in the Note 21 of the financial statements of the Company.

13.6 Loans, loan agreements, sureties, guarantees and commitments

The Company did not bear any loans as at 31 December 2011. Commitments and contingent liabilities are provided in the Note 25 of the financial statements of the Company.

13.7 Feasibility of achievement of the published of forecasts for 2011

The Board of Directors of the Company did not publish any forecast for 2011.

13.8 Management of financial resources

The financial resources of Company consists of operating activities.

The Company holds surplus funds with licensed banking institutions, in form of term deposits with minimal risk. The Company does not invest in securities for short-term appreciation of resources.

The Company generally fulfills its obligations on time. If necessary, the Company is able to react to short-term lack of liquidity by using intercompany loans.

13.9 Evaluation of feasibility of investment projects

Investments of the Company in 2011 were connected mostly with the purchase of shares in subsidiaries with a plan to further integration and consolidation of the Asseco Central Europe group.

All of the transactions were planned in a way that they should not limit or threaten the ongoing character of operating activities of the Company and the financial liquidity of individual companies of the group. Moreover, the Company plans to continue reinvesting in the assets, which are used for operating activities.

13.10 Factors and events, particularly of unusual character, having an impact on financial results

There were the following one-off transactions having significant impact on financial results of the Company in 2011:

- Impairment of software (taken over from former subsidiary MPI Consulting) in the amount of EUR 0.25 million;
- Impairment of financial investment in GlobeNet of EUR 1.6 million and simultenous release of EUR 1.45 million of contingent consideration related to the transaction price; and
- Adjustment of financial investment in GlobeNet in amount of EUR 215 thousand recognized as a reduction of costs of the Company.

13.11 Characteristics of the factors relevant to the development of the Company

External factors affecting future financial performance of the Company include:

- Development of economic situation in the countries of Central Europe and economic situation in the customers market
- Level of demand for IT solutions in the financial sector
- Level of demand for IT solutions in public administration
- The rapid pace of technological development
- Actions of competitors from the IT industry
- Exchange rate volatility

Internal factors affecting future financial performance of the Company include:

- Realization of customer contracts
- Results of tenders and negotiation of new contracts in the IT sector
- Cooperation and synergies resulting from the collaboration of companies within the group in order to maintain competitive advantages and strengthening the group's position in the market
- The Company's management expects further integration of the group companies, based on planned synergies enabling more benefits for Asseco Central Europe SK and CZ and Asseco Solutions SK and CZ in the future.

13.12 Changes in the basic principles of management of the Company

In the reporting period, there were no changes in the basic principles of management of Company.

13.13 All agreements between the Company and its management, providing compensation in case of their resignation or dismissal

Asseco Central Europe, a.s. has not entered into agreements with its management, providing for compensation in case of their resignation or dismissal.

13.14 Information on salaries, bonuses or benefits for managers and supervisors

Information on salaries, bonuses or benefits for managers and supervisors are presented in the Note 30 of the financial statements.

13.15 Information about existing agreements that may result in the future changes of the proportions of shares held by existing shareholders

Asseco Central Europe, a. s. is not aware of any agreement which could result in changes in the proportion of shares held by existing shareholders.

13.16 Information about the system checks the employee share schemes

The Company does not conduct employee share schemes.

13.17 Agreement with the entity authorized to audit financial statements

General Shareholders Meeting of Asseco Central Europe, a.s. approved the selection of Ernst & Young Slovakia, spol. s r.o. with registered seat at Hodžovo námestie 1/A Bratislava, SKAU Licence No. 257 as independent auditor for standalone and consolidated financial statements of Asseco Central Europe, a. s. for the year 2010.

Detailed information about the total audit fees charged to Asseco Central Europe, a. s. are presented in the Note 28 of the financial statements of the Company.

13.18 Significant events after the balance sheet date

Receivable from disposal of shares in UNiQUARE

The Company and shareholders of UNiQUARE agreed on a new repayment schedule of the outstanding receivable from disposal of shares in UNiQUARE. The final maturity of the amount due is in December 2012. On 2 February 2012, the shareholders of UNiQUARE made an extraordinary instalment of EUR 2 million.

14 SELECTED FINANCIAL DATA OF FINANCIAL STATEMENTS

SELECTED FINANCIAL DATA	In thousand of zł		In thousand of EUR	
	4 quarters cumulative	4 quarters cumulative	4 quarters cumulative	4 quarters cumulative
	1 Jan 2011 -	1 Jan 2010 -	1 Jan 2011 -	1 Jan 2010 -
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
Sales revenues	137,294	125,277	33,162	31,285
Operating profit (loss)	27,457	29,077	6,632	7,261
Pre-tax profit (loss)	53,730	34,095	12,978	8,514
Net profit for the period reported	48,385	28,055	11,687	7,006
Net cash provided by (used in) operating activities	18,448	22,692	4,456	5,667
Net cash provided by (used in) investing activities	25,157	(19,259)	6,076	(4,809)
Net cash provided by (used in) financing activities	(19,761)	(19,133)	(4,773)	(4,778)
Increase (decrease) in cash and cash equivalents	23,844	(15,700)	5,759	(3,921)
Assets total	535,988	435,791	121,352	110,040
Non-current liabilities	31	7,383	7	1,864
Current liabilities	88,782	55,125	20,101	13,920
Shareholders' equity	447,174	373,283	101,244	94,256
Share capital	3,132	2,808	709	709
Number of shares	21,360,000	21,360,000	21,360,000	21,360,000
Earnings per share (in ZŁ/EUR)	2.27	1.31	0.55	0.33
Book value per share (in ZŁ/EUR)	20.94	17.48	4.74	4.41
Declared or paid dividends per share (in ZŁ/EUR)	0.91	0.87	0.22	0.22

Selected items of Statement of financial position are recalculated at the average exchange rate announced by the Polish National Bank prevailing on the balance sheet date. Selected items in the Profit and loss account and Cash flows statement for the period are converted by the arithmetic average of exchange rates announced by the Polish National Bank at the last day of each month of the period.

Exchange rates

The following exchange rates between ZŁ and EUR were used to recalculate financial information

- Selected items of Statement of financial position as at 31 December 2011 were recalculated at exchange rate announced by National Bank of Poland on the balance sheet date (EUR 1 = ZŁ 4.4168)
- Selected items of Statement of financial position as of 31 December 2010 were recalculated at exchange rate announced by National Bank of Poland on the balance sheet date (EUR 1 = ZŁ 3.9603)
- Selected items of Profit and loss account and Statement of cash flows for the period from 1 January 2011 to 31 December 2011 were recalculated at average exchange rate calculated from exchange rates announced by National Bank of Poland on the last day of each month in the reported period (EUR 1 = ZŁ 4.1401)

- Selected items of Profit and loss account and Statement of cash flows for the period from 1 January 2010 to 31 December 2010 were recalculated at average exchange rate calculated from exchange rates announced by National Bank of Poland on the last day of each month in the reported period (EUR 1 = ZŁ 4.0044)
- The highest and the lowest exchange rate for the reported periods:

		1 Jan 2011 - 31 Dec 2011	1 Jan 2010 - 31 Dec 2010
max	ZŁ -> EUR	4.5642	4.1770
min	ZŁ -> EUR	3.8403	3.8356

Signatures of all members of the Board of Directors of Asseco Central Europe, a. s. under the Management report on activities of the Asseco Central Europe, a. s. for the 2011 year

Jozef Klein Chairman of the Board	Marek Grác Member of the Board	Martin Morávek Member of the Board
Michal Navrátil Member of the Board	Tomáš Osuský Member of the Board	

8 March 2012, Bratislava

ASSECO CENTRAL EUROPE BOARD OF DIRECTORS STATEMENT

Statement of the Board of Directors of Central Europe, a. s. on the reliability of the financial statements of the Asseco Central Europe, a. s. for the period from 1 January to 31 December 2011.

The Board of Directors of Asseco Central Europe, a. s., according to its best knowledge, declares that the financial statements for the period from 1 January to 31 December 2011 have been prepared in accordance with the rules under International Financial Reporting Standards, International Accounting Standards and related interpretations published by the European Commission and give a true and fair financial position of the Company and its financial performance and that the report shall include a true picture of the development and achievements and the Company, including a description of the main threats and risks.

Jozef Klein Chairman of the Board of Directors	Marek Grác Member of the Board of Directors	Martin Morávek Member of the Board of Directors
Michal Navrátil Member of the Board of Directors	Tomáš Osuský Member of the Board of Directors	

Statement of the Board of Directors of Asseco Central Europe, a. s. on the entity authorized to the financial statements of Central Europe, a. s. for the period from 1 January to 31 December 2011.

This Board Directors of Asseco Central Europe, a. s. declares that the entity authorized to audit the financial statements of the Asseco Central Europe, a. s., i.e. Ernst & Young Slovakia, spol. s r. o., with seat in Bratislava was chosen in accordance with the law. Entity and the auditors who audited the report fulfilled the conditions of an impartial and independent opinion about the study, in accordance with applicable law.

Jozef Klein
Chairman of the Board of Directors

Marek Grác
Member of the Board of Directors

Martin Morávek
Member of the Board of Directors

Michal Navrátil
Member of the Board of Directors

Tomáš Osuský
Member of the Board of Directors

8 March 2012, Bratislava

asseco CENTRAL EUROPE

Solutions for Demanding Business

REPORT ON COMPLIANCE
of Asseco Central Europe, a. s.
with the corporate governance standards

8 March 2012

Declaration of Asseco Central Europe, a. s. on compliance with the Corporate Governance Standards, prepared pursuant to §91 sect. 5 item 4 of the Regulation of the Minister of Finance regarding current and periodic information to be submitted by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state, dated 19 February 2009 (Journal of Laws No. 33, item 259)

I. THE SET OF CORPORATE GOVERNANCE STANDARDS APPLICABLE TO THE ISSUER AND THE PLACE WHERE IT IS PUBLICLY AVAILABLE.

Asseco Central Europe, a. s. („the Company") is bound by the Code of Best Practice for WSE Listed Companies (2008) adopted by a resolution of the Supervisory Board of the Warsaw Stock Exchange on 4 July 2007. The report on corporate governance standards applied by Asseco Central Europe, a. s. was published in the Company's current report No. 15/2008 of 13 March 2008. Furthermore, the Company made a declaration of compliance with the corporate governance standards, which has been published on our corporate website www.asseco-ce.com, in the Investor Relations section.

II. CORPORATE GOVERNANCE STANDARDS WHICH HAVE BEEN PARTIALLY OR ENTIRELY WAIVED BY THE ISSUER AND THE RATIONALE FOR DOING SO.

The Company's Board of Directors decided to abandon application of the following corporate governance rules:

Rule No.	Rule	Our comment
II.1.11.	A company should operate a corporate website and publish information known to the Management Board based on a statement by a member of the Supervisory Board on any relationship of a member of the Supervisory Board with a shareholder who holds shares representing not less than 5% of all votes at the company's General Meeting.	We apply this rule in a limited scope, i.e., the Company discloses information on shareholders holding not less than 5% of the total number of votes at the general meeting in the form of a current report. Information on stakes held by members of our Board of Directors and Supervisory Board is disclosed in our periodical reports.
II. 3.	Before a company executes a significant agreement with a related entity, its Management Board shall request the approval of the transaction/agreement by the Supervisory Board. This condition does not apply to typical transactions made on market terms within the operating business by the company with a subsidiary where the company holds a majority stake. For the purpose of this	We apply this rule in line with our binding Articles of Associations. The powers of the Supervisory Board include *inter alia* granting consent for entering into agreements between the Company and members of its Board of Directors and Supervisory Board, our shareholders or entities linked with the Company or entities having capital or personal connection to members of our Board of Directors, Supervisory Board or our

	document, related entity shall be understood within the meaning of the Regulation of the Minister of Finance issued pursuant to Article 60.2 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (Dz.U. No. 184, item 1539, as amended).	shareholders.
II.7	A company shall set the place and date of a General Meeting so as to enable the participation of the highest possible number of shareholders.	We do not apply this rule. We are registered in Slovakia and our General Meetings take place in Slovakia. The possibility of some of our Polish shareholders to participate in General Meetings may be limited. In order to make this easier for our shareholders, we plan to organize, in Poland, meetings preceding the General Meeting at a convenient time and place. These pre-meetings will allow all shareholders to register and discuss topics intended to be subject matter of the General Meeting. They will be able to grant powers of attorney to persons delegated by us to such meetings.
III.1.1)	In addition to its responsibilities laid down in legal provisions the Supervisory Board should: once a year prepare and present to the Ordinary General Meeting a brief assessment of the company's standing including an evaluation of the internal control system and the significant risk management system.	We apply this rule in a limited scope, i.e. annual reports signed by Board of Directors include information regarding evaluation of the Company's situation.
III.4.	A member of the Supervisory Board should notify any conflicts of interest which have arisen or may arise to the Supervisory Board and should refrain from taking part in the discussion and from voting on the adoption of a resolution on the issue which gives rise to such a conflict of interest.	We apply this rule in a limited scope, i.e., our major shareholder, Asseco Poland is entitled to designate three out of five members of the Supervisory Board. Asseco Poland has a very similar business activities profile and potentially acceptance of this rule could be impossible or could complicate the activities of our Supervisory Board.
III.6	At least two members of the Supervisory Board should meet the criteria of being independent from the company and entities with significant connections with the company. The independence criteria should be applied under Annex II to the *Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board*. Irrespective of the provisions of point (b) of the said	We apply this rule in a limited scope, i.e. our major shareholder, Asseco Poland is entitled to designate three out of five members of the Supervisory Board. One Supervisory Board member is appointed by our employees. For these reasons, the Board of Directors is not able to ensure compliance with this rule.

	Annex, a person who is an employee of the company or an associated company cannot be deemed to meet the independence criteria described in the Annex. In addition, a relationship with a shareholder precluding the independence of a member of the Supervisory Board as understood in this rule is an actual and significant relationship with any shareholder who has the right to exercise at least 5% of all votes at the General Meeting.	
III.8	Annex I to the *Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors…* should apply to the tasks and the operation of the committees of the Supervisory Board.	We apply this rule in a limited scope, i.e., our Supervisory Board shall act on the basis of the laws of the Slovak Republic.
IV.6	The date of setting the right to dividend and the date of dividend payment should be set so to ensure the shortest possible period between them, in each case not longer than 15 business days. A longer period between these dates requires detailed grounds.	The Company acts on the basis of the regulations in force in the Slovak Republic and, as a company listed on the WSE, is obliged to obey the regulations in force in Poland. In the case of dividend payments, the Company must adjust the method of payment to the two systems. For this reason, there might be a slight delay between the day on which a right to a dividend is established and the day the dividend is actually paid.

III. MAIN FEATURES OF THE INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS APPLIED BY THE ISSUER IN THE PROCESS OF PREPARING ITS SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS.

The Company's separate and consolidated financial statements are prepared in compliance with the International Accounting Standards ("IAS") as well as the International Financial Reporting Standards ("IFRS"). Both IAS and IFRS include interpretations approved by the International Financial Reporting Interpretations Committee ("IFRIC").

One of the key control mechanisms in the process of preparing the Company's financial statements involves periodical verification of such financial statements by an independent certified auditors, and in particular the review of semi-annual financial statements as well as the preliminary and final audits of annual financial statements.

Certified auditors are selected by the Company in such a way as to ensure that their entrusted tasks are performed impartially. For the sake of such impartiality, the Company changes the entity authorized to audit its financial statements at least once every five years. The change of certified auditors should be also understood as changing the individual carrying out the audit. Certified auditors are each year selected by the Supervisory Board from among reputable auditing firms, which can guarantee high

standards of service and independence. Auditing agreements are concluded for one-year periods.

In order to ensure accuracy of the Company's accounting books as well as generation of highly reliable financial data, the Company's Board of Directors adopted the following documents:

1. Company Organizational Regulations,
2. Accounting Policy and Chart of Accounts, both consistent with the International Financial Reporting Standards,
3. Quality Management System ISO 9001:2000,
4. Numerous internal procedures regulating the Company's operations with significant exposure to risk.

Quality of the accounting data, which provide basis for the preparation of financial statements, is additionally guaranteed by the fact that the Company's accounting books are maintained in an integrated ERP system.

The Audit Committee, established from among Members of the Supervisory Board, plays an important role in internal control of the preparation of separate and consolidated financial statements. This committee is entitled to perform financial auditing activities within the company and in particular to:

- monitor the financial reporting process;
- monitor efficiency of the internal control, internal audit and risk management systems;
- monitor performance of the financial audit activities;
- monitor independence of the certified auditor as well as of the entity authorized to audit financial statements.

The internal control and risk management procedures applied in the process of preparing the financial statements of Asseco Central Europe are very effective and enable production of high quality reports, which is best proved by the opinions issued by certified auditors following their audits of the Company's annual financial statements.

IV. SHAREHOLDERS WHO, DIRECTLY OR INDIRECTLY, HOLD SIGNIFICANT STAKES OF SHARES INCLUSIVE OF THE NUMBERS OF SHARES AND EQUITY INTERESTS HELD, AND THE NUMBERS OF VOTES AND VOTING INTERESTS THEY ARE ENTITLED TO AT THE GENERAL MEETING OF SHAREHOLDERS.

To the best knowledge of the Company's Board of Directors, as at the publication date of this report, i.e. on 8 March 2012, 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:

Shareholder	Number of shares	Number of votes	% share
Asseco Poland	8,560,000	8,560,000	40.07

ING Otwarty Fundusz Emerytalny	1,406,946	1,406,946	6.59

V. HOLDERS OF ANY SECURITIES CARRYING SPECIAL RIGHTS WITH REGARD TO CONTROL OF THE COMPANY AND DESCRIPTION OF SUCH RIGHTS.

None

VI. LIMITATIONS ON THE EXERCISE OF VOTING RIGHTS, SUCH AS LIMITATIONS ON VOTING BY HOLDERS OF A CERTAIN PORTION OR NUMBER OF VOTES, TIMING LIMITATIONS ON VOTING, OR OTHER PROVISIONS UNDER WHICH, IN COOPERATION WITH THE COMPANY, OWNERSHIP OF SECURITIES IS DEPRIVED OF SOME RIGHTS INCIDENTAL THERETO.

None

VII. LIMITATIONS ON TRANSFERABILITY OF OWNERSHIP RIGHTS TO THE ISSUER'S SECURITIES.

None

VIII. RULES REGARDING APPOINTMENT AND DISMISSAL OF THE MANAGEMENT MEMBERS AND DETERMINING THEIR AUTHORITY, IN PARTICULAR THE RIGHT TO DECIDE ON ISSUANCE OR REDEMPTION OF SHARES.

The Board of Directors is the statutory body that manages the Company and acts on its behalf. Two members of the Board of Directors acting jointly are entitled to represent the Company. The Board of Directors decides all matters related to the operations of the Company unless the matter lies within the competence of the General Meeting or the Supervisory Board. Any 2 (two) members of the Board of Directors shall act jointly on behalf of the Company in all of the Company's matters towards third parties.

Members of the Board of Directors are elected for the period of 5 (five) years and recalled by the Supervisory Board of the Company. The Supervisory Board shall at the same time determine which of the members of the Board of Directors shall be the Chairman of the Board of Directors. If in accordance with the Articles of Association the Supervisory Board fails to elect/recall the member(s) of the Board of Directors or to appoint the Chairman of the Board of Directors, the General Meeting shall elect/recall members of the Board of Directors, appoint the Chairman of the Board of Directors in accordance with the Articles of Association. A repeated election is possible.

IX. RULES REGARDING AMENDMENT OF THE ISSUER'S ARTICLES OF ASSOCIATION

Commercial Code (Journal of Laws No. 513/1991) applicable in the Slovak Republic regulates the formal requirements for change of the Articles of Association in joint stock companies under § 173 and 174. Articles of Association of Asseco Central Europe, a. s. does not provide specific provisions governing the amendment of the Articles of Association, i.e. the Company applies the provisions of the Commercial Code in force in the Slovak Republic (Commercial Code), according to which a change of the Company Articles of Association requires a resolution of general meeting and the introduction of new wording to the Registrer of District Court Bratislava I.

If the general meeting agenda includes a change of the Articles of Association, the notice of general meeting must include at least a summary of the proposed changes. The draft amendments to the Articles of Association must be made available to shareholders for inspection at the premises of the company within a general meeting. The resolution of the general assembly to amend the Articles of Association requires a two-thirds of shareholders present at a general meeting and a notarial record must be prepared. After any change to the Articles of Association of the Board shall be obliged to prepare the full text of the Articles of Association and is responsible for its completeness and correctness.

X. THE MANNER OF OPERATION AND ESSENTIAL AUTHORITIES OF THE GENERAL MEETING OF SHAREHOLDERS, DESCRIPTION OF THE SHAREHOLDERS' RIGHTS AND THE EXERCISE THEREOF, AND IN PARTICULAR THE RULES SET FORTH BY THE BYLAWS OF THE GENERAL MEETING OF SHAREHOLDERS PROVIDED SUCH BYLAWS HAVE BEEN ADOPTED, UNLESS SUCH INFORMATION IS DETERMINED DIRECTLY BY THE PROVISIONS OF LAW.

The General Meeting shall be the supreme body of the Company. All shareholders and/or their proxies authorized under power of attorney, as well as other persons/entities shall have the right to participate in the General Meeting in compliance with provisions of the Articles of Association of the Company.

Members of the Board of Directors and the Supervisory Board shall attend the General Meeting. The General Meeting shall be held at least once per year and it shall be convened by the Board of Directors.

The General Meeting shall usually take place in Bratislava in the Company's registered seat. The General Meeting may be also held in another place determined by the Board of Directors during convocation of the General Meeting.

The Extraordinary General Meeting may be convened if the Company's interests require so, or in cases provided for by the generally binding legal regulations and/or the Articles of Association. The General Meeting shall be convened by the Board of Directors by publishing a notice of the General Meeting at least 30 (thirty) days before the date of the General Meeting in nationally circulated periodicals publishing news from the stock exchange.

In respect of difference in laws regulating operation of joint-stock company within two different systems of law, that means difference between Slovak laws, by which is regulated operation of the Company and Polish law regulating rules of trading with shares of the Company at Warszaw Stock Exchange, and for the purpose of explanation of these laws, the Board of Directors can call before each General Meeting an informational meeting of shareholders (further just „informational meeting"), which can happen in Bratislava and/or in Warszawa.

Informational meeting takes place not earlier than 5 and not later than 1 business day before the date of the General Meeting. The right of the shareholder to attend the General Meeting is checked upon an extract of the shareholder's account led by the member of Central Securities Depository in the Slovak Republic or by the member of foreign central depository, which has proprietor's account led in Central Securities Depository in the Slovak Republic, made out on the determining date in accordance with Articles of Association. The original extract from the shareholder's account must be in Slovak or English language in case it will be delivered directly by the depository (bank) to the address of Asseco Central Europe. In the event that the extract is delivered to the Shareholders' Meeting directly by the shareholder within the time specified in the invitation, it must be certified by a notary translation into Slovak language.

The shareholder may exercise its rights at the General Meeting either in person or through a proxy authorized under a written power of attorney. A shareholder's proxy authorized under a power of attorney may not be a member of the Supervisory Board of the Company.

During registration for the General Meeting the shareholders shall present the documents listed further below in order to allow for verification of their right to participate in the General Meeting:

I.

Original or officially authenticated copy from the extract of the shareholder's account led by the member of the Central Securities Depository in the Slovak Republic or by the member of foreign central depository, which has proprietor's account led in the Central Securities Depository in the Slovak Republic, made out on the determining date in accordance with the Articles of Association.

and

II.

(a) if the shareholder is an individual:

- a valid ID Card or a valid passport or another document replacing the above documents;

(b) if the shareholder is a legal entity:

- an original or an officially verified copy of the Excerpt from the Commercial Register not older than 3 (three) months, stating the situation of a shareholder - the legal entity valid at the time of the General Meeting, and

- its statutory body; members of the statutory body authorized to act in the name of the Company who are attending the General Meeting shall submit a valid ID Card or a valid passport or another document replacing the above documents;

(c) a proxy – an individual:

- an original or an officially verified copy of the power of attorney with an officially verified signature of a shareholder, if he/she is an individual, or with an officially verified signature of statutory body or members of a statutory body authorized to act on behalf of the shareholder if it is a legal entity;

- a valid ID Card or a valid passport or another document replacing the above documents; and

- if the proxy represents a shareholder – a legal entity – also an original or an officially verified copy of the Excerpt from the Commercial Register in respect of the shareholder not older than three (3) months, stating the situation of a shareholder - the legal entity valid at the time of the General Meeting.

(d) a proxy – a legal entity – represented by its statutory body:

- an original or an officially verified copy of the power of attorney with an officially verified signature of a shareholder, if he/she is an individual, or with an officially verified signature of statutory body or members of a statutory body authorized to act on behalf of the shareholder if it is a legal entity;
- an original or an officially verified copy of the Excerpt from the Commercial Register not older than three (3) months, stating the situation of a shareholder - the legal entity valid at the time of the General Meeting,
- a valid ID Card or a valid passport or another document replacing the above documents of the statutory representative of the proxy; and
- if the proxy represents a shareholder – a legal entity – also an original or an officially verified copy of the Excerpt from the Commercial Register not older than three (3) months, stating the situation of a shareholder - the legal entity valid at the time of the General Meeting.

The official language of the General Meeting is the Slovak. If a shareholder needs a translation into a foreign language, it must be provided by the shareholder at the shareholder's costs.

The General Meeting decide about all questions by two-thirds vote majority of present shareholders, except cases, when the generally binding legal acts require higher number of votes of shareholders (more).

The number of a shareholder's votes shall depend on the nominal value of shares held by such shareholder. Each share with a nominal value of 0.033194 EUR shall represent one vote.

Minutes must be taken from every General Meeting in respect of its course.

The following issues shall be entrusted in the scope of competence of the General Meeting:

(a) amendments to the Articles of Association of the Company,

(b) deciding on increase and decrease in the registered capital, on authorization of the Board of Directors to increase the registered capital pursuant to Section 210 of the Commercial Code and to issue bond

(c) selection and recalling of members of the Board of Directors, including appointment of the Chairman of the Board of Directors, provided that the Supervisory Board does not decide on election/recalling of members of the Board of Directors, including appointment of the Chairman of the Board of Directors pursuant to Article of Associatons,

(d) election and recalling of members of the Supervisory Board, except for the members of the Supervisory Board elected and recalled pursuant to Section 200 of the Commercial Code by employees of the Company,

(e) approval of the Annual and Extraordinary Financial Statements, deciding on distribution of profit or payment for losses and determining the royalties,

(f) deciding on transformation of the nature of securities issued as certificated securities into book-entry securities and vice-versa, if allowed by the generally binding legal regulations,

(g) deciding on winding-up of the Company and on a change in its legal form,

(h) deciding on termination of registration of the Company's shares for trading at the Stock Exchange and deciding on Company's ceasing to exist as a public joint-stock company,

(i) approval of directives applicable to remuneration of members of the Company's bodies,

(j) deciding on approval of an Agreement on transfer of the enterprise or Agreement on transfer of a part of the enterprise,

(k) deciding on change of type of the Company's shares issued as registered shares to bearer shares and vice-versa;

(l) deciding on division (split off) of the Company's shares into shares with lower nominal value;

(m) deciding on further questions that the law or the Articles of Associations put under the scope of competence of the General Meeting or that the General Meeting acquires into its scope of competence by its resolution.

Other provisions of the course and organization of the meetings of the shareholders meeting, its activities and the other issues are part of the appropriate provisions of the Commercial Code and Articles of Associations of the Company.

XI. COMPOSITIONS, LAST YEAR CHANGES IN THE COMPOSITIONS, AND OPERATIONS OF THE ISSUER'S MANAGEMENT, SUPERVISORY AND ADMINISTRATIVE BODIES AND THEIR COMMITTEES.

THE SUPERVISORY BOARD

The Supervisory Board is the inspection body of the Company which supervises how the Board of Directors exercises its range of powers and how the business activity of the Company is conducted. The Supervisory Board shall have 5 (five) members. The term of office of the members of the Supervisory Board shall be five (5) years.

Members of the Supervisory Board shall be elected and recalled by the General Meeting. The principle shall apply at all times that 3 (three) members of the Supervisory Board shall be nominated by Asseco Poland, S.A., with its registered office in Rzeszów, ul. Armii Krajowej 80, 35-307 Rzeszów, the Republic of Poland, registered in the Register of Entrepreneurs of the National Court Register held by the District Court in Rzeszów, XII Commercial Division of the National Court Register under the KRS number 0000104838 and 1 (one) member of the Supervisory Board shall be nominated and elected by employees pursuant to valid legal regulations.

The range of powers and duties of the Supervisory Board shall include, in particular, without limitation:

- review of the Annual and Extraordinary Financial Statements of the Company;
- review and evaluation of the Reports of the Board of Directors on the activity and position of the Company and the companies controlled by it, as well as review and evaluation of proposals of the Board of Directors for distribution of profit and/or covering of losses;
- approval of annual budget of the Company;
- submission of a written report on results of the aforementioned reviews at the General Meeting;
- approval of rules for remuneration of members of the Board of Directors of the Company;
- convocation of General Meetings of the Company in compliance with the conditions set forth by the Commercial Code and these Articles of Association;

- other issues entrusted to the competence of the Supervisory Board by legal regulations and/or other provisions of these Articles of Association;
- election and recalling of members of the Board of Directors, including appointment of the Chairman of the Board of Directors;
- granting approval with procuration granted by the Board of Directors of the Company;
- approval for the Company to take/provide loans and credits, the value of which exceeds the value of the registered capital in one transaction or in whole series of connected transactions or, as the case may be, a corresponding value of this amount in other currencies, which have not been taken into account in the financial budget of the Company, or which have not been approved by a resolution of the General Meeting or of the Supervisory Board;
- approval of a sale and purchase of real estate property by the Company, including co-ownership interests in the real estate property regardless of the value of the title to the real estate property to be acquired or transferred, which have not been taken into account in the financial budget of the Company;
- granting approval with disposition of costs, including investment costs of the Company, in the amount exceeding ten times the value of the registered capital in one transaction or in a series of connected transactions or, as the case may be, the corresponding value of this amount in other currencies, which have not been taken into account in the financial budget of the Company;
- provision of any guarantees, security interests, any out-of-balance sheet obligations, acceptance of liability for damage which have not been taken into account in the financial budget of the Company;
- granting approval with establishment or creation of an easement on any part of the real estate property of the Company, which has not been listed in the financial budget of the Company,
- approval of a purchase or any other acquisition of ownership interests of other companies, shares, with entrance of the Company into other business companies, associations of legal entities, foundations or other investment funds;
- approval of sale of assets of the Company, the value of which exceeds 10% (ten percent) of the book value of the assets of the Company based on the last financial statements verified by an independent auditor, the sale of which has not been taken into account in the financial budget of the Company;
- granting approval with entering into agreements between the Company and members of the Board of Directors of the Company, the Supervisory Board of the Company, shareholders of the Company or, as the case may be, Dependent Entities or entities connected through capital or personally with members of the Board of Directors, members of the Supervisory Board or shareholders;
- granting approval with the acquisition and subsequent use of a specific amount of treasury shares within the total amount of treasury shares that the Company is entitled to acquire based on the prior decision of the General Meeting.

Other provisions of the course and organization of the meetings of the supervisory board, its activities and the other issues are part of the appropriate provisions of the Commercial Code and Articles of Associations of the Company.

There were following members of the Supervisory Board of Asseco Central Europe, a. s. as at 31 December 2011:

Name and Surname	Position	Period
Adam Tadeusz Góral	Chairman	1.1.2011-31.12.2011
Andrej Košári	Vice-Chairman	1.1.2011-31.12.2011
Ján Handlovský	Member (elected by employees)	1.1.2011-31.12.2011
Marek Paweł Panek	Member	1.1.2011-31.12.2011
Przemysław Sęczkowski	Member	1.1.2011-31.12.2011

There were following members of the Supervisory Board of Asseco Central Europe, a. s. as at 8 March 2012:

Name and Surname	Position	Period
Adam Tadeusz Góral	Chairman	1.1.2012-present
Andrej Košári	Vice-Chairman	1.1.2012-present
Ján Handlovský	Member (elected by employees)	1.1.2012-present
Marek Paweł Panek	Member	1.1.2012-present
Przemysław Sęczkowski	Member	1.1.2012-present

THE BOARD OF DIRECTORS

The Board of Directors is the statutory body of the Company which manages all the activity of the Company, acts on its behalf and represents it in legal acts. The Board of Directors decides all matters of the Company unless they fall within the powers of the

General Meeting or the Supervisory Board pursuant to legal regulations or these Articles of Association.

The Board of Directors adopts a decision by majority of all votes of its present members.

The Board of Directors shall in particular, without limitation, to:

a) ensure proper management of the Company's accounting and submit to the General Meeting for approval the Company's annual or extraordinary financial statements and a proposal for distribution of profit or covering of the Company's losses,

b) together with the annual financial statements, submit to the General Meeting once a year a report on the business activities of the Company and the state of its assets and liabilities; this report shall form an integral part of the annual report prepared according to special regulations,

c) submit to the Supervisory Board once a year information on fundamental intentions of the business management of the Company for the future period as well as the expected development of the state of assets and liabilities, finances and proceeds of the Company,

d) upon request and within the term determined by the Supervisory Board submit a written report on the state of the business activity and assets and liabilities of the Company as compared with the expected development,

e) inform the Supervisory Board without undue delay about all facts which may substantially influence the development of the business activity and the state of assets and liabilities of the Company, in particular its liquidity,

f) upon request of the Supervisory Board, participate in meetings of the Supervisory Board and give its members additional information in the requested scope about submitted written reports,

g) convene an extraordinary General Meeting without undue delay if it finds out that the Company's loss has exceeded one third of its registered capital or if this can be expected, and submit to the General Meeting proposals for measures; the Board of Directors shall also inform the Supervisory Board without undue delay about these facts,

h) exercise its range of powers with due diligence and in accordance with interests of the Company and all its shareholders. In particular, it shall obtain and take into account all accessible information concerning the subject matter of decision-making, not to disclose business secret and confidential information and facts to third parties, if such disclosure might be detrimental to the Company or threaten interests of the Company and its shareholders. The obligation to keep confidential shall apply also after the expiration of the term of office of a member of the Board of Directors until such information becomes generally known,

i) ensure publication of data from financial statements verified by an auditor in accordance with Act on Accounting at the cost of the Company by publishing them in Commercial Bulletin,

j) submit all documents prescribed by law to the collection of deeds maintained by the relevant Commercial Register and submit motions for entry/change of entry of all data to be registered with the Commercial Register, and that within 30 days as of their occurrence,

k) with a prior consent of the Supervisory Board adopt principles for founding of a new company with an interest of the Company or acquisition of an interest in an existing company, as well as establishment of its branch office in the Slovak Republic or abroad,

l) observe provisions of relevant generally binding legal regulations, Articles of Association of the Company and decisions of its bodies; executes budget of the

Company, submits it for the approval of the Board of Directors and after obtaining of an approval is responsible for its fulfillment.

Other provisions of the course and organization of the meetings of the board of directors, its activities and the other issues are part of the appropriate provisions of the Commercial Code and Articles of Associations of the Company.

There were following members of the Board of Directors of Asseco Central Europe, a. s. as at 31 December 2011:

Name and Surname	Position	Period
Jozef Klein	Chairman	1.1.2011-31.12.2011
Marek Grác	Member	8.12.2011-31.12.2011
Martin Morávek	Member	1.1.2011-31.12.2011
Michal Navrátil	Member	1.1.2011-31.12.2011
Tomáš Osuský	Member	1.8.2011-31.12.2011

There were following members of the Board of Directors of Asseco Central Europe, a. s. as at 08 March 2012:

Name and Surname	Position	Period
Jozef Klein	Chairman	1.1.2012 – present
Marek Grác	Member	1.1.2012 – present
Martin Morávek	Member	1.1.2012 – present
Michal Navrátil	Member	1.1.2012 – present
Tomáš Osuský	Member	1.1.2012 – present

Jozef Klein
Chairman of the
Board of Directors

Marek Grác
Member of the
Board of Directors

Martin Morávek
Member of the
Board of Directors

Michal Navrátil
Member of the
Board of Directors

Tomáš Osuský
Member of the
Board of Directors

Ernst & Young Slovakia, spol. s r.o.
Hodžovo námestie 1A
811 06 Bratislava
Slovenská republika

Tel: +421 2 3333 9111
Fax: +421 2 3333 9222
www.ey.com/sk

Independent Auditors' Report

To the Shareholders of Asseco Central Europe, a.s.:

We have audited the accompanying separate financial statements of Asseco Central Europe, a.s. ('the Company'), which comprise the statement of financial position as at 31 December 2011, the profit and loss account, statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of separate financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

THIS IS A TRANSLATION OF THE ORIGINAL SLOVAK REPORT

Spoločnosť zo skupiny Ernst & Young Global Limited
Ernst & Young Slovakia, spol. s r.o., IČO: 35 840 463, zapísaná v Obchodnom registri Okresného súdu Bratislava I, oddiel: Sro, vložka číslo: 27004/B
a v zozname audítorov vedenom Slovenskou komorou audítorov pod č. 257.

Ernst & Young Slovakia, spol. s r.o.
Hodžovo námestie 1A
811 06 Bratislava
Slovenská republika

Tel: +421 2 3333 9111
Fax: +421 2 3333 9222
www.ey.com/sk

Opinion

In our opinion, the separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

8 March 2012
Bratislava, Slovak Republic

Ernst & Young Slovakia, spol. s r.o.
SKAU Licence No. 257

Ing. Peter Uram- Hrišo
UDVA Licence No.996

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a v zozname audítorov vedenom Slovenskou komorou audítorov pod č. 257.

ERNST & YOUNG

THIS IS A TRANSLATION OF THE ORIGINAL SLOVAK REPORT

ASSECO CENTRAL EUROPE, a.s.

FINANCIAL STATEMENTS INCLUDING OPINION OF INDEPENDENT CERTIFIED AUDITORS

FOR THE YEAR ENDED 31 DECEMBER 2011

PREPARED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS

Bratislava, 8 March 2012

FINANCIAL STATEMENTS OF ASSECO CENTRAL EUROPE, a.s. INCLUDING OPINION OF INDEPENDENT CERTIFIED AUDITORS FOR THE YEAR ENDED 31 DECEMBER 2011

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FINANCIAL STATEMENTS OF ASSECO CENTRAL EUROPE, a.s.
INCLUDING OPINION OF INDEPENDENT CERTIFIED AUDITORS
FOR THE YEAR ENDED 31 DECEMBER 2011

These financial statements were prepared on 8 March 2012 and authorized for publication by the Management Board of Asseco Central Europe, a.s. on 8 March 2012.

Management Board:

RNDr. Jozef Klein	President of the Management Board
Ing. Martin Morávek	Member of the Management Board
Ing. Michal Navrátil	Member of the Management Board
Ing. Tomáš Osuský	Member of the Management Board
Ing. Marek Grác	Member of the Management Board

Person responsible for maintaining the accounting books:

Rastislav Mordavský	Chief Accountant

PROFIT AND LOSS ACCOUNT
ASSECO CENTRAL EUROPE, a.s.

	Note	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (restatedd)
Sales revenues	1	**33,162**	**31,285**
Cost of sales (-)	2	**(22,413)**	**(19,068)**
Gross profit on sales		**10,749**	**12,217**
Selling expenses	2	(969)	(1,891)
General administrative expenses	2	(2,581)	(2,916)
Net profit on sales		**7,199**	**7,410**
Other operating income	3	232	99
Other operating expenses	3	(799)	(248)
Operating profit		**6,632**	**7,261**
Financial income	4	7,985	4,635
Financial expenses	4	(1,639)	(3,382)
Pre-tax profit		**12,978**	**8,514**
Corporate income tax (current and deferred portions)	5	(1,291)	(1,508)
Net profit for the period reported		**11,687**	**7,006**
Earnings per share attributable to Shareholders of Asseco Central Europe, a.s. (in EUR):			
Basic consolidated earnings per share from continuing operations for the reporting period	6	*0.55*	*0.33*
Diluted consolidated earnings per share from continuing operations for the reporting period	6	*0.55*	*0.33*

STATEMENT OF COMPREHENSIVE INCOME
ASSECO CENTRAL EUROPE, a.s.

	Note	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Net profit for the reporting period		**11,687**	**7,006**
Total other comprehensive income		**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**11,687**	**7,006**

STATEMENT OF FINANCIAL POSITION
ASSECO CENTRAL EUROPE, a.s.

ASSETS	Note	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Fixed assets		**76,961**	**80,550**
Property, plant and equipment	8	612	657
Intangible assets	9	13,299	15,792
Investments in subsidiaries	10	62,348	63,007
Long-term loans		-	580
Deferred income tax assets	5	702	514
Current assets		**44,391**	**29,490**
Deferred expenses	12	412	750
Trade accounts receivable	14	13,203	10,987
Corporate income tax		658	-
Other receivables	14	12,308	6,303
Current financial assets at fair value through profit or loss		10	-
Loans granted		591	-
Cash and short-term deposits	15	17,209	11,450
TOTAL ASSETS		**121,352**	**110,040**

STATEMENT OF FINANCIAL POSITION
ASSECO CENTRAL EUROPE, a.s.

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Shareholders' equity (attributable to Shareholders of the Parent Company)			
Share capital	16	709	709
Share premium		74,901	74,901
Retained earnings		25,634	18,646
Total shareholders' equity		**101,244**	**94,256**
			-
Long-term liabilities		**7**	**1,864**
Long-term financial liabilities	17	7	1,503
Other long-term liabilities	20	-	361
Current liabilities		**20,101**	**13,920**
Trade accounts payable	20	5,888	4,037
Corporate income tax payable	20	-	555
Liabilities to the State budget	20	726	848
Financial liabilities	17	1,472	1,502
Other liabilities	20	7,629	1,923
Provisions	19	1,811	2,110
Deferred income	20	596	649
Accrued expenses	20	1,979	2,296
TOTAL LIABILITIES		**20,108**	**15,784**
			-
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**121,352**	**110,040**

STATEMENT OF CHANGES IN EQUITY
ASSECO CENTRAL EUROPE, a.s.

	Note	Share capital	Share premium	Retained earnings	Total shareholders' equity
As at 1 January 2011	16	**709**	**74,901**	**18,646**	**94,256**
Net profit for the period				11,687	**11,687**
Dividend for 2010	7			(4,699)	**(4,699)**
As at 31 December 2011 (audited)	**16**	**709**	**74,901**	**25,634**	**101,244**
As at 1 January 2010	16	**709**	**74,901**	**16,339**	**91,949**
Net profit for the period		-	-	7,006	**7,006**
Dividend for 2009		-	-	(4,699)	**(4,699)**
As at 31 December 2010 (audited)		**709**	**74,901**	**18,646**	**94,256**

STATEMENT OF CASH FLOWS
ASSECO CENTRAL EUROPE, a.s.

	Note	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Cash flows - operating activities			
Pre-tax profit from continuing operations and profit (loss) on discontinued operations		12,978	8,514
Total adjustments:			
Depreciation and amortization	2	1,718	826
Changes in working capital	23	(1,278)	(1,318)
Interest income and expense		(259)	(118)
Gain (loss) on foreign exchange differences		-	88
Gain (loss) on investing activities		(6,128)	(1,271)
Other		117	457
Net cash generated from operating activities		**7,148**	**7,180**
Corporate income tax paid		(2,692)	(1,513)
Net cash provided by (used in) operating activities		**4,456**	**5,667**
Cash flows - investing activities			
Disposal of tangible fixed assets and intangible assets		366	9
Acquisition of tangible fixed assets and intangible assets		(317)	(196)
Acquisition of subsidiary companies		(699)	(11,744)
Proceeds from sale of investment in subsidiaries		860	280
Settlement of derivative financial instrument		(5)	(18)
Loans granted		(700)	-
Loans collected		700	1,150
Interest received		19	62
Dividends received		5,852	5,648
Net cash provided by (used in) investing activities		**6,076**	**(4,809)**
Cash flows - financing activities			
Finance lease commitments paid		(74)	(79)
Dividends paid to shareholders of the parent entity		(4,699)	(4,699)
Net cash provided by (used in) financing activities		**(4,773)**	**(4,778)**
Increase (decrease) in cash and cash equivalents		5,759	(3,921)
Cash and cash equivalents as at 1 January		11,450	15,371
Cash and cash equivalents as at 31 December	**15**	**17,209**	**11,450**

SUPPLEMENTARY INFORMATION AND EXPLANATIONS

I. GENERAL INFORMATION

Asseco Central Europe, a.s. (the "Company", "Parent Company", "Issuer") is a joint-stock company with its registered seat at ul. Trencianska 56/A, 821 09 Bratislava, Slovakia.

The Company was established on 16 December 1998. The original name of the company ASSET Soft, a.s. was changed to Asseco Slovakia, a.s. in September 2005. The new Company's name was registered in the Commercial Register on 21 September 2005. On 28 April 2010, the Company changed its name from Asseco Slovakia, a.s. to Asseco Central Europe, a.s. and registered it in the Commercial Register of the Slovak Republic on the same day.

Since 10 October 2006, the Company's shares have been listed on the main market of the Warsaw Stock Exchange.

The parent company of Asseco Central Europe, a.s. is Asseco Poland SA (the higher-level parent company). As at 31 December 2011, Asseco Poland SA held a 40.07% stake in the share capital of Asseco Central Europe, a.s.

The period of the Company's operations is indefinite. Asseco Central Europe, a.s. is the parent company of the Asseco Central Europe Group (the "ACE Group"). The business profile of Asseco Central Europe, a.s. includes software and computer hardware consultancy, production of software, as well as supply of software and hardware. According to the classification adopted by the Warsaw Stock Exchange, the Company's business activity is classified as "information technology".

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

These financial statements cover the period of 12 months ended 31 December 2011 and contain comparative data for the period of 12 months ended 31 December 2010 in the case of the profit and loss account, statement of comprehensive income, statement of changes in equity and statement of cash flows; and comparative data as at 31 December 2011 and 1 January 2011 in the case of the statement of financial position.

The Company prepares its financial statements in accordance with the International Financial Reporting Standards ("IFRS") endorsed by the European Union for the current and comparative period. Asseco Central Europe, a.s. has applied the IFRS since 2006.

II. ACCOUNTING PRINCIPLES APPLIED WHEN PREPARING FINANCIAL STATEMENTS

1. Basis for preparation of financial statements

The financial statements were prepared in accordance with the historical cost principle, except for derivative financial instruments which were measured at their fair value.

The presentation currency of these financial statements is euro (EUR), and all figures are presented in thousands of euro (EUR), unless stated otherwise.

These financial statements were prepared on a going-concern basis, assuming the Company will continue its business activities in the foreseeable future.

Up to the date of approval of these financial statements, no circumstances indicating a threat to the Company's ability to continue as a going concern have been identified.

2. Compliance statement

These financial statements were prepared in compliance with the International Financial Reporting Standards ("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 Company's operations, in the scope of accounting principles applied by the Company 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").

3. Significant accounting judgments, estimates and assumptions

Preparing financial statements in accordance with IFRS requires making judgements, estimates and assumptions which affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Although the estimates and assumptions have been adopted on the basis of the Company management's best knowledge ofthe current activities and occurrences, the actual results may differ from those anticipated.

In the 12 months period ended 31 December 2011, the Company's approach to making estimates was not subject to any substantial changes on the prior periods. Details of the main areas subject to accounting estimates and management's professional judgment, whose estimates, if changed, could significantly affect the Company's future results, are given below.

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

The Company executes a number of contracts for construction and implementation of information technology systems. Additionally, some of those contracts 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; it also requires measurement of the progress of contract execution. The progress of contract execution is measured as a relation of costs already incurred (provided such costs contribute to the progress of the work) to the total costs planned, or as a portion of man-days worked out of the total work-output 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 December 2011, receivables from the valuation of IT contracts amounted to EUR 1,562 thousand, while liabilities due to such valuations equalled EUR 414 thousand. As at 31 December 2011, there were no embedded financial derivatives recognized in financial liabilities.

ii Rates of depreciation and amortization

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

iii Impairment test of financial and non-financial assets

The Management Board regularly reviews whether there exist indicators of impairment of financial and non-financial assets. Upon assessment of triggering events, the Company concluded there are indicators of impairment related to its financial investments. The Company therefore tested its financial investments on impairment. This task required making estimates of value in use of financial investments. The value in use is estimated by determination of the future cash flows expected to be generated by the investments and determination of a discount rate to be used in order to calculate net present value of those cash flows. As at 31 December 2011, the carrying amount of financial investments was EUR 62,348 thousand. Refer to the Note 10 for details.

iv Contingent consideration related to acquisition of subsidiary companies

As at 31 December 2011, the Company recognized a contingent consideration associated with the acquisition of 60% ownership interest in the subsidiary GlobeNet, Zrt. Determination of the amounts payable under this contingent consideration required making estimates of the company's financial results. As at 31 December 2011, liabilities equalled EUR 1,450 thousand (31 December 2010 EUR 2,900 thousand).

4. Changes in the applied principles of presentation

In 2011, Asseco Central Europe, a.s. harmonized its internal reporting methodology with that of the Asseco Group (Asseco Poland SA). The change has been reflected for the first time in the annual financial statements for 2011. The 2011 financial statements provided herein have been prepared on a basis consistent with the Group's financial statements for 2011. Figures for 2010 were adjusted respectively. As a result, costs of EUR 1,207 thousand have been derecognized from general administrative expenses and included in cost of sales in the profit and loss account for the period of 2010.

Position		**2010**	**2010 reclassified**	**Change**
Cost of sales	PL	17,861	19,068	(1,207)
General administrative expenses	PL	4,123	2,916	1,207
Total				-

5. Changes in the accounting principles applied

The accounting principles (policy) adopted in preparation of these financial statements are consistent with those applied for preparation of financial statements for the year ended 31 December 2010, except for applying the following amendments to standards and new interpretations effective for annual periods beginning on or after 1 January 2011. The Company applied all Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB as adopted by the European Union ('EU') that are relevant to the Company's operations.

Standards and interpretations relevant to the Company's operations, effective in the current period

The following amendments to the existing standards issued by the International Accounting Standards Board and adopted by the EU are effective for the current accounting period:

IAS 24 Related Party Disclosures (Amendment)

The amended standard is effective for annual periods beginning on or after 1 January 2011. It clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government-related entities. The Company does not expect any impact on its financial position or performance.

IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (Amendment)

The amendment to IAS 32 is effective for annual periods beginning on or after 1 February 2010 and amends the definition of a financial liability in order to classify rights issues (and certain options or warrants) as equity instruments in cases where such rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, or to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. This amendment has no impact on the Company's financial position or performance. .

IFRIC 14 Prepayments of a minimum funding requirement (Amendment)

The amendment to IFRIC 14 is effective for annual periods beginning on or after 1 January 2011 with retrospective application. The amendment provides guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset. The amendment is deemed to have no impact on the financial statements of the Company.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

IFRIC 19 is effective for annual periods beginning on or after 1 July 2010. The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability qualify as consideration paid. The equity instruments issued are measured at their fair value. In the event that this cannot be reliably measured, the instruments are measured at the fair value of the liability extinguished. Any gain or loss is recognized immediately in profit or loss. The adoption of this interpretation has no effect on the financial statements of the Company.

Improvements to IFRSs (issued in May 2010)

In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies, but no impact on the financial position or performance of the Company.

- IFRS 7 Financial Instruments — Disclosures: The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context.
- IAS 1 Presentation of Financial Statements: The amendment clarifies that an entity may present an analysis of each component of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Company:

- IFRS 3 Business Combinations
- IAS 27 Consolidated and Separate Financial Statements
- IAS 34 Interim Financial Statements

The following interpretation and amendments to interpretations did not have any impact on the accounting policies, financial position or performance of the Company:

- IFRIC 13 Customer Loyalty Programmes
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

6. New standards and interpretations published but not yet in force

Standards issued but not yet effective or not yet adopted by the EU up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

- IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income ('OCI')

The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has there no impact on the Company's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012.

- IAS 19 Employee Benefits (Amendment)

The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The application of this amendment will have no impact on the financial position of the Company. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

- IAS 27 Separate Financial Statements (as revised in 2011)

As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

- IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)

As a consequence of the new IFRS 11 and IFRS 12. IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

- IFRS 7 Financial Instruments: Disclosures — Transfers of Financial Assets (Amendments to IFRS 7)

The IASB has amended the required disclosures relating to transfers of financial assets. The objective of the amendments is to help users of financial statements evaluate the risk exposures relating to such transfers and the effect of those risks on an entity's financial position. The amendment becomes effective for annual periods beginning on or after 1 July 2011.

- IFRS 7 Financial Instruments: Disclosures — Enhanced Derecognition Disclosure Requirements

The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Company's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment becomes effective for annual periods beginning on or after 1 July 2011. The amendment affects disclosure only and has no impact on the Company's financial position or performance.

- IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. Completion of this project is expected over the course of 2012. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets and on the classification and measurement of financial liabilities. The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

- IFRS 10 Consolidated Financial Statements

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation — Special Purpose Entities.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and, therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27. This standard becomes effective for annual periods beginning on or after 1 January 2013.

- IFRS 11 Joint Arrangements

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities ('JCEs') using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The application of this new standard will have no impact on the financial position of the Company. This standard becomes effective for annual periods beginning on or after 1 January 2013.

- IFRS 12 Disclosure of Involvement with Other Entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This standard becomes effective for annual periods beginning on or after 1 January 2013.

- IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Company is currently assessing the impact that this standard will have on the financial position and performance. This standard becomes effective for annual periods beginning on or after 1 January 2013.

The Company management is performing an analysis of the adoption of these standards, revisions and interpretations; this has not yet been completed so the impact is not assessed.

7. Summary of major accounting principles

i. Translation of items expressed in foreign currencies

The functional currency of the Company as well as the reporting currency used in these financial statements is the euro (EUR).

Transactions denominated in foreign currencies are initially recognized at the functional currency exchange rate of the transaction date. Assets and liabilities expressed in foreign currencies are restated at the functional currency exchange rate of the balance sheet date. Foreign currency non-monetary items valued at historical cost are restated at the exchange rate as at the initial transaction date. Foreign currency non-monetary items valued at fair value are restated using the exchange rate as of the date when such fair value is determined.

The following exchange rates were applied for the purpose of valuation in the statement of financial position:

Currency	As at 31 Dec 2011	As at 31 Dec 2010
EUR	1.00000	1.00000
USD	1.29390	1.33620
CZK	25.78700	25.06100
GBP	0.83530	0.86075
HUF	314.58000	277.95000
PLN	4.45800	3.97500

ii. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and any impairment write-downs. Any costs incurred after a tangible asset has been commissioned to use, such as costs of repairs and technical inspections, or operating fees, are expensed in the reporting period in which they were incurred. At the time of purchase, tangible

assets are divided into components of significant value for which separate periods of useful life may be adopted. General overhaul expenses constitute a component of assets as well.

Such assets are depreciated using the straight-line method over their expected useful lives which are as follows:

Type	Period of useful life
Buildings and structures	12-20
Machinery and technical equipment	4-12
Transport vehicles	3-6
Computer hardware	4-12

The appropriateness of the periods of useful life and residual values applied is subject to annual review which results in relevant adjustments to the depreciation charges to be made in the subsequent years.

A tangible asset may be derecognized from the statement of financial position after it is disposed of or when no economic benefits are expected from its further use. Gain/loss on disposal of a tangible fixed asset is assessed by comparing the proceeds from such a disposal against the present book value of such an asset, and it is accounted for as an operating income/expense. Any gains or losses resulting from derecognition of a given item of property, plant and equipment from the statement of financial position (calculated as a difference between the net cash obtained from sales and the book value of this item) are recognized in the profit and loss account in the period in which the derecognition from the accounting books was made.

Investments in progress relating to tangible assets under construction are recognized at purchase price or production cost, decreased by any eventual impairment write-downs. Tangible assets under construction are not depreciated until their construction is completed and they are commissioned into use.

iii. Intangible assets

Purchased separately or acquired as a result of merger of companies

Intangible assets purchased in a separate transaction are measured at initial recognition as cost. Intangible assets acquired as a result of a merger are measured at their fair value as at the date of merger.

The period of useful life of an intangible asset is assessed and classified as definite or indefinite. Intangible assets with a definite period of useful life are amortized using the straight-line method over the expected useful life, and amortization charges are expensed appropriately in the profit and loss account. The periods of useful life, being the basis for determination of amortization rates, are subject to annual verification and, if needed, they are adjusted starting from the next financial year. Below are the periods of useful life adopted for intangible assets:

Type	Period of useful life
Cost of development work	2-5
Computer software	2-8
Patents and licences	2-8
Customer relations	2-7
Other	2-5

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Except for development work, intangible assets produced by the Company on its own are not capitalized, but the expenditures on their production are expensed in the profit and loss account for the period in which they were incurred.

Research and development work

Research costs are expensed as incurred. Development expenditures, on an individual project, are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to reliably measure the expenditure during development

Following initial recognition of the development expenditure as an asset, the cost model is applied, requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

Any gain or loss resulting from derecognition of an intangible asset from the statement of financial position (calculated as the difference between the net cash obtained from sales and the book value of such item) is disclosed in the profit and loss account for the period in which such derecognition was effective.

iv. Leasing

Finance lease agreements, under which substantially all the risks and rewards incidental to ownership of the leased asset are transferred to the Company, at the commencement of the lease term are recognized as assets and liabilities in the statement of financial position at the amounts equal to the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability so as to obtain a constant periodic rate of interest on the remaining balance of the liability. Financial expenses are charged as expenses directly in the profit and loss account.

Property, plant and equipment used under finance lease agreements are subject to depreciation over the estimated useful life or the leasing period, whichever is shorter.

Leasing agreements, whereby the lessor retains substantially all the risks and rewards incidental to ownership of the leased asset, are treated as operating leasing. Lease payments under an operating leasing are recognized as expenses in the profit and loss account on a straight-line basis over the leasing period.

v. Impairment of non-financial assets

At each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired. Should there be any indications of impairment, the Company estimates the recoverable value. If the book value of a given asset exceeds its recoverable value, impairment charges are made reducing the book value to the level of the

recoverable value. The recoverable value is the higher of the following two values: fair value of an asset or cash-generating unit less selling expenses, or value in use determined for an asset if such an asset generates cash flows significantly independent from cash flows generated by other assets or other groups of assets or other cash-generating units.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally covera period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the profit and loss account in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

Impairment tests is performed annually for intangible assets with an indefinite period of useful life, assets under construction and those which are no longer in use. The remaining intangible assets are tested for impairment if there are indications of a possible impairment in value. If the book value exceeds the estimated recoverable value (whichever is the higher of the two following values – net sales price or value in use), the value of these assets is to be reduced to the recoverable value.

vi. Subsidiaries, Associated Companies and Joint Ventures

Securities and shares in subsidiaries, associated companies and joint ventures which are not classified as held-for-sale are recognized at the carrying value representing acquisition cost less potential accumulated losses of impairment.

Securities and shares in subsidiaries, associated companies and joint ventures classified as held-for-sale are recognized at whichever is the lower of carrying value or fair value less disposal costs

vii. Financial instruments

Financial instruments are divided into the following categories:

- Financial assets held to maturity,
- Financial instruments valued at fair value through profit or loss,
- Loans granted and receivables
- Financial assets available for sale, and
- Financial liabilities

All the financial assets are initially recognized at the purchase price equal to fair value of the effective payment, including the costs related to the purchase of a financial asset, except for financial instruments valued at fair value through profit or loss.

Financial assets held to maturity are investments with identified or identifiable payments and with a fixed maturity date which the Company intends and is able to hold to maturity. Financial assets held to maturity are valued at amortized cost using the effective interest rate. Financial assets held to maturity are classified as non-current assets if their maturity exceeds 12 months from the balance sheet date.

Financial instruments acquired in order to generate profits owing to short-term price fluctuations are classified as financial instruments valued at fair value through profit or loss. Financial instruments valued at fair value through profit or loss are measured at fair value taking into account their market value as at the balance sheet date. Changes in these financial instruments are recognized as financial income or expenses. Financial

assets valued at fair value through profit or loss are classified as current assets, provided the Management Board intends to dispose them within 12 months from the balance sheet date.

Loans granted and receivables are carried at amortized cost. They are recognized as current assets unless their maturity periods are longer than 12 months from the balance sheet date. Loans granted and receivables with maturity periods longer than 12 months from the balance sheet date are recognized as non-current assets.

Any other financial assets constitute financial assets available for sale. Financial assets available for sale are carried at fair value, without deducting the transaction-related costs, taking into consideration their market value as at the balance sheet date. If the financial instruments are not quoted on an active market and it is impossible to determine their fair value reliably with alternative methods, financial assets available for sale are valued at the purchase price adjusted by impairment charges. Provided financial instruments have a market price determined in a regulated active market, or it is possible to determine their fair value in other reliable way, the positive and negative differences between the fair value and the purchase price of such assets available for sale (after deducting any deferred tax liabilities) is recognized in the asset revaluation reserve. A decrease in the value of assets available for sale, resulting from their impairment, is recognized as a financial expense in the profit and loss account.

Purchases or disposals of financial assets are recognized in the accounting books at the transaction date. At the initial recognition they are valued at purchase price; this is at fair value plus the transaction-related costs.

Financial liabilities other than financial instruments valued at fair value through profit or loss are measured at amortized cost using the effective interest rate.

A financial instrument are derecognized from the statement of financial position if the Company no longer controls the contractual rights arising from such instrument; this usually takes place when the instrument is sold or when all the cash flows to be generated by this instrument are transferred to an independent third party.

viii. Trade accounts receivable

Trade accounts receivable, usually with payment terms ranging from 14 and 30 days, are recognized and disclosed at the amounts initially invoiced, less any allowances for uncollectible receivables. Such an allowance for doubtful accounts is determined if it is no longer probable that the entire receivable amount will be collected. Doubtful accounts are expensed in the profit and loss account at the time when they are deemed uncollectible.

Where the effect of the value of money in time is material, the value of accounts receivable is measured by discounting the expected future cash flows to their present value, using a pre-tax discount rate that reflects current market assessments of the value of money in time. If the discounting method is used, the increase in receivables over time is booked as financial income.

ix. Cash and short-term deposits

Cash and cash equivalents presented in the statement of financial position consist of cash kept in banks and in hand by the Company, current cash deposits with a maturity not exceeding 3 months, and other highly liquid instruments.

The balance of cash and cash equivalents disclosed in the financial statement of cash flows consists of the cash and cash equivalents as defined above. For the purposes of the statement of cash flows, the Company decided not to present current account credits (used as an element of financing).

x. Trade accounts payable

Trade accounts payable relating to operating activities are recognized and disclosed at the amounts stated on the invoices as received, and are recognized in the reporting periods to which they relate. Other liabilities to a significant extent also relate to operating activities although, in contrast to trade accounts payable, they were not invoiced.

xi. Derivative financial instruments and hedges

In order to hedge against the risk of changes in foreign currency exchange rates and in interest rates, the Company utilizes currency forward contracts. Such financial derivatives are measured at fair value. Derivative instruments are recognized as assets or liabilities depending on whether their value is positive or negative.

Fair value of currency forward contracts is determined on the basis of the forward exchange rates currently available for contracts with similar maturity.

Gains and losses on changes in fair value of derivatives are recognized directly in profit or loss for the current financial reporting period, due to the fact that the Company does not use financial instruments which are qualified for hedge accounting.

xii. Impairment of financial assets

At each balance sheet date, the Company determines if there are any objective indications of impairment of a financial asset or group of financial assets.

Financial assets carried at amortized cost

If there is objective evidence that an impairment loss on loans or receivables valued at amortized cost has been incurred, the amount of the impairment write-down is measured as the difference between the asset's book value and the present value of estimated future cash flows (excluding future bad debt losses that have not yet been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of such assets is reduced either directly or by establishing an impairment write-down. The amount of the loss is recognized in the profit and loss account.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and assesses them collectively for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in the collective assessment of a group of assets for impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. This reversal of the impairment write-down is recognized in profit or loss to the extent that the carrying amount of the financial asset does not exceed its amortized cost at the date the impairment is reversed.

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative instrument that is linked to and must be settled by delivery

of such an unquoted equity instrument, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset involved and the present value of estimated future cash flows discounted at the current market rate of return for similar financial assets.

Financial assets available for sale

When there is objective evidence that a financial asset available for sale is impaired, then the amount of difference between the purchase cost of the asset (net of any principal repayments and amortization) and its current value decreased by any impairment charges on that financial asset, as previously recognized in profit or loss, is derecognized from equity and recognized in the profit and loss account. Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available for sale are not reversed through profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, then the amount of such an impairment loss is reversed in the profit and loss account.

xiii. Inventories

Inventories are valued at the whichever is the lower of the following two values: purchase price/production cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The Company measures the cost of inventories consumed by using the specific identification method. Revaluation write-downs of inventories are recognized in operating expenses.

xiv. Deferred expenses

Deferred expenses comprise expenses incurred before the balance sheet date that relate to future periods.

In particular, deferred expenses may include the following items:

- rent paid in advance
- insurances
- subscriptions
- prepaid third-party services to be provided in future periods
- other expenses incurred that relate to future periods.

xv. Accrued expenses and deferred income

Accrued expenses are recognized in profit and loss in the amount of the probable obligations related to the current reporting period, in particular resulting from the supplies delivered / services rendered to the entity by its contractors, and the obligation's amount can be reliably valued.

Similarly to the provisions for liabilities, accruals' amounts are estimated. While preparing the estimates, the generally accepted trade practices should be considered.

Amortization of accruals may fall according to the time or volumes of supplies / services. Time and manner of amortization schedule is justified with the nature of the costs amortized, with respect to the prudence principle.

Liabilities recognized as accruals decrease the costs of the reporting period in which it was stated that they would not occur.

Deferred income (unearned revenues) relates mainly to prepayments received for the provision of maintenance services in future periods. The Company applies deferred expenses or deferred income accounts if such income or expenses relate to future reporting periods. By contrast, accrued expenses are disclosed in the amount of probable liabilities relating to the present reporting period.

Accrued expenses and deferred income are presented in the statement of financial position as non-current and current liabilities.

xvi. Revenues and expenses related to completion of implementation contracts

Sales of services executed under a contract which, as at the balance sheet date, are not completed but provided to a considerable extent are recognized at the balance sheet date proportionally to the percentage of completion of such services, on condition that the amount of revenue can be determined in a reliable way. The progress of contract execution is measured as a percentage of the total estimated contract execution costs incurred from the date of contract conclusion to the date when the related revenues are being determined, or as a portion of work completed out of the total work effort required. When determining the contract execution costs incurred up to the balance sheet date, any expenses for future activities related to the contract are not taken into account. These are disclosed as deferred expenses.

If it is impossible to reliably estimate the progress of a service execution as at the balance sheet date, sales revenues are recognized in the amount of costs incurred in the reporting period; however, this is limited to the amount of costs that are likely to be paid by the ordering party in the future.

In the event that it is probable that the total contract execution costs exceed the total contract revenues, the anticipated loss is recognized as cost in the reporting period in which it is detected.

Production costs of unfinished services comprise the costs incurred since the effective date of relevant agreement to the balance sheet date. Production costs incurred prior to concluding the agreement and which are related to the subject matter thereof are capitalized, provided they are likely to be covered with future revenues received from the ordering party.

If the progress of costs incurred deducted by expected losses and increased by profits included in the profit and loss account exceeds the progress of invoiced sales, the amount of non-invoiced sales constituting this difference is presented as other receivables.

On the other hand, if the progress of invoiced sales exceeds the proportion of costs incurred, decreased by expected losses and increased by profits included in the profit and loss account, future-related (unearned) revenues resulting from such difference are disclosed as other liabilities.

xvii. Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects that the expenditure required to settle a provision is to be reimbursed, e.g. under an insurance contract, this reimbursement is recognized as a separate asset when, and only when, it is virtually certain that such reimbursement will be received. The expense relating to such a provision is presented in the profit and loss account, net of the amount of any reimbursements.

The Company recognizes provisions for onerous contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Where the effect of the value of money in time is material, the amount of a provision is determined by discounting the expected future cash flows to their present value, using a pre-tax discount rate that reflects current market assessments of the value of money in time and the risks related to the liability. Where the discounting method is used, the increase in a provision due to the passage of time is recognized as borrowing costs.

Warranty provisions

Provisions for warranty-related costs are recognized when the product is sold or the service provided. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

xviii. Equity

Shareholders' equity is presented at nominal value. Shareholders' equity comprises the following items:

- share capital, presented in the amount of capital contributions made and paid up
- share premium from the sale of shares over their par value
- other comprehensive income
- retained earnings, including the net profit for the reporting period

xix. Sales revenue

The accounting principles relating to recognition of sales revenues from execution of IT contracts have been already described above. Sales revenues are recognized in the amount reflecting the probable economic benefits associated with the transaction to be obtained by the Company and when the amount of revenue can be measured reliably.

While recognizing sales revenue the following criteria are also taken into account:

Sales revenue

Revenue is recognized if the significant risks and benefits resulting from ownership of products have been transferred to the buyer and when the amount of revenue can be reliably measured. Sales of computer software services (implementations, modifications and maintenance) are recognized systematically over the term of relevant contracts.On the other hand, revenues from sale of implementation services are recognized based on the percentage of their completion. Sales of services executed under a contract which, as at the balance sheet date, are not completed but provided to a considerable extent are recognized at the balance sheet date proportionally to the percentage of completion of such services, on condition that the amount of revenue can be determined in a reliable way. The progress of contract execution is measured as a percentage of the total estimated contract execution costs incurred from the date of contract conclusion to the date when the related revenues are determined, or as a proportion of work completed out of the total work effort planned. If it is impossible to estimate reliably the result of the contract, the revenues are only recognized in the amount of costs incurred which the Company expects to recover.

Interest income

Interest income is recognized on a time-proportion basis (taking into account the effective yield - the interest rate which accurately discounts future cash flows during the estimated period of use of a financial instrument to the net book value of such a financial asset).

Interest income comprises interest on loans granted, investments in securities held to maturity, bank deposits and other items, as well as the discounts of costs (liabilities) according to the method of the effective interest rate.

Dividends

Dividends are recognized when the shareholders' right to receive payment is vested.

xx. Operating costs

The Company maintains cost accounting both by cost nature and by cost function. Cost of sales comprises the costs resulting directly from purchases of merchandise sold and generation of services sold. Selling expenses include the costs of distribution activities. General administrative expenses include the costs of the Company's management and administration activities.

xxi. Payroll expenses and costs of social and other insurance

The Company provides short-term employee benefits (mainly comprising payroll expenses, costs of medical, health and social security as well as the costs of creating the social fund). Over the course of the year, the Company makes contributions to social and health insurance from the gross wages paid, as well as contributions to the unemployment fund as per the statutory rates. The costs of the contributions are posted in the profit and loss account in the same period as the relevant payroll expenses.

In respect of employees who opted to participate in the programme of supplementary pension insurance, the Company contributes an amount of up to 2.5% of the total monthly tariff wage for these purposes.

No pension scheme is currently in operation in the Company.

xxii. Income tax and value added tax

For the purposes of financial reporting, deferred income tax is calculated applying the balance sheet liability method to all temporary differences that exist, at the balance sheet date, between the tax base of an asset or liability and its carrying amount in the statement of financial position. Deferred income tax provisions are established in relation to all positive temporary differences – except for situations when a deferred tax provision arises from an initial recognition of goodwill or initial recognition of an asset or liability on a transaction other than a combination of companies which, at the time of its conclusion, has no influence on pre–tax profit, taxable income or tax loss, as well as in relation to positive temporary differences arising from investments in subsidiary or associated companies or from participation in joint ventures – except for situations when the investor is able to control the timing of reversal of such temporary differences and when it is probable that such temporary differences will not be reversed in the foreseeable future.

Deferred income tax assets are recognized in relation to all negative temporary differences, as well as unutilized deferred tax assets or unutilized tax losses carried forward to subsequent years, in such an amount that it is probable that future taxable income will be sufficient to allow the above temporary differences, assets or losses to be utilized. This does not apply to situations when deferred tax assets related to negative temporary differences arise from the initial recognition of an asset or liability on a transaction other than a combination of companies which, at the time of its conclusion, has

no influence on pre-tax profit, taxable income or tax loss. Furthermore, in the event of negative temporary differences arising from investments in a subsidiary or associated companies or from participation in joint ventures, deferred tax assets are recognized in the statement of financial position in such amounts only that it is probable that the above temporary differences will be reversed in the foreseeable future and that sufficient taxable income will be available to offset such negative temporary differences.

The book value of an individual deferred tax asset is verified at every balance sheet date and is duly decreased or increased to reflect any changes in the estimates of achieving taxable profit sufficient to utilize the deferred tax asset partially or entirely.

Deferred tax assets and deferred tax provisions are valued using the future tax rates anticipated to be applicable at the time when a deferred tax asset is realized or a deferred tax provision is reversed, the basis for which are the tax rates (and tax regulations) legally or factually in force at the balance sheet date.

Income tax relating to items that are directly recognized in equity is recognized under equity and not in the profit and loss account. Revenues, expenses and assets are recognized in the amounts excluding value added tax unless:

- value added tax paid at the purchase of merchandise or services is not recoverable from the tax authorities; in such an event the value added tax paid is recognized as a part of the purchase price of an asset or as an expense, and
- receivables and liabilities are presented including value added tax.

The net amount of value added tax which is recoverable from or payable to the tax authorities is included in the statement of financial position as a part of receivables or liabilities to the state budget.

III. INFORMATION ON SEGMENTS

The Company operates in the sector of information technologies and telecommunications. Because the main business activities have a similar character, there is no reason to adopt the standard relating to segmental information. The organizational structure is homogeneous, without any independent part that would operate on different activities. On the base of the above, the Company declares itself as one business segment.

The Company operates in more economic regions, but almost 80% of revenues comes from the Slovak Republic. The rest is from the Czech Republic, where Asseco Slovakia, the international branch, operates and all its activities and from other European countries are included in the financial statements submitted.

Geographical segments are distinguished by the Company's geographical operations where economic activities are being conducted.

The numbers in the tables below are after inter-company eliminations, and dividends are seen directly in the net profit ofthe reportable segment.

For 12 months ended 31 December 2011 and as at 31 December 2011 (audited)	Slovak market	Czech/other market	Total
Sales revenues			
Sales to external customers	26,735	6,427	**33,162**
Operating profit (loss) of reportable segment	**5,347**	**1,285**	**6,632**
Interest income	263		263
Interest expense	(4)	-	(4)
Corporate income tax	**(1,048)**	**(243)**	**(1,291)**
Non-cash items:			
Depreciation and amortization	(1,718)	-	(1,718)
Impairment write-downs on segment assets	(511)	-	(511)
Net profit (loss) of reportable segment	**10,645**	**1,042**	**11,687**
Segment assets	120,270	1,082	**121,352**
Segment capital expenditures	**(1,016)**	**-**	**(1,016)**

The impairment write-downs on segment assets (EUR 511 thousand) comprise allowances for receivables (EUR 179 thousand), allowances for intangibles (EUR 308 thousand) and allowances for inventories (EUR 24 thousand).

For 12 months ended 31 December 2010 and as at 31 December 2010 (audited)	Slovak market	Czech/other market	Total
Sales revenues			
Sales to external customers	23,012	8,273	**31,285**
Operating profit (loss) of reportable segment	**5,524**	**1,737**	**7,261**
Interest income	118	-	118
Interest expense	(9)	-	(9)
Corporate income tax	**(1,130)**	**(379)**	**(1,508)**
Non-cash items:			
Depreciation and amortization	(826)	-	(826)
Impairment write-downs on segment assets	(572)	-	(572)
Net profit (loss) of reportable segment	**5,647**	**1,359**	**7,006**
Segment assets	109,704	336	**110,040**
Segment capital expenditures	**(11,940)**	**-**	**(11,940)**

IV. NOTES TO THE FINANCIAL STATEMENTS

1. Sales revenue

In 2011 and the corresponding comparative period, the operating revenues were as follows:

Sales revenues by type of business	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Proprietary software and services	24,368	28,614
Third-party software and services	4,894	183
Computer hardware and infrastructure	3,900	2,056
Other sales	-	432
	33,162	**31,285**

In the sales of EUR 4,894 thousand (Third-party software and services) are included sales of services for ANEXT a.s. (EUR 504 thousand), EMM-T spol.s r.o. (EUR 438 thousand) and Asseco Czech Republic, a.s. (EUR 961 thousand).

Sales revenues by sectors	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Banking and finance	20,722	15,640
Enterprises	1,321	3,401
Public institutions	11,119	12,244
	33,162	**31,285**

Sales revenues by territorial structure	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Slovakia	26,735	23,012
Czech Republic	6,415	8,128
Other European countries	12	145
	33,162	**31,285**

2. Operating costs

	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Materials and energy used (-)	(208)	(241)
Costs of goods sold	(7,868)	(1,956)
Third party work (-)	(3,920)	(8,968)
Salaries (-)	(9,110)	(8,804)
Employee benefits, of which (-)	(2,781)	(2,614)
social security contributions (-)	*(1,339)*	*(951)*
Depreciation and amortization (-)	(1,718)	(826)
Taxes and charges (-)	(14)	(11)
Business trips (-)	(160)	(164)
Other (-)	(184)	(291)
	(25,963)	**(23,875)**
Cost of sales:	**(22,413)**	**(19,068)**
production cost (-)	*(14,545)*	*(17,112)*
cost of merchandise, materials and third party work sold (COGS) (-)	*(7,868)*	*(1,956)*
Selling expenses (-)	**(969)**	**(1,891)**
General administrative expenses (-)	**(2,581)**	**(2,916)**

The decrease in third party work in 2011 compared to 2010 was caused by the fact that a part of services is presented as Costs of goods sold in 2011.

3. Other operating income and expenses

Other operating income	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Gain on disposal of tangible fixed assets	50	7
Compensations received	26	38
Re-invoicing	1	1
Income from rental services	106	47
Other	49	6
Total	**232**	**99**

Other operating expenses	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Shortages identified in stock-take (-)	(1)	-
Charitable contributions for unrelated companies (-)	(14)	(5)
Write-offs of receivables(-)	-	(172)
Provision for penalties and compensations	(758)	(1)
Other (-)	(26)	(70)
Total	**(799)**	**(248)**

Provisions for penalties and compensations in 2011 represents provisions created for contractual penalties, mostly related to delayed project deliveries in 2011.

4. Financial income and expenses

Financial income	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Interest income on loans granted, debt securities and bank deposits	263	118
Gain on foreign exchange differences	48	27
Gain on disposal of equity investments in subsidiary companies	-	-
Gain on exercise of currency derivatives - forward contracts	31	-
Dividends received	6,193	4,488
Other financial income	1,450	2
Total financial income	**7,985**	**4,635**

Other financial income reported in 2011 represents release of the contingent consideration recognized on acquisition of GlobeNet, Zrt in 2010. The financial performance of GlobeNet, Zrt was below the target profit in 2011, hence the Company released the contingent consideration.

Financial expenses	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Interest expense on financial leases (-)	(4)	(9)
Bank fees and charges (-)	(36)	(34)
Loss on disposal of other capital investments (-)	-	(3,217)
Loss on change in fair value of currency derivatives - forward contracts	-	-
Loss on exercise of currency derivatives - forward contracts	(26)	(21)
Write-off of investment in subsidiaries, jointly-controlled entities or associates (-)	(1,573)	
Other financial expenses (-)	-	(101)
Total financial expenses	**(1,639)**	**(3,382)**

As a result of annual impairment tests, the Company recognized an impairment charge of EUR 1,573 thousand on investment in GlobeNet, Zrt as a result of the weaker financial performance, which was also reflected in the release of the contingent consideration (refer to note 10).

5. Corporate income tax

The main charges on the pre-tax profit are due to corporate income tax (current and deferred portions):

	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Current portion of corporate income tax and prior years adjustments	(1,479)	(2,002)
Deferred portion of corporate income tax	188	494
related to occurrence or reversal of temporary differences	*188*	*494*
Income tax expense as disclosed in the profit and loss account, of which:	**(1,291)**	**(1,508)**

Regulations applicable to the value added tax, corporate income tax, personal income tax or social security contributions are subject to frequent amendments, thereby often depriving taxpayers of the possibility to refer to well-established regulations or legal precedents. The current regulations in force include ambiguities which may give rise to different opinions and legal interpretations on the taxation regulations, either between companies and public administration or between the public administration bodies themselves. Taxation and other settlements (for instance customs duty or currency payments) may be controlled by administration bodies that are entitled to impose considerable fines, and the amounts of the liabilities so determined must be paid with high interest. In effect, the amounts disclosed in the financial statements may later be changed, after the taxes payable are finally determined by the taxation authorities.

Reconcilement of corporate income tax payable on pre-tax profit according to the statutory tax rates with the corporate income tax computed at the Company's effective tax rate.

	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Pre-tax profit	**12,978**	**8,514**
Statutory corporate income tax rate	19%	19%
Corporate income tax computed at the statutory tax rate	**2,466**	**1,618**
Income and expenses from valuation of IT contracts	-	(7)
Non-taxable financial income - dividends	(1,161)	(853)
Other non-taxable income and non-deductible expenses	(14)	750
Corporate income tax computed at the effective tax rate of 9.9 in 2011 and 17.7% in 2010	**1,291**	**1,508**

The Company made an estimate of taxable income planned to be achieved in the future and concluded it will make feasible the recovery of deferred income tax assets (net of provisions) in the full amount as at 31 December 2011 and as at 31 December 2010.

	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Deferred income tax assets	1,000	1,010
Deferred income tax provisions	(298)	(496)
Deferred income tax assets (+)/Deferred income tax provision (-), net	**702**	**514**

	Balance Sheet			Profit and Loss Account	
	31 Dec 2011	Mergers and taking control over companies	31 Dec 2010	12 months ended 31 Dec 2011	12 months ended 31 Dec 2010
	(audited)	(audited)	(audited)	(audited)	(audited)
Deferred income tax provision					
Profits due to the balance sheet valuation of IT contracts	-		(108)	108	(70)
Fair-value adjustment to other assets on a ISZP merger in 2010 (know-how)	(274)		(366)	92	91
Valuation of tangible assets at fair value and difference between tax depreciation and accounting depreciation	(24)		(22)	(2)	(4)
Deferred income tax provision, gross	**(298)**	**-**	**(496)**		
Deferred income tax assets					
Accrued expenses, provisions and other liabilities	791		854	(63)	382
Balance sheet valuation of IT contracts	-		45	(45)	45
Receivables allowances	128		88	40	27
Other	81		23	58	23
Deferred income tax assets, gross	**1,000**	**-**	**1,010**		
Deferred income tax assets, net	**702**		**514**		
Change in deferred income tax in the period reported, of which				**188**	**494**
deferred income tax change recognized in profit or loss				188	494

6. Earnings per share

Basic earnings per share are computed by dividing the net profit for the period reported, attributable to shareholders of the 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 financial period, attributable to shareholders of the Company, by the adjusted (due to the 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 tables below present net profits and numbers of shares used for calculation of basic and diluted earnings per share:

	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Net profit attributable to Shareholders of the Parent Company	**11,687**	**7,006**
Average weighted number of ordinary shares outstanding, used for calculation of basic earnings per share	21,360,000	21,360,000
Dilution factors	-	-
Adjusted average weighted number of ordinary shares, used for calculation of diluted earnings per share	**21,360,000**	**21,360,000**

Both in the present reporting period and the corresponding period in the prior year, no events took place that would cause dilution of earnings per share.

7. Dividends

In May 2011 the Company paid out to its shareholders a dividend for 2010. By decision of the Ordinary General Meeting of Shareholders of Asseco Central Europe, a.s., the amount of EUR 4,699,200 from net profit for the year 2010 was allocated to payment of a dividend of EUR 0,22 per share and the amount of EUR 2,306,908 remained in retained earnings.

8. Property, plant and equipment

For 12 months ended 31 December 2011 (audited)	Computers and other office equipment	Transport vehicles	Other tangible assets	Tangible assets under construction	Total
As at 1 January 2011, less depreciation and impairment allowance	**322**	**313**	**18**	**4**	**657**
Additions, of which:	148	136	-	3	**287**
Purchases	*144*	*136*	-	*7*	***287***
Other changes	*4*	-	-	*(4)*	**-**
Reductions, of which:	(149)	(182)	(1)	-	**(332)**
Depreciation charge for the reporting period (-)	*(149)*	*(153)*	*(1)*	-	***(303)***
Disposal and liquidation (-)	*(17)*	*(376)*	-	-	***(393)***
Depreciation of Disposals and liquidations	*17*	*372*	-	-	***389***
Impairment write-downs (-)	-	*(25)*	-	-	***(25)***
As at 31 December 2011, less depreciation	**321**	**267**	**17**	**7**	**612**
As at 1 January 2011					
Gross value	1,235	1,605	20	4	**2,864**
Depreciation and impairment write-downs (-)	913	1,292	2	-	**2,207**
Net book value as at 1 January 2011	**322**	**313**	**18**	**4**	**657**
As at 31 December 2011					
Gross value	1,366	1,365	20	7	**2,758**
Depreciation and impairment allowance (-)	1,045	1,098	3	-	**2,146**
Net book value as at 31 December 2011	**321**	**267**	**17**	**7**	**612**

As at 31 December 2011, no tangible fixed assets served as security for bank credit.

For 12 months ended 31 December 2010 (audited)	Computers and other office equipment	Transport vehicles	Other tangible assets	Tangible assets under construction	Total
As at 1 January 2010, less depreciation and impairment allowance	**221**	**260**	**19**	**-**	**500**
Additions, of which:	231	192	-	4	**427**
Purchases	*196*	*56*	-	-	***252***
Taking control over subsidiaries	*40*	*126*	-	-	***166***
Other changes	*(5)*	*10*	-	*4*	***9***
Reductions, of which:	(130)	(139)	(1)	-	**(270)**
Depreciation charge for the reporting period (-)	*(130)*	*(139)*	*(1)*	-	***(270)***
As at 31 December 2010, less depreciation	**322**	**313**	**18**	**4**	**657**
As at 1 January 2010					
Gross value	961	1,110	20	-	**2,091**
Depreciation and impairment write-downs (-)	740	850	1	-	**1,591**
Net book value as at 1 January 2010	**221**	**260**	**19**	**-**	**500**
As at 31 December 2010					
Gross value	1,235	1,605	20	4	**2,864**
Depreciation and impairment allowance (-)	913	1,292	2	-	**2,207**
Net book value as at 31 December 2010	**322**	**313**	**18**	**4**	**657**

As at 31 December 2010, no tangible fixed assets served as security for bank credits.

9. Intangible assets

For 12 months ended 31 December 2011 (audited)	Cost of development work	Computer software	Goodwill on merger	Intangible assets under construction	Other	Total
As at 1 January 2011, less amortization and impairment allowance	**425**	**58**	**1,083**	**12,300**	**1,926**	**15,792**
Additions, of which:	-	6,316	-	5,214	-	**11,530**
Purchases	-	*16*	-	*5,214*	-	***5,230***
Transfer from intangible assets under construction	-	*6,300*	-	-	-	***6,300***
Reductions, of which:	(374)	(814)	-	(12,354)	(481)	**(14,023)**
Amortization charge for the reporting period (-)	*(120)*	*(814)*	-	-	*(481)*	***(1,415)***
Impairment write-downs (-)	*(254)*	-	-	*(54)*	-	***(308)***
Disposal and liquidation (-)	-	-	-	*(6,000)*	-	***(6,000)***
Transfer to Computer software (-)	-	-	-	*(6,300)*	-	***(6,300)***
As at 31 December 2011, less amortization	**51**	**5,560**	**1,083**	**5,160**	**1,445**	**13,299**
As at 1 January 2010						
Gross value	530	414	1,083	12,300	2,407	**16,734**
Amortization and impairment allowance (-)	105	355	-	-	481	**941**
Net book value as at 1 January 2011	**425**	**58**	**1,083**	**12,300**	**1,926**	**15,792**
As at 31 December 2011						
Gross value	530	6,729	1,083	5,214	2,407	**15,963**
Amortization and impairment allowance (-)	479	1,169	-	54	962	**2,664**
Net book value as at 31 December 2011	**51**	**5,560**	**1,083**	**5,160**	**1,445**	**13,299**

As at 31 December 2011, no intangible assets served as security for bank credits.
The purchases of Intangible assets under construction of EUR 5,214 thousand comprise the Software licences def 3000/CB of EUR 5,200 thousand purchased from Asseco Poland S.A. The disposal of Intangible assets under construction of EUR 6,000 thousand represents the sale of Uniquare software (Teller, Loan) to Asseco Poland S.A.

For 12 months ended 31 December 2010 (audited)	Cost of development work	Computer software	Goodwill on merger	Intangible assets under construction	Other	Total
As at 1 January 2010, less amortization and impairment allowance	**-**	**21**	**-**	**-**	**-**	**21**
Additions, of which:	485	171	1,083	12,300	2,407	**16,446**
Purchases	-	*5*	-	*12,300*	-	***12,305***
Taking control over subsidiaries	*485*	*149*	*1,083*	-	*2,407*	***4,124***
Other, including reversal of impairment allowance	-	*17*	-	-	-	***17***
Reductions, of which:	(60)	(134)	-	-	(481)	**(675)**
Amortization charge for the reporting period (-)	*(60)*	*(15)*	-	-	*(481)*	***(556)***
Impairment write-downs (-)	-	*(119)*	-	-	-	***(119)***
As at 31 December 2010, less amortization	**425**	**58**	**1,083**	**12,300**	**1,926**	**15,792**
As at 1 January 2010						
Gross value	-	199	-	-	-	**199**
Amortization and impairment allowance (-)	-	178	-	-	-	**178**
Net book value as at 1 January 2010	**-**	**21**	**-**	**-**	**-**	**21**
As at 31 December 2010						
Gross value	530	413	1,083	12,300	2,407	**16,733**
Amortization and impairment allowance (-)	105	355	-	-	481	**941**
Net book value as at 31 December 2010	**425**	**58**	**1,083**	**12,300**	**1,926**	**15,792**

As at 31 December 2010, there were no intangible assets serving as security for any bank credits contracted.

10. Investment in subsidiaries

	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Slovanet a.s.	3,645	3,645
Asseco Solutions, a.s. (Datalock a.s.)	9,295	9,295
Asseco Czech Republic	34,986	34,986
Statlogics	8,279	7,581
Globenet	6,143	7,500
Total	**62,348**	**63,007**

The minority shareholders of Statlogics exercised their put option to sell additional 14.98% share in Statlogics to Asseco Central Europe, a.s. resulting in an increase of the investment as of 31 December 2011.

Asseco Central Europe, a.s. increased its ownership interest in Statlogics to 85.02%.

At the end of 2011, the Company assessed the presence of a potential impairment in relation to its financial investments in subsidiaries. The worsening macroeconomic situation in Hungary as well as the lower than budgeted financial performance of the subsidiary Globenet, Zrt. were considered as triggering events for impairment-testing. The Company performed impairment tests by comparing the carrying amount of the financial investment with its recoverable amount. The recoverable amount of the financial investment was estimated by means of the value in use methodology. The value in use of the financial investment was determined on the basis of the net present value of cash flows expected to be generated by the subsidiary. The cash flows were projected for a 5-year explicit period and,, thereafter, to grow at a nominal growth rate of 3% into perpetuity. The projected cash flows were discounted at a pre-tax discount rate of 17.3%. The discount rate is the subsidiary's cost of capital.

As a result of the test, the Company recognized an impairment loss of EUR 1,573 thousand in its profit and loss account for the period ended 31 December 2011.

In addition, the Company carried out a sensitivity analysis with reference to the impairment tests conducted. The sensitivity analysis examined the impact of changes in key assumptions of the impairment tests, i.e. (i) discount rate, (ii) operating margin in the terminal period and (iii) nominal growth rate of cash flows in the terminal period. The table below provides the results of the sensitivity analysis, showing impairment of the financial investment under the assumptions used in the impairment test, as well as the results should the assumptions be adversely changed.

Sensitivity analysis	Value of the assumption		
Discount rate	Applied	+ 0.5%	+ 1.0%
Impairment charge	1,573	1,782	1,976
Operating profitability	Applied	- 0.5%	- 1.0%
Impairment charge	1,573	1,710	1,847
Growth rate	Applied	- 0.5%	- 1.0%
Impairment charge	1,573	1,701	1,820

The increase of EUR 216 thousand of the investment in Globenet, Zrt. relates to the correction of acquisition costs. These costs are the acquisition costs of Globenet, Zrt. and were incurred by the Company in 2010. The costs were recognized as operating costs in 2010. In 2011 the Company corrected the presentation of acquisition costs and increase the value of investment.

11. Income and expenses recognized in the profit and loss account, by category of financial instruments

There are no income and expenses recognized in profit and loss account by category of financial instruments.

12. Deferred expenses

Current	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Maintenance services	351	517
Pre-paid insurance	27	19
Pre-paid subscriptions	-	1
Pre-paid consultancy services	-	184
Pre-paid other services	34	29
Total	**412**	**750**

13. Implementation contracts

In 2011 and 2010, the Company executed a number of so-called IT implementation contracts. In line with IAS 11, sales generated from such contracts are recognized according to the percentage of completion of relevant contracts. In 2011 and 2010 the Company measured the percentage of completion of IT implementation contracts using the "cost" method (this is by determining the relation of costs incurred to the overall project costs) or according to the "work-effort" method.
The following table includes basic data about the ongoing IT implementation contracts.

	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Costs incurred due to execution of IT contracts (-)	(6,375)	(4,282)
Profit (loss) on execution of IT contracts	**4,682**	**7,054**
Total revenues related to IT contracts	11,057	11,336
of which:		-
Progress billing	9,909	10,866
Receivables relating to valuation of IT contracts	1,562	706
Liabilities relating to valuation of IT contracts (-)	(414)	(236)

14. Trade and other receivables

Trade accounts receivable	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Trade accounts receivable including:	**13,203**	**10,987**
Receivables from related companies, of which:	1,391	142
from subsidiaries	*1,391*	*142*
Receivables from other companies	12,469	11,512
Revaluation write-down on doubtful accounts receivable (-)	(657)	(667)

Trade accounts receivable are not interest-bearing.
The Company has a policy of selling its products to reliable clients only. Owing to that, in the management's opinion, the credit sales risk would not exceed the level covered by the allowances for doubtful accounts as established by the Company.

As at 31 December 2011 and 31 December 2010, no receivables and future receivables served as security for bank credits.
The transactions with related companies are presented in Note 22 to these financial statements.

Ageing of trade accounts receivable	as at 31 Dec 2011 (audited)		as at 31 Dec 2010 (audited)	
	amount	structure	amount	structure
Receivables not yet due	10,218	77%	7,907	72%
Receivables past-due up to 3 months	2,892	22%	1,716	16%
Receivables past-due over 3 months	93	1%	1,364	12%
	13,203	**100%**	**10,987**	**100%**

Other receivables	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Receivables from book valuation of IT contracts	1,562	706
Receivables from disposal of intangible assets	5,685	-
Receivables from prepayments paid	6	-
Receivables from dividends	457	269
Receivable from sale of subsidiary	4,360	5,220
Other receivables	238	108
Total	**12,308**	**6,303**

Receivables from valuation of IT contracts (implementation contracts) result from the surplus of the percentage of completion of implementation contracts over invoices issued. The receivables from the disposal of intangible assets of EUR 5,685 thousand relate to the sale of Uniquare software to Asseco Poland S.A. (refer to note 9).
The outstanding receivable from sale of the subsidiary of EUR 4,360 thousand relates to disposal of the Uniquare share in 2010.

15. Cash and short-term deposits

	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Cash in bank	3,595	5,749
Cash in hand	2	-
Short-term deposits	13,590	5,679
Cash equivalents	22	21
	17,209	**11,450**

The interest on cash inbank is calculated with variable interest rates which depend on the 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 Company and earn interest at the respective short-term deposit rates.
Current deposits did not serve as security for any bank guarantees (of due performance of contracts and tender deposits) eeither at 31 December 2011 or at 31 December 2010.

16. Share capital and capital reserves

The Company has capital stock amounting to EUR 709,023.84 which consists of 21,360,000 shares.

Par value on shares

All issued shares have a par value of EUR 0,033194 per share and have been fully paid up. In 2011 and 2010 there were no changes in the Company's share capital and share premium account.

17. Non-current and current financial liabilities

Non-current	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Liabilities due to acquisition of shares in Globenet	-	1,450
Finance lease commitments	7	53
Total	**7**	**1,503**

Current	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Finance lease commitments	22	52
Liabilities due to acquisition of shares in Globenet	1,450	1,450
Other	-	-
Total	**1,472**	**1,502**

Current and non-current liabilities due to acquisition of shares in Globenet, Zrt. represent liabilities from a contingent consideration established by share-purchase agreement with the seller. Since the conditions for payment of EUR 1,450 thousand of contingent consideration were not met at the end of 2011, this part of the liability was released (refer-to Note 4 and Note 10).

18. Finance lease

Leasing of cars and equipment

The aggregate future minimum lease payments and liabilities under such finance lease of cars and equipment are as follows:

	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Minimum lease payments		
in period shorter than 1 year	22	52
in period from 1 to 5 years	7	53
in period longer than 5 years	-	-
Future minimum lease payments	**29**	**105**
Future interest expense		-
Present value of finance lease commitment	**27**	**105**
in period shorter than 1 year	20	52
in period from 1 to 5 years	7	53
in period longer than 5 years	-	-

As at 31 December 2011, the effective rate of return on the above financial leasing equalled 7.6%.

19. Non-current and current provisions for liabilities

	Provision for warranty repairs	Other provisions	Total
As at 1 January 2011	**1,944**	**166**	**2,110**
Provisions established during financial year	1,505	755	**2,260**
Provisions reversed (-)	-	-	**-**
Provisions utilized (-)	(2,559)	-	**(2,559)**
	-	-	
As at 31 December 2011 (audited)	**890**	**921**	**1,811**
Short-term as at 31 December 2011	890	921	**1,811**
Long-term as at 31 December 2011	-	-	**-**
As at 31 December 2010 (audited)	**1,944**	**166**	**2,110**
Short-term as at 31 December 2010	1,944	166	**2,110**
Long-term as at 31 December 2010	-	-	**-**

Provision for warranty repairs

The provision established for the costs of warranty repairs corresponds to the provision of own software guarantee services as well as to handling the guarantee maintenance services being provided by the producers of hardware that was delivered to the Company's customers.

Other provisions

Other provisions includes provisions for penalties and compensations created for contractual penalties, mostly related to delayed projects.

20. Non-current and current trade accounts payable and other liabilities

Current trade accounts payable	**31 Dec 2011 (audited)**	**31 Dec 2010 (audited)**
Accounts payable to related companies	713	11
Accounts payable to other companies	5,175	4,026
Total	**5,888**	**4,037**

Trade accounts payable are not interest-bearing. The transactions with related companies are presented in Note 22 to these financial statements.

Liabilities due to taxes, import tariffs, social security and other regulatory benefits payable	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Value added tax	336	469
Corporate income tax (CIT)	-	555
Personal income tax (PIT)	103	96
Social Insurance Institution	287	283
Total	**726**	**1,403**

The amount resulting from the difference between VAT payable and VAT recoverable is paid to the respective tax authorities on a monthly basis.

Other current liabilities	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Liabilities to employees relating to salaries and wages	501	494
Liabilities relating to valuation of IT contracts	414	236
Liabilities due to non-invoiced deliveries	1,478	1,070
Liabilities from prepayments received to parent company and subsidiaries	30	-
Liabilities from purchase of property, plant, equipment and intangible assets to parent company	5,200	-
Other liabilities	6	123
Total	**7,629**	**1,923**

Liabilities from purchase of property, plant, equipment and intangible assets to parent company of EUR 5,200 thousand relate to purchase of software licences def3000/CB from Asseco Poland S.A. (refer to note 10).

Other long-term liabilities	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Other liabilities	-	361
Total	**-**	**361**

Other liabilities in 2010 relates to purchase of the share in Slovanet, a.s.. The current portion is presented in other current liabilities. Other liabilities are not interest-bearing.

Current accrued expenses	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Accrual for unutilized vacation	469	380
Accrual for employee bonuses	1,500	1,781
Other accruals	10	135
Total	**1,979**	**2,296**

Accrued expenses mainly consist of the accrual for unutilized vacation, accruals for salaries and wages of the current period to be paid out in future periods, which result from the bonus schemes applied by the Company as well as other employee-related accruals.

Current deferred income	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Maintenance services	596	649
Total	**596**	**649**

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

21. Transactions with related companies

	Asseco Central Europe Group sales to related companies in the period of		Asseco Central Europe Group purchases from related companies in the period of		Asseco Central Europe Group receivables as at		Asseco Central Europe Group liabilities as at	
	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)	31 Dec 2011 (audited)	31 Dec 2010 (audited)	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Transactions with parent company	**6,000**	**-**	**5,203**	**1**	**5,685**	**-**	**5,202**	**1**
Asseco Poland SA	6,000	-	5,203	1	5,685	-	5,202	1
Transactions with subsidiaries	**1,717**	**649**	**1,486**	**513**	**1,957**	**582**	**697**	**665**
Slovanet, a.s.	156	134	119	123	16	39	1	477
Asseco Solutions a.s. SR	31	22	30	45	372	275	1	7
MPI CONSULTING s.r.o.	-	-	-	47	-	-	-	-
Asseco Czech Republic a.s.	1,518	257	1,275	295	1,347	267	676	181
Asseco Solutions a.s. ČR	-	236	-	3	-	1	-	-
Berit GmbH	-	-	-	-	-	-	-	-
Globenet Zrt.	-	-	7	-	219	-	-	-
Asseco SEE SH.P.K (Pronet)	-	-	36	-	-	-	-	-
Asseco South Eastern Europe d.o.o.	12	-	19	-	3	-	19	-
Transactions with related companies	**-**	**-**	**14**	**-**	**-**	**23**	**14**	**-**
Matrix42 AG	-	-	14	-	-	23	14	-
TOTAL	**7,717**	**649**	**6,703**	**514**	**7,642**	**605**	**5,913**	**666**

22. Information on transactions with other related entities

According to information available to Asseco Central Europe, a.s., as at 31 December 2011 liabilities due to transactions conducted with companies related through the Key Management Personnel (management boards and supervisory boards of the Group companies) or with the Key Management Personnel themselves were in EUR 471 thousand.

As at 31 December 2010, according to information available to Asseco Central Europe, a.s., liabilities due to transactions conducted with companies related through the Key Management Personnel (management boards and supervisory boards of the Group companies) or with the Key Management Personnel were in EUR 421 thousand.

As at 31 December 2011, according to information available to Asseco Central Europe, a.s., there were no outstanding receivables due to transactions conducted with companies related through the Key Management Personnel (management boards and supervisory boards of the Group companies) or with the Key Management Personnel.

Whereas, as at 31 December 2010 there were no outstanding receivables under transactions conducted with companies related through the Key Management Personnel (management boards and supervisory boards of the Group companies) or with the Key Management Personnel.

In the 12 months period ended 31 December 2011, according to the accounting books of Asseco Central Europe, a.s. there were no transactions conducted with companies related through the Key Management Personnel or with the Key Management Personnel.

Whereas, during 12 months ended 31 December 2010, according to the accounting books of Asseco Central Europe, a.s., there were no transactions conducted with companies related through the Key Management Personnel or with the Key Management Personnel.

23. Changes in working capital

The table below presents items comprising changes in working capital as disclosed in the statement of cash flows:

Changes in working capital	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Change in inventories	-	4
Change in receivables	(8,142)	(2,335)
Change in liabilities	7,195	(512)
Change in deferred and accrued expenses	(32)	1,427
Change in provisions	(299)	98
	(1,278)	**(1,318)**

24. Commitments and contingent liabilities concerning related companies

As at 31 December 2011, no guarantees and sureties were issued for Asseco Central Europe a.s.

As at 31 December 2011, guarantees and sureties issued by Asseco Central Europe a.s. were as follows:

- Slovanet a.s. (subsidiary) was granted a guarantee for EUR 3,923 thousand to back up its liabilities towards Tatra Banka under a framework crediting agreement.;
- guarantee for EUR 561 thousand extended for Slovanet a.s. (subsidiary) to back up a credit taken out from Tatra Banka. It is a current credit to be repaid by the end of 2012.;

As at 31 December 2010, guarantees and sureties issued for Asseco Central Europe a.s. were as follows:

- Asseco Central Europe a.s. uses a bank guarantee issued by Československá Obchodná Banka a.s. for EUR 20 thousand to secure its obligations towards the Statistics Office (the guarantee was effective up to 30 June 2011).;
- Asseco Central Europe a.s. uses a bank guarantee issued by Československá Obchodná Banka a.s. for EUR 34 thousand to secure its obligations towards the Supreme Audit Office (Najvyšší kontrolný úrad) (the guarantee was effective up to 31 March 2011).;

As at 31 December 2010, guarantees and sureties issued by Asseco Central Europe a.s. were as follows:

- Slovanet a.s. (subsidiary) was granted a guarantee for EUR 5,507 thousand to back up its liabilities towards Tatra Banka under a framework crediting agreement.;
- guarantee for EUR 1,118 thousand extended for Slovanet a.s. (subsidiary) to back up a credit taken out from Tatra Banka. It is a non-current credit to be repaid by the end of 2012.;

25. Commitments and contingent liabilities in favour of other companies

Within its commercial activities, the Company uses bank guarantees, letters of credit, contract performance guarantees as well as tender deposits as forms of securing its business transactions with miscellaneous organizations, companies and administration bodies. As at 31 December 2011, there were no contingent liabilities while, as at 31 December 2010, the related contingent liabilities equalled EUR 53 thousand.

Additionally, as at 31 December 2011 and 31 December 2010, the Company was a party to a number of leasing and tenancy contracts or other contracts of similar nature, resulting in the following future liabilities:

Liabilities under operating lease of property, plant and equipment	31 Dec 2011 (audited)	31 Dec 2010 (audited)
In the period up to 1 year	22	52
In the period from 1 to 5 years	7	53
In the period over 5 years	-	-
Total	**29**	**105**

Liabilities under lease of space	31 Dec 2011 (audited)	31 Dec 2010 (audited)
In the period up to 1 year	937	937
In the period from 1 to 5 years	3,749	3,749
In the period over 5 years	937	1,874
Total	**5,623**	**6,560**

26. Employment

Average Company workforce in the reporting period	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Management Board of the Parent Company	4	3
Production departments	277	270
Maintenance departments	32	33
Sales departments	9	12
Administration departments	17	16
Other	5	10
Total	**344**	**344**

Company workforce as at	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Management Board of the Parent Company	5	3
Production departments	277	271
Maintenance departments	30	32
Sales departments	8	20
Administration departments	17	10
Other	5	10
Total	**342**	**346**

27. Objectives and principles of financial risk management

The Company is exposed to a number of risks arising either from the macroeconomic situation of the countries in which the Company operates. The main external factors that may have an adverse impact on the Company's financial performance are: (i) fluctuations in foreign currency exchange rates against the Euro, and (ii) changes in the market interest rates. The financial results are also indirectly affected by the pace of GDP growth, value of public orders for IT solutions, level of capital expenditures made by enterprises, and the inflation rate. In addition, the internal factors with potential negative bearing on the Company's performance include: (i) risk related to the increasing cost of work, (ii) risk arising from underestimation of the project costs when entering into contracts, and (iii) risk of concluding a contract with a dishonest customer.

Foreign currency exposure risk

The Company's presentation currency is the euro; however, some contracts are denominated in foreign currencies. With regard to the above, the Company is exposed to potential losses resulting from fluctuations in foreign currency exchange rates versus the euro in the period from concluding a contract to invoicing.

Identification: According to the Company's procedures pertaining to entering into commercial contracts, each agreement that is concluded or denominated in a foreign currency, different from the functional currency of the Company, is subject to detailed registration. Owing to this solution, any currency risk involved is detected automatically.

Measurement: The foreign currency risk exposure is measured by the amount of an embedded financial instrument on the one hand and, on the other, by the amount of currency derivative instruments concluded in the financial market. All the changes in the value of exposure are closely monitored on a fortnightly basis. The procedures applicable to the execution of IT projects require making systematic updates of the project implementation schedules as well as the cash flows generated under such projects.

Objective: The purpose of countering the risk of fluctuations in foreign currency exchange rates is to mitigate their negative impact on the contract margins.

Measures: In order to hedge the contracts settled in foreign currencies, the Company concludes simple currency derivatives such as forward contracts and, in the case of embedded instruments under foreign currency-denominated contracts, non-deliverable forward contracts. In addition, forward contracts with delivery of cash are applied for foreign currency contracts.

Matching the measures to hedge against the foreign currency risk means selecting suitable financial instruments to offset the impact of changes in the risk-causing factor on the Company's financial performance (the changes in embedded instruments and concluded instruments are balanced out). Nevertheless, because the project implementation schedules and cash flows generated thereby are characterized by a high degree of changeability, the Company is prone to changes in their exposure to foreign exchange risk. Therefore, the Company dynamically transfers their existing hedging instruments or concludes new ones with the objective to ensure the most effective matching. It has to be taken into account that the valuation of embedded instruments changes with reference to the parameters as at the contract signing date (spot rate and swap points), while transferring or conclusion of new instruments in the financial market may only be effected on the basis of the current rates available. Hence, it is possible that the value of financial instruments will not be matched and the Company's financial result will be potentially exposed to the foreign currency risk.

The overall impact of foreign currency risk, from a change in exchange rates on the financial statements, was insignificant as of 31 December 2011.

Interest rate risk

Changes in the market interest rates may have a negative influence on the financial results of the Company. The Company is exposed to the risk of interest rate changes primarily in two areas of its business activities: (i) change in the value of interest charged on credit facilities granted by external financial institutions, which are based on a variable interest rate, and (ii) change in valuation of the concluded and embedded derivative instruments, which are based on the forward interest rate curve. More information on factor (ii) may be found in the description of the currency risk management.

Identification: The interest rate risk arises and is recognized at the time of concluding a transaction or a financial instrument based on a variable interest rate. All such agreements are subject to analysis by the appropriate departments within the Company, hence the knowledge of that issue is complete and acquired directly.

Measurement: The Company measures exposure to the interest rate risk by preparing statements of the total amounts resulting from all the financial instruments based on a variable interest rate.

Objective: The purpose of reducing such a risk is to eliminate occurrence of higher expenses due to the concluded financial instruments based on a variable interest rate.

Measures: In order to reduce its interest rate risk, the Company may: (i) try to avoid taking out credit facilities based on a variable interest rate or, if not possible, (ii) conclude forward rate agreements.

Matching: The Company gathers and analyzes the current market information concerning its present exposure to the interest rate risk. For the time being, the Company does not hedge against changes of interest rates due to the high degree of unpredictability of their credit repayment schedules.

The Company bears no loans and credits, hence is not exposed to this risk.

Credit risk

The Company is exposed to the risk of defaulting contractors. This risk is connected firstly with the financial credibility and goodwill of the contractors to whom the Company provides IT solutions, and secondly with the financial credibility of the contractors with whom supply agreements are concluded.

Identification: The risk is identified each time when concluding contracts with customers, and afterwards during the settlement of payments.

Measurement: Determination of this type of risk requires the knowledge of any complaints or pending judicial proceedings against a client already in existence at the time of signing an agreement. Every two weeks the Company is obliged to control the settlement of payments under the concluded contracts, inclusive of the profit and loss analysis for individual projects.

Objective: The Company strives to minimize this risk in order to avoid financial losses resulting from the commencement and partial implementation of IT solutions ,as well as to sustain the margins adopted for the executed projects.

Measures: As the Company operates primarily in the banking and financial sectors, its customers are concerned for their good reputation. Here the engagement risk control is usually limited solely to monitoring the timely execution of bank transfers and, if needed, to sending a reminder of outstanding payment. However, in the case of smaller clients, it is quite helpful to monitor their industry press as well as to analyze any earlier experiences of the Company itself and of its competitors. The Company concludes financial transactions with reputable brokerage houses and banks.

Matching: It is difficult to discuss this element of risk management in such cases.

Financial liquidity risk

The Company monitors the risk of funds shortage using the tool for periodic planning of liquidity. This solution takes into account the maturity deadlines of investments and

financial assets (e.g. accounts receivable, other financial assets) as well as the cash flows anticipated from operating activities.

The Company's objective is to maintain a balance between continuity and flexibility of financing by using various sources of funds.

The following table shows the Company's trade accounts payable and other liabilities as at 31 December 2011 and 31 December 2010, by maturity period based on the contractual undiscounted payments.

	as at 31 December 2011 (audited)		as at 31 December 2010 (audited)	
Ageing structure of trade accounts payable and other liabilities	**amount**	**structure**	**amount**	**Structure**
Liabilities already due	650	4%	5,143	55%
Liabilities due within 3 months	10,845	73%	510	5%
Liabilities due within 3 to 12 months	3,494	23%	1,809	19%
Liabilities due after 1 year	7	0%	1,864	21%
	14,996	**100%**	**9,326**	**100%**

The tables below present the ageing structure of other financial liabilities as at 31 December 2011 and 31 December 2010.

As at 31 December 2011 (audited)	**Liabilities falling due within 3 months**	**Liabilities falling due within 3 to 12 months**	**Liabilities falling due within 1 to 5 years**	**Liabilities falling due after 5 years**	**Total**
Finance lease commitments	8	14	7		29
Total	**8**	**14**	**7**	**-**	**29**

Financial guarantees provided are described in Note 24.

As at 31 December 2010 (audited)	**Liabilities falling due within 3 months**	**Liabilities falling due within 3 to 12 months**	**Liabilities falling due within 1 to 5 years**	**Liabilities falling due after 5 years**	**Total**
Finance lease commitments	18	34	53		105
Total	**18**	**34**	**53**	**-**	**105**

Foreign currency risk

The Company tries to conclude contracts with their clients in the functional currency to avoid exposure to the risk arising from fluctuations in foreign currency exchange rates against their own functional currencies.

The analysis of sensitivity of trade accounts payable and receivable to fluctuations in the exchange rates of the CZK and other currencies against the functional currencies of the Company indicates that the exposure to foreign currency risk is not significant.

Trade accounts receivable and payable as at 31 December 2011 (audited)	Amount exposed to risk	Impact on financial results of the Group	
		-10%	10%
CZK :			
Trade accounts receivable	1,732	(173)	173
Trade accounts payable	651	(65)	65
Other			
Trade accounts receivable			
Trade accounts payable	1	-	-
Balance	**2,384**	**(238)**	**238**

Trade accounts receivable and payable as at 31 December 2010 (audited)	Amount exposed to risk	Impact on financial results of the Company	
		(10%)	10%
CZK :			
Trade accounts receivable	404	(40)	40
Trade accounts payable	139	(14)	14
Other			
Trade accounts receivable	5	(1)	1
Trade accounts payable	1	-	-
Balance	**550**	**(55)**	**55**

as at 31 December 2011 (audited)		Impact on financial results of the Company	
CZK	**Amount exposed to risk**	**-10%**	**10%**
Financial assets			
Short-term forward contracts for purchase of foreign currencies	206	(21)	21

as at 31 December 2010 (audited)		Impact on financial results of the Company	
CZK	**Amount exposed to risk**	**-10%**	**10%**
Financial assets			
Short-term forward contracts for purchase of foreign currencies	233	(23)	23

as at 31 December 2011 (audited) HUF	Amount exposed to risk	Impact on financial results of the Company -10%	10%
Financial assets			
Forward contracts for sale of foreign currencies	228	(23)	23

As at 31 December 2010, the Company had no Forward contracts for sale of foreign currencies in HUF.

Effects of reducing the interest rate risk

The Company has no loans and credits.

Other types of risk

Other risks are not analysed for sensitivity due to their nature and impossibility of absolute classification.

Methods adopted for conducting the sensitivity analysis

The analysis of sensitivity to fluctuations in foreign exchange rates, with potential impact on our financial results, was conducted using the percentage deviations of +/-10% by which the reference exchange rates, effective as at the balance sheet date, were increased or decreased.

Fair value

As at 31 December 2011, the fair values of the Company's assets and liabilities are not significantly different from the values recognized on the statement of financial position

28. Remuneration due to certified auditors or the entity authorized to audit financial statements

The table below discloses the total amounts due to the entity authorized to audit financial statements, namely Ernst & Young Slovakia s.r.o., paid or payable for the years ended 31 December 2011 and 31 December 2010, with breakdown by type of service:

Type of service	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Obligatory audit of annual financial statements	39	34
Total	**39**	**34**

29. Equity management

The main objective of the Company's equity management is to maintain favourable credit rating and safe level of equity ratios that would support the Company's operating activities and increase value for our shareholders.

The Company manages its equity structure which is altered in response to changing economic conditions. In order to maintain or adjust its equity structure, the Company may change its dividend payment policy, return some capital to its shareholders or issue new shares. In 2011, as well as in the year ended 31 December 2010, the Company did not introduce any changes to its objectives, principles and processes adopted in this area.

The Company consistently monitors the balance of its capital using the leverage ratio, which is calculated as a relation of net liabilities to total equity increased by net liabilities. It is the Company's principle to keep this ratio below 35%. Net liabilities include interest-bearing credits and loans, trade accounts payable and other liabilities, decreased by cash and cash equivalents. Equity comprises own equity attributable to shareholders of the Company, decreased by reserve capitals from unrealized net profits.

Equity management	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Trade accounts payable and other liabilities	20,108	15,784
Minus cash and cash equivalents (-)	(17,209)	(11,450)
Net liabilities	2,899	4,334
Shareholders' equity	101,244	94,256
Total equity	101,244	94,256
Equity plus net liabilities	**104,143**	**98,590**
Leverage ratio	**2.78%**	**4.40%**

30. Seasonal and cyclical nature of business

The Company's activities are subject to seasonality in terms of uneven distribution of turnover in individual quarters of the year. Because the 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. This phenomenon occurs for the reason that the above-mentioned entities close their annual budgets for implementation of IT projects and usually carry out investment purchases of hardware and licences in the last quarter.

31. Significant events after the balance sheet date

Up to the date of preparing these financial statements for the twelve-month period ended 31 December 2011, that is up to 8 March 2012, no significant events occurred as might have an impact on the financial statements.