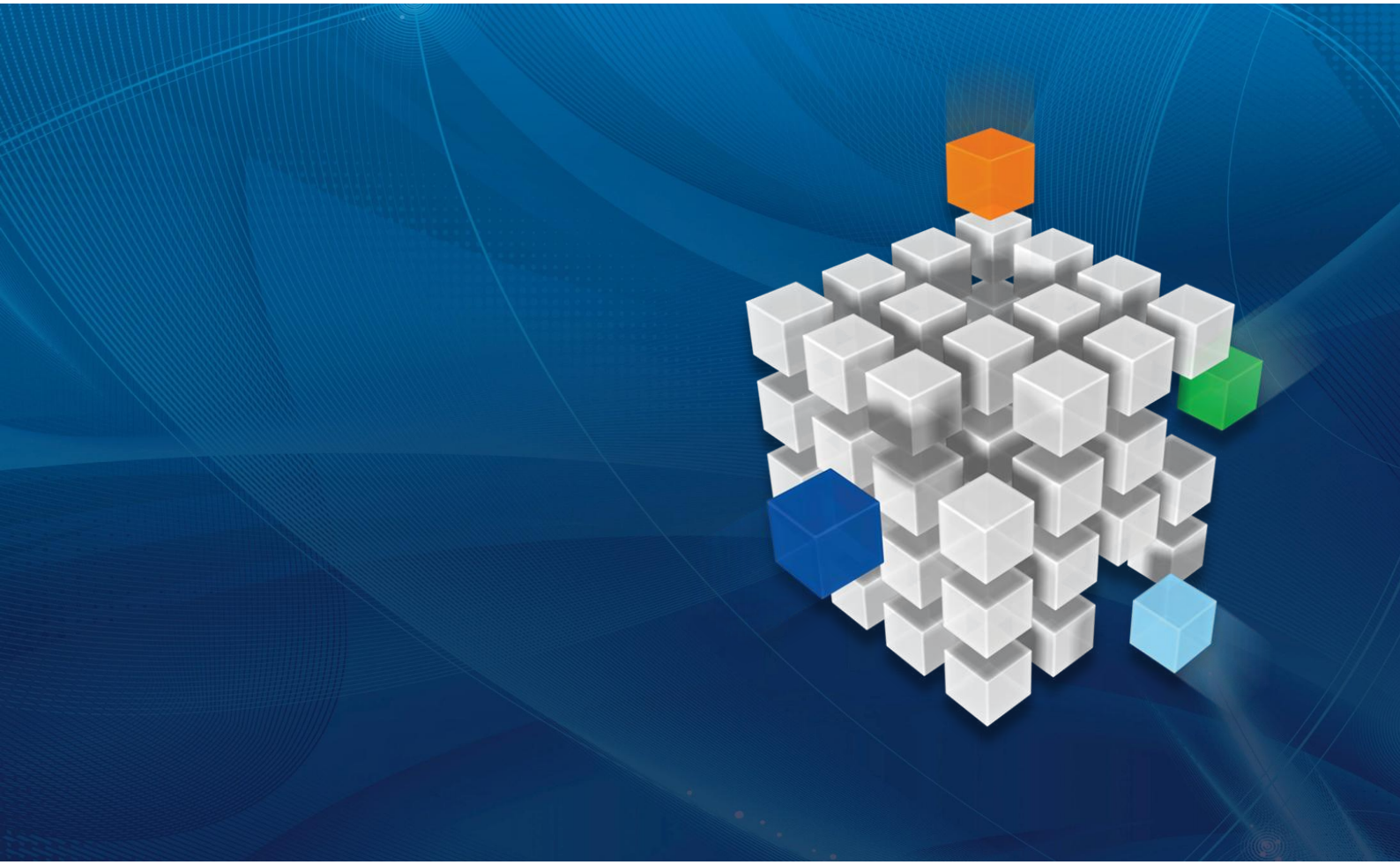
asseco CENTRAL EUROPE

Solutions for Demanding Business



CONSOLIDATED ANNUAL REPORT 2012

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

1 March 2013

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I. CHAIRMAN´S LETTER

Dear shareholders and investors, valued customers, dear colleagues, dear readers,

Before I started writing this address, I had tried to recall the memories of important and extraordinary events in 2012. It was not easy at all. I had asked myself a question: "Could it be that my memory is already so bad or we did not have any extraordinary activities in the Company?" Neither is completely true. The truth is that many of us worked so much time on work activities every day that the whole year merged into a one day-by-day continuous project. However, to me, the year 2012 was the year, when we worked together exemplarily on contracts regardless of which country our customer was in, and regardless of whether the development was carried out in Brno, Prague or Bratislava. The year 2012 really became the first year, when we were building the single brand and company **Asseco Central Europe** in both countries, the Czech Republic and Slovakia, with a unified organizational structure. Since 2012, to us, there has been only one company - Czech and Slovak Asseco CE with a single budget, although two legal entities registered in the Czech Republic (CR) and the Slovak Republic (SR) will continue to exist.

Allow me to summarize the year 2012 briefly. I will start with an evaluation of the situation in the state and public administration, for which we implement projects in the amount of more than **30% of our annual revenues**. That is really a large share in our yearly budget. The **Public Business Unit (BU)** with the Public CZ and Public SK Divisions ensures its fulfillment and undertakes projects, while they are supported also by the GNS Division to a considerable extent. Along with other projects within the GNS, it represents up to **38% share**. However, the implementation of many projects in the Public Business Unit depends on the conditions in the state and public administration, and it is often parallel to the state of the political situation in the country.
In my address in 2011, I expressed the hope that public procurements for eGovernment projects financed from the European funds would be finally launched in **Slovakia** after the elections in 2010, and we anticipated our active participation in many of tenders as well. It did not happen. The public procurement almost vanished, the Public Procurement Act was made more stringent, and there were almost no tenders. Later, when I assessed the previous year at the beginning of 2012, I naively hoped again that the drawing of the European funds would be expedited after the elections in 2012. But there were still almost no tenders in Slovakia.
And what will happen in 2013? It is the last year of the programme period 2007-2013 and the funds (primarily the Operational Programme for the Information Society (**OPIS**)) need to be drawn. If they are not drawn, they will be lost, and we will have to return the resources not used to the EU. The government will forfeit an opportunity to increase the employment, potential corporate taxes that would be paid by companies from the successfully tendered projects, personal income tax of employed persons, who would be working on those projects, and of course, their social and health security contributions. And yet, the State needs the increased revenue to the state budget, and thus the increased social and health security contributions. It follows from the above that the State should seek to draw the European funds as much as possible. The projects have to be contracted by the end of 2013, while the funds need to be drawn in 2013 at least partially, and the final withdrawal may take place as late as by the mid 2015. That means the state and public administration has to organize more and more public procurements, decide on successful bidders and contract companies, so that the withdrawal may commence in 2013. Thus, much more tenders should be announced in Slovakia in 2013 than from 2010 to 2012. Will that happen? December 2012 and January 2013 confirmed that already. May this trend last in the following period as well. Unfortunately, we did not win any project in the state and public administration in Slovakia in 2012 also due to the said reasons.

In the **Czech Republic**, the public procurement tenders began to be invited to a greater extent already since April 2012, and we were able to participate in some of them thanks to that as well. As a result, we succeeded in the following tenders with contracts signed:

- **Communication Model for Communication with Basic Registers project** for the Czech Social Security Administration (CSSA).
- **Implementation of the Environment Information and Communication Interface (ICI) project for the Project 159** again for the same customer CSSA.
- **Redesign of the Statistical Information System following the Implementation of eGovernment in the CR** for the Czech Statistical Office (CSO). Although this contract was signed only at the beginning of this year (18.1.2013), we had participated in the tender for it during the last four months of the year 2012.

However, we should not forget about our biggest implemented project of 2012 - **RRO** project (Register of Rights and Obligations) for the Ministry of Interior of the CR. The RRO has become one of the basic pillars (registers) of the Czech eGovernment. We completed the complex delivery in 2012, and I can state happily that we delivered the work on time and at the required quality. The RRO was successful and it was greatly appreciated by the customer itself as well. Thanks to this successfully implemented project, and thanks to our acquired know-how and experience from this project, a door to more and more customers, which will gradually connect their information systems to the basic registers, is opening for us.

The **Finance BU** represents **24% share in the annual revenues** of Asseco Central Europe, and it is the historical domain of the whole Asseco Group. In 2012, we experienced a significant drop in revenues from our most important client Slovenská sporiteľňa (Erste Group), which had been caused by an incremental implementation of group solutions. And so one of our most important customers by the amount of revenues in the past finished only in the sixth place in our internal ranking in 2012. We had expected it in advance, thus we had prepared for it partially. We established **DanubePay**, which should become our processing solution not only for Central Europe, but for the whole Asseco Group as well in a short time. We already have several opportunities today, and I believe that we will have a few nice projects by the end of the year.
Colleagues from the **Building Savings** Division strived so intensively that we signed a migration contract with **Českomoravská stavební spořitelna** in the mid 2012 for the replacement of the old core system with our StarBUILD. And that is not all yet. We keep fighting for another customer, **Fundamenta Lakaskassza** of Hungary.
It is also worth mentioning that we managed to launch StarBUILD, StarINS and StarSTAT successfully in the **Wüstenrot Group** in the Czech Republic in 2012 in the end, on which the entire Finance Business Unit had been working at that time.

The **Healthcare BU**, where the Healthcare and Insurance Divisions belong, is indeed the smallest business unit with its share that amounted **14%**, yet its customers are not only state institutions, but also customers with the corporate capital. Although we did not manage to win any new customer, the projects we implemented were successful or without major problems. I believe that the whole business unit will be at least as successful in 2013 as in 2012.

I cannot omit the rest of our revenues in the amount of **13%**, which was provided by technical and infrastructure projects and sales. The remaining almost **11%** is represented by the **revenues from LGS.**

The start of the year is already behind us and we are fully immersed in our everyday work again. I am convinced that new nice projects and great work challenges await us this year. As a part of the Asseco Group, we are fully prepared for the year 2013 to provide our clients with such solutions and support, so that they are ultimately satisfied. Let us stick together in doing so. It makes sense and brings nice results and joy of work.

Jozef Klein
CEO and Chairman of the Board of Directors

II. MANAGEMENT REPORT

1 COMPANY PROFILE

The parent company of the Asseco Central Europe Group (the "Group") is Asseco Central Europe, a. s. (the "Parent Company", "Company", "Issuer", —Asseco Central Europe, a. s. (SK)) with its registered seat at Trenčianska street 56/A, 821 09 Bratislava, Slovakia.

1.1 History and present days

The Company was established on 16 December 1998. The original name of the Company was ASSET Soft, a. s. 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. On 10 October 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.

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.

The business profile of Asseco Central Europe, a. s. (SK) includes software and computer hardware consultancy, production of software as well as the 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". Other undertakings of the Group conduct similar operations.

In addition to comprehensive IT services, the Group also sells goods including computer hardware. The sale of goods performed is to a large extent connected with the provision of software implementation services.

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). Parts of the Asseco Central Europe Group are also other companies with IT and telecommunications focus and the Company thus employs almost 1.600 people.

1.2 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:	SK7020000691
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 with authors
- 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 computer technology
- 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 data networks 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 scope 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 THE ASSECO CENTRAL EUROPE GROUP

The Asseco Central Europe Group operates either directly or by means of its affiliated companies in three countries of Central Europe, namely in Slovakia, the Czech Republic, and Hungary. It is also represented in Germany and Switzerland.

In particular, parent company Asseco Central Europe headquartered in the Slovak Republic, is a majority owner of three companies in Slovakia (Asseco Solutions - 100%, Slovanet - 51%, DanubePay – 100%), one in the Czech Republic (Asseco Central Europe - 100%) and two in Hungary (Statlogics – 100%, GlobeNet – 100%).

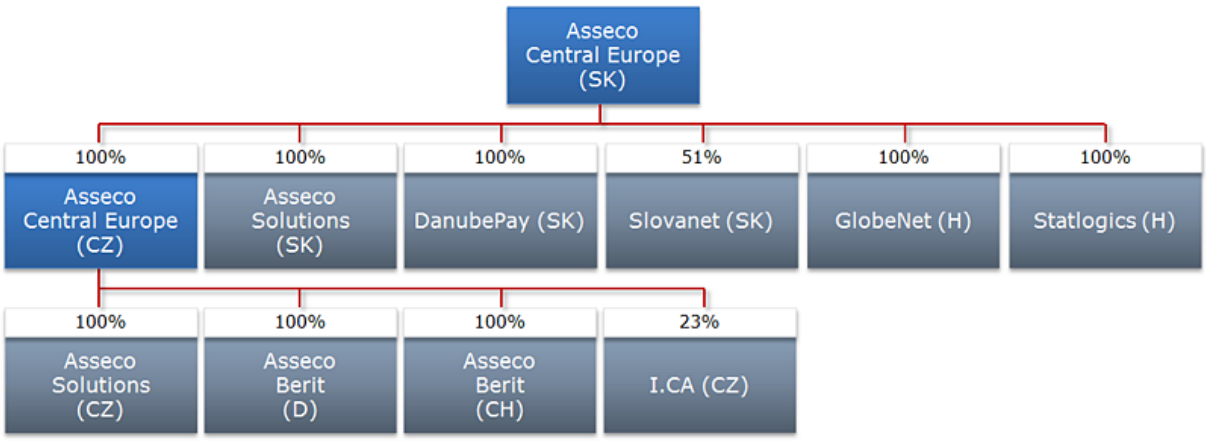
Moreover, by means of Asseco Central Europe (CZ), the parent company controls Asseco Solutions (100%) in the Czech Republic, Asseco BERIT GmbH (100%) in Germany and Asseco BERIT AG (100%) in Switzerland. A minority block of shares at První certifikační autorita, a. s. (23.25%) is also owned by Asseco Central Europe (CZ). Complete shareholders' structure is stated in the Consolidated Financial Statements.

On 16 May 2012 Asseco Central Europe, a. s. acquired remaining 14.98% of shares of Statlogics Zrt. by exercising the put option. Asseco Central Europe, a. s. from that time controls 100% of shares in Statlogics Zrt. and the same percentage of votes at the general meetings of shareholders of that company.

In May, particularly on 25 May 2012, Asseco Central Europe, a. s. increased its equity interest also in second Hungarian affiliated company of the Group. Additional 10% of shares in GlobeNet Zrt. were acquired by exercising the call option. On 11 June 2012, the shares purchase agreement regarding the acquisition of remaining 30% of shares in GlobeNet Zrt. was concluded. Shares were transferred on 2 August 2012 after fulfilment of all conditions precedent. From that time Asseco Central Europe, a. s. controls 100% of shares in GlobeNet and the same percentage of votes at the general shareholders meetings.

On 27 July 2012 in line with its growth strategy Asseco Central Europe, a. s. established a new company – DanubePay processing centre with headquarter in Bratislava. New joint stock company is focused mainly on services connected with card and transaction business and providing "Software as a Service" solutions. Asseco Central Europe, a. s. controls 100% of shares in DanubePay, a. s. and the same percentage of votes at the general shareholders meetings.

Structure of the capital of Asseco Central Europe Group as at the date of publication of this report i.e. 1 March 2013:



Asseco Central Europe, a. s. (CZ)

Asseco Central Europe, a. s. (CZ) became a member of the Asseco Group in January 2007. The company belongs to the most significant providers of comprehensive solutions and services in the information technology field within the Czech Republic. It has undertaken challenging projects in both the commercial sector and for national and regional governments, for example information systems for regional administrative units and specialized information systems for the Ministries of Finance, Interior, Transportation and Justice in the Czech Republic. The company has many years of experience in integrating and outsourcing projects, where it has been placing strong emphasis on security. It is a stable partner for its clients, helping them resolve all processes connected with information technologies, starting with IT infrastructure, backup systems, server and desktop virtualization, and specialized applications, such as geo-information systems, or ECM and BI tailored solutions to support control and decision processes. For financial institutions and capital market the company provides for example, outsourcing of operating systems, delivers portals, direct banking systems optical card systems, and others.

Asseco Solutions (CZ, SK)

Asseco Solutions, a. s. is the largest producer of the ERP systems on the Slovak and Czech markets. Software applications developed by Asseco Solutions are distributed also to other markets within Central Europe. ERP systems HELIOS cover the needs of companies of all sizes in a variety of business areas. The company is involved in development, implementation and support of tailored systems for companies of various sizes, in different fields of their business activities.

The product portfolio ranges from information systems for a broad spectrum of enterprises involved in production, trade or services over products for public administration up to, for example, products covering specialized needs of companies providing accommodation and catering services.

Moreover, the product portfolio is complemented by a wide offer of services and partners programs. Besides the basic modules and functionalities, they also provide tailored solutions. Asseco Solutions has obtained the Quality Certificate ISO 9001:2000.

In Slovakia and the Czech Republic there are currently almost 500 employees in total.

Slovanet (SK)

Slovanet, a. s. ranks among the largest providers of high-speed Internet in Slovakia. The company offers households separately, as well as in its convenient Triple Play package, Internet connection, telephony and digital television. In the corporate sector, it provides integrated communication and voice services, virtual private networks and secure solutions to small and medium-sized businesses as well as large organizations in Slovakia.

In the last years it has been focusing on constructing its own optical and hybrid infrastructure, particularly by acquiring local operators and expanding their networks. At the end of 2012 acquired a majority shareholding in another company MadNet, a. s. which provides telecommunications services in the region of south-western Slovakia. Slovanet has also continued its own research activities in the field of Internet security, the infrastructure upgrading and the extension of services. Last year, it brought an acceleration of the Internet, advantageous service packages, and also modernization and digitisation of local cable television networks to many residential customers, especially in Kežmarok and Zlaté Moravce. The total number of customers of the operator exceeded 60,000 yet in autumn. According to the TREND Top Telecom 2012 ranking, Slovanet is the enterprise with the highest number of Internet clients among the alternative telecommunication operators.

DanubePay (SK)

DanubePay, a. s. is a processing centre with headquarter in Bratislava. The company was established on 27 July 2012 by Asseco Central Europe, a. s. in line with its growth strategy. DanubePay is focused mainly on services connected with card and transaction business and providing "Software as a Service" solutions. The strongest assumption of company´s success is stemming from offer of innovative products for suitable prices and flexibility of product portfolio. It provides its clients with cutting-edge know-how and the team of quality and experienced professional in the field of transaction processing and card and devices administration. DanubePay is able to deliver quality solutions for both Slovak and foreign markets. Asseco Central Europe, a. s. controls 100% of shares in DanubePay, a. s.

Statlogics (HU)

Statlogics, Zrt., based in Budapest, has been a prominent company serving banking institutions mainly in Central and Eastern Europe since 1998. The company currently employs 70 IT specialists and experts in risk management and consumer finance business. The company belongs to the leading providers that can deliver a combination of strong expertise in risk management and innovative software applications for retail loan management. Through comprehensive range of innovative products, the company is able to tailor different applications and services to the specific needs of retail banks and consumer finance specialists. Statlogics solutions manage more than 5 million credit applications per year for an amount exceeding 3 billion EUR, while assisting lenders increase their approval rates, lower their credit losses and reduce their processing expenses. The core business activities can be divided into following division: System conception, Project Management, System development, System test, System support and maintenance, System delivery, Business consulting, Credit Scoring, Risk management and Basel II experts.

GlobeNet (HU)

Since its founding in 1995, Globenet Zrt. became one of the leading entities in the Hungarian healthcare information technology market. Hospital information solutions derived from Globenet are being used every day by more than 60 healthcare facilities - clinics, hospitals and general practitioners. MedWorkS is an integrated system which can be totally tailored for client needs.

The philosophy of the company is based on the effective utilization of most of the possibilities of information technology and work support of health facilities in Hungary, as well as in other parts of Europe. MedWorkS covers each process in hospitals, ranging from ambulance services, constitutional patients care through diagnosis and treatment to administrative tasks, using all kinds of management, organizational work or healthcare. The result of long-standing partnership with Oracle Hungary is cooperation with cuttingedge and highly reliable technology for database management. The corporation is ISO 9001:2008, ISO 27001:2005 and ISO 14001:2004 certified. GlobeNet employs more than 50 specialists and since April 2010 it is a part of the Asseco Group. Asseco Central Europe had bought firstly 60% of GlobeNet shares and in August 2012 increased its equity interest to 100%.

Asseco BERIT (GE, CH)

The Asseco BERIT group is a bearer of competences in the field of geographic information systems, the assets administration system and systems supporting processes in utility administration within Asseco Central Europe. The group consists of the Geographic & Network Systems Divisions of the affiliated Asseco BERIT GmbH, seated in Mannheim, Germany and Asseco BERIT AG, seated in Sissach, Switzerland. The group currently employs 86 people – analytics, developers, consultants and project managers. The supplied solutions are based on their own development (LIDS, TOMS, AMES, AG Portal Technology), which has continued over the twenty-year-long history of BERIT, a. s. and which has been incorporated in Asseco CE since 2008. Thanks to their own business-

implementation network, the products developed in Asseco CE are used by customers in Germany, Switzerland, the Czech Republic, the Slovak Republic, Austria and Poland. Developers of the Asseco BERIT group utilize extensive experiences also within the work on further projects in the field of public administration (basic registers, transport agendas and applications, Czech Social Security Administration).

3 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 & Utilities, 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, IT Infrastructure, 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.

	Finance	Health Care	Public	Telco	ERP
SK	Banking Building Savings Business Intell.	HealthCare Insurance	Public Admin. Traffic Telem.	slovanet	asseco solutions
CZ			Public Admin. Traffic Telem. Capital Market GeoNet Sys.		asseco solutions
HU	Statlogics	GlobeNet®			

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 present 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.

3.1 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.

3.2 Outsourcing

In the area of outsourcing Asseco CE offers a wide spectrum of services ranging from direct IT outsourcing (HW/ SW solutions) up to Business Process Outsourcing services. Its outsourcing projects cover complete customer processes (post-billing process, invoice printing, enveloping and sending, delivery logistics, etc.).

Servicing information technologies

To provide assistance to both external and internal customers, and not 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.

POS management

Supply and installation of POS terminals, training, service, maintenance and support for networks of POS terminals. Terminals are managed centrally by a specialized department consisting of a team of qualified experts with appropriate technical facilities, and expertise in the field. For service management a special web application, designed for management, monitoring and evaluation of the state of service processes/services, is used. Local support is provided by the service team covering (similar to IT Service) the entire territory of the Slovak Republic.

Printing and enveloping services

We provide comprehensive services in processing of documents and correspondence. Services include programming, preparing data, print services, enveloping services, specific completion of consignments and their forwarding for dispatch. Sufficient printing and enveloping capacity guarantee meeting of tight deadlines for processing of consignments. Volume discounts on postage, allowances for processing large volumes or periodic orders, are another advantage that we offer to our customers. Our typical customers are financial and non-financial institutions (statements, invoices, etc.), as well as trade organizations and advertising companies (marketing materials).

Logistics

We provide logistic services that in a complex process include receiving and storing of goods, follow-up control and testing, maintaining records of warehoused goods and their shipping to dealers of end customers through all available delivery channels (Česká pošta, PPL, DPD, and haulage contractors). An inseparable part of the services is complaint management of shipped goods. Services are being carried out using modern technology for warehouses and adequate availability of storage and production facilities is guaranteed. The main advantage of our logistics services is above-standard flexibility (reaction to assigned changes) and adaptability to the needs and requirements of our customers.

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.

3.3 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.

Credilogic®

The name Credilogic® applies to a family of software applications developed by Statlogics to serve the some of the most demanding financial institutions in the world. Credilogic® applications cover the entire workflow of the credit lifetime, from origination to loan account management and collection of bad debt.

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.

On the basis of StarCARD® solution, a new subsidiary started to be build within the Asseco Central Europe Group in 2012 – a processing centre DanubePay, a. s., which is able to process any type of payment or non-payment transaction. The flexibility stemming from the development independence on third parties is its asset. The complex product and service portfolio of DanubePay is characterized by its modularity, due to which it is possible to connect any existing system of a customer and create a communication interface, so that the final solution meets all technological and security requirements. All offered solutions are easy to scale, and so they are appropriate for new entities with a low volume of transactions, as well as for large established companies. From a business perspective, DanubePay is even prepared to enter into an emerging business opportunity as a partner and provide its services as an investment capital. The business offer of DanubePay processing centre includes issuing of cards, services for merchants, operation of automated teller machine networks and other related services.

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.

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. In 2012, this system went through a considerable technological innovation with an addition of the significant part of a new functionality. A new license policy was also set up with an aim to ensure the continuous development and support to StarSTAT for the customers that are using it, whose number was increasing during 2012 as well.

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. The AQS solution was also proven in practice by successful projects focused on complex data migrations.

3.4 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

According to the new structure, products of the Insurance Division fall into the Healthcare Business Unit as well. The reason for their transfer from the Finance Business Unit was making the development activities more efficient and an interest in better utilization of the business know-how in the field of insurance and health insurance.

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, etc.).

MedWorkS

The MedWorks is a complex solution that is providing assistance and support to the communities within healthcare institutions in every single step of their daily job performing. The regular activities of physicians, patients, nurses, hospital managements, leaderships, operators and finance founds were intensively supported through MedWorks unique capability of tracking, administration and optimization of healthcare processes.

The MedWorks is a unified hospital IT system engineered for operating across the institution hub and the entire belonging local and remote infrastructure; where for all by functionally different professional specific working areas appropriate user interfaces were generated and associated.

StarINS

Comprehensive information system for insurance companies automates all front-office and backoffice 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 pension funds. 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.

3.5 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 Interior, Transport, and Finance. We also cooperate with the Supreme Audit Office, Central Statistical Offices and many other offices and Ministries in Slovakia, as well as in the Czech Republic.

For local governments, we provide solutions based on our own software (by means of Asseco Solutions, a. s.) which features a high level of customisation and focus on highly specific and key processes for local governments. One of our advantages is that we are able to supplement the aforementioned system, e.g. with solutions for geographic and spatial data or metropolitan network systems. Our main clients are regions, towns, big municipalities and state-founded (owned) organisations.

The wide offer of the Asseco CE Group makes it possible to suitably supplement the aforementioned solutions with other products and services.

AG Portal

Portal solution provides simple, automated, problem-free and secure communication with external entities and internal users. It supports processes and activities, in terms of which advantageous use can be made of in-house or external geodata, or processes, during which data must be published or provided. The solution offers the means for the standardizing and high automation of these processes, detail process monitoring and meeting legislative requirements.

LIDS

Wide functionality for records of spatial data, their maintenance, processing, analysis and evaluation. The solution is designed to support managers of utilities, industrial sites, the registration and administration of immovable property and the management of technical and land maps of towns and villages.

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.

Asseco CE also disposes of solutions for utility companies, industrial enterprises and state administration and local government companies. These include solutions for energy distributors (power, gas, heat) and public service and utility administrators (water, sewer, transport, telecommunications, etc.). Asseco CE holds a strong know-how within this group in the preparation and implementation of operating-technical information systems falling to the class of systems called Network Information Systems (NIS). Their task is to ensure the information needs of a distribution company in the field of distribution management and at the same time to ensure the continuity to other company management systems.

Products specialized in this field include, without limitation, TOMS and AMES which are specified below. For example, LIDS and AG Portal can be used as complementary products, a detailed description of which is given above.

TOMS

The solution is designed for the management and operation of energy security, water, gas and heating distribution companies. Support for distribution and sale of relevant media – electricity, water, gas, heat, etc. TOMS is intended for development, construction, maintenance and operation services.

AMES

This solution covers the area of Facility and Asset Management, from basic geographical features and their characteristics, through property registration and territorial identification, up to the registration of buildings, their parts and facilities, detailed records and the documentation of utility networks and other infrastructure-type assets.

3.6 Business Unit IT Infrastructure

The IT Infrastructure Business Unit offers a whole range of services and solutions for internal and external customers. We focus on full support required for application processes of other business units in the following fields:

- Hardware deliveries, software licenses, network infrastructure.
- Technical design of an application solution.
- Design, implementation and support of a technical design across all infrastructure layers - servers, disk arrays, networks, operating systems, database systems, middleware and application servers, presentation layer.
- Design, setup and operation of development and test environments.

In addition, the IT Infrastructure Business Unit also operates internal information systems of Asseco Central Europe.

The infrastructure services provided for the external customers include:

- Delivery of hardware, software licenses, installation and support of customer environments.
- Full outsourcing of IT services for the external customer (Škoda Praha Invest, member of ČEZ Group) – servers, disk arrays, firewalls, back-up, operating systems, databases, workstations, application administration.
- Full operation of the basic register system solution for the RRO and RoP supplied by us.
- Call Centre (Help Desk) services for the external customers.

3.7 Business Unit ERP

Business Information Systems from the portfolio of our subsidiary – Asseco Solutions - cover the needs of businesses of all sizes in various fields of business and public administration. Systems complement a wide range of services and partner programs. They are highly valued for their technological advancement and the other properties that result from perfect knowledge of the domestic market. They cover requirements of a wide range of business and meet the needs of users in various corporate positions.

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.

HELIOS Orange

Helios Orange is a technologically advanced information and economic system, making all the corporate processes, both common and highly specialized, more effective. It gives you a perfect and current overview of the situation on the market and inside your company, automation of routine operations, higher effectiveness of processes, decrease in costs and powerful communication. It has been helping the management of a lot of successful companies to control all the needy spheres for many years. Find out how it can help you too.

HELIOS Spin

HELIOS Spin is a comprehensive ERP information system covering all basic and advanced requirements in management of economic, accounting, financial, production and manufacturing data of medium sized and large companies.

HELIOS SPIN is a solution based on the latest technologies, using Microsoft .NET platform and ORACLE database. Except for fat client application usage there is a possibility to use full web based thin client application - HELIOS iSpin built as additional JAVA based solution to HELIOS Spin.

Except of coverage of standard company processes its specific modules and functionalities deal with individual industry needs as manufacturing industry, exhibition industry, leasing and financial services or local government needs.

HELIOS Green

HELIOS Green is a flexible information system that meets the highest requirements in the processing of economic data. It is designed for large-scale and medium-sized companies. HELIOS Green is based on the latest Microsoft.NET platform. Its basic and specialized modules form an ever-growing range of specialized solutions, which deal with the specifics of individual industries. HELIOS Green is a tool for building an overall enterprise information system (ERP system).

With a single product and a single data repository, we are able to cover all internal and external agendas, processes, intranet and extranet within the entire group or holding of companies. The system provides a superior and well-arranged reporting at the executive, accounting (US GAAP, IFRS) and project level (monitoring of budgets, cash-flow in individual projects/titles) plus the data warehouse. Technology: Microsoft.NET.

HELIOS Fenix

Helios Fenix is an information system intended for the state administration environment, which is highly specific due to its accounting methods and with regard to the necessity of frequent interaction with citizens. It provides information to employees of an institution, as well as authorities and individuals who are authorized for it by law or with regard to their participation in proceedings concerning the state administration. The whole system is based on a core consisting of registers (e.g. Addresses, Persons, Real Estate or Companies). The core of the system contains modules, the functions of which enable defining an organisational structure and the factual condition of the administration at the level of the system, functionality, applications, data, users and their groups, etc.

3.8 Business Unit Telco

Organizationally, BU Telco includes Slovanet, a subsidiary which is one of the biggest alternative telecommunication operators on the Slovak market. It provides a wide spectrum of telecommunication services and complex solutions thanks to which it actively operates in various customer segments – from households and smaller enterprises to

large corporations. It offers complete solutions to Internet communication, data services, calling and entertainment.

4 COMPANY VALUES

4.1 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.

4.2 Visions

Asseco Central Europe's vision

"Solutions for Demanding Business" – the credo of Asseco CE 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.

4.3 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, fulfilment of their expectations and building their trust.

Constant Organic Growth

Asseco CE wants 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 the clients.

Employee Satisfaction

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

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.

4.4 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.

4.5 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 primarily 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

- **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 even 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.

4.6 The Company's Strategic Goals

- Maintaining customer focused, morally strong and technically robust Company staff base.
- Improve existing customer`s satisfaction by delivering modern information systems with high business added 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.
- Sharpening and improving internal corporate processes and raising the Company corporate culture.

5 SHAREHOLDER´ 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 2012:

Shareholder	Number of shares	Number of votes	% share
Asseco Poland, S. A.	19,973,096	19,973,096	93.51

The share capital of the Company as at 31 December 2012 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.

5.1 Changes in the shareholders structure

On 28 August 2012 the Board of Directors of the Company was notified by PKO BP Bankowy Otwarty Fundusz Emerytalny and with PKO Dobrowolny Fundusz Emerytalny, represented by PKO BP BANKOWY Powszechne Towarzystwo Emerytalne S.A. (hereinafter "PKO Funds") that, as a result of acquisitions of Asseco Central Europe shares effected on 28 August 2012, PKO Funds increased its voting interest in the Company General Meeting above 5%.

Before the above-mentioned transactions, PKO Funds held 1,066,070 shares in Asseco Central Europe a. s., which represented 4.990964% of the Company's share capital and entitled to 1,066,070 votes and 4,990964% of the total number of votes at the Company's General Meeting of Shareholders, wherein:

- PKO BP Bankowy Otwarty Fundusz Emerytalny held 1,066,020 shares in Asseco Central Europe a. s., which represented 4.99073% of the Company's share capital and entitled to 1,066,020 votes and 4.99073% of the total number of votes at the Company's General Meeting of Shareholders;
- PKO Dobrowolny Fundusz Emerytalny held 50 shares in Asseco Central Europe, a. s., which represented 0.00023% of the Company's share capital and entitled to 20 votes and 0.00023% of the total number of votes at the Company's General Meeting of Shareholders.

After the above mentioned transactions, PKO Funds held together 1,068,070 shares in Asseco Central Europe, a. s., which represented 5.00033% of the Company's share capital and entitled to 1,068,070 votes and 5.00033% voting interest at the Company's General Meeting of Shareholders, wherein:

- PKO BP Bankowy Otwarty Fundusz Emerytalny held 1,068,020 shares in Asseco Central Europe a. s., which represented 5.00009% of the Company's share capital and entitled to 1,068,020 votes and 5.00009% of the total number of votes at the Company's General Meeting of Shareholders,
- PKO Dobrowolny Fundusz Emerytalny held 50 shares in Asseco Central Europe a. s., which represented 0.00023% of the Company's share capital and entitled to 20 votes and 0.00023% of the total number of votes at the Company's General Meeting of Shareholders.

On 14 December 2012 the Board of Directors of the Company was notified by PKO BP Bankowy Otwarty Fundusz Emerytalny and with PKO Dobrowolny Fundusz Emerytalny, represented by PKO BP BANKOWY Powszechne Towarzystwo Emerytalne S.A. (hereinafter "Funds") that, as a result of registration by the District Court in Rzeszów, on 13 December 2012, of the share capital increase in "Asseco Poland Joint Stock Company" with its seat in Rzeszów (hereinafter "Asseco Poland") and activities related to the swap of shares of the Company for shares of Asseco Poland (shares of the Company were transferred to Asseco Poland as contribution in kind – shares in kind – to cover the above mentioned increase of the share capital), voting interest in the Company General Meeting decreased below the threshold of 5%.

Before the above-mentioned change, Funds held 1,095,409 shares in the Company, which represented 5.1283% of the Company's share capital and entitled to 1,095,409 votes and 5,1283% of the total number of votes at the Company's General Meeting of Shareholders, wherein:

- PKO BP Bankowy Otwarty Fundusz Emerytalny held 1,095,359 shares in the Company, which represented 5.1281% of the Company's share capital and entitled to 1,095,359 votes and 5.1281% of the total number of votes at the Company's General Meeting of Shareholders;
- PKO Dobrowolny Fundusz Emerytalny held 50 shares in the Company, which represented 0.0002% of the Company's share capital and entitled to 50 votes and 0.0002% of the total number of votes at the Company's General Meeting of Shareholders.

As a result of the share swap transaction described above, the Funds (together and individually) doesn´t hold any shares of the Company, or any part of the total number of votes at the Company´s General Meeting of Shareholders, as the transfer of shares of the Company to the account of Asseco Poland occurred on the basis of the settlement instruction issued in accordance with the appropriate procedures and records related to the mode of implementation of shares subscriptions for the increase of share capital of Asseco Poland.

On 28 December 2012 the Board of Directors of the Company was notified by Asseco Poland S.A. that further to the settlement of the issue of ordinary series K bearer shares, with a nominal value of PLN 1 each, offered by Asseco Poland S.A. within a public offering based on a prospectus published on 12 November 2012 (the "Offering"), Asseco Poland S.A. increased on 28 December 2012 its shareholding in the Company. Currently, Asseco Poland S.A. holds 19.973.096 shares constituting 93.51% of the total number of shares in the share capital of the Company, which entitle it to 19.973.096 votes at the general meeting of the Company and which represent 93.51% of the total number of votes at the general meeting of the Company.

Prior to the settlement of the Offering, Asseco Poland S.A. held 8,560,000 shares in the Company, which constituted 40.07% of the total number of shares in the Company, entitled it to 8,560,000 votes at the general meeting of the Company and represented 40.07% of the total number of votes at the general meeting of the Company.

On 3 January 2013 the Board of Directors of the Company was notified by ING Otwarty Fundusz Emerytalny (hereinafter "Fund") that, as a result of swap of shares of Asseco Central Europe, a. s. for shares of Asseco Poland S.A., Fund decreased its shareholding in the Company below the threshold of 5% of voting interest in the Company´s General Meeting.

Before the above-mentioned change, Fund held 1,456,016 shares in the Company, which represented 6.82% of the Company's share capital and entitled to 1,456,016 votes and 6,82% of the total number of votes at the Company's General Meeting.

On the day of 3 January 2013, the Fund did not hold any shares of the Company.

According the information available to the Board of Directors following shareholders exceeded the 5% share as at 1 March 2013:

Shareholder	Number of shares	Number of votes	% share
Asseco Poland, S. A.	19,973,096	19,973,096	93.51

The share capital of the Company as at 1 March 2013 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.

6 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 2012:

Board of Directors	Period	Supervisory Board	Period
Jozef Klein	1.1.2012-31.12.2012	Adam Tadeusz Góral	1.1.2012-31.12.2012
Marek Grác	1.1.2012-31.12.2012	Andrej Košári	1.1.2012-31.12.2012
Tomáš Osuský	1.1.2012-31.12.2012	Ján Handlovský	1.1.2012-31.12.2012
Martin Morávek	1.1.2012-13.12.2012	Marek Paweł Panek	1.1.2012-31.12.2012
Michal Navrátil	1.1.2012-13.12.2012	Przemysław Sęczkowski	1.1.2012-31.12.2012
Radek Levíček	13.12.2012-31.12.2012		
David Stoppani	13.12.2012-31.12.2012		

There were following members of the Board of Directors and Supervisory Board of Asseco Central Europe, a. s. as at 1 March 2013:

Board of Directors	Period	Supervisory Board	Period
Jozef Klein	1.1.2013-present	Adam Tadeusz Góral	1.1.2013-present
Marek Grác	1.1.2013-present	Andrej Košári	1.1.2013-present
Tomáš Osuský	1.1.2013-present	Ján Handlovský	1.1.2013-present
Radek Levíček	1.1.2013-present	Marek Paweł Panek	1.1.2013-present
David Stoppani	1.1.2013-present	Przemysław Sęczkowski	1.1.2013-11.2.2013

6.1 Changes in the number of Asseco Central Europe shares owned by the members of the Board of Directors (BoD) and Supervisory Board (SB)

Person	Number of shares as on 1 March 2013	Number of shares as on 31 Dec 2012	Number of shares as on 31 Dec 2011
Jozef Klein (BoD)	0	0	275,000
Andrej Košári (SB)	0	0	522,385

7 PERSONNEL INFORMATION AND POLICY

Asseco Central Europe is an important employer in the IT sector in Slovakia and the Czech Republic, 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.

The Employee Structure

Given the focus of the Company, software development specialists have the largest representation. More than 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 less than 3%, management staff less than 2% 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.

For several years the proportion of women in the Company exceeds one-fifth of the total number of workers in the Slovak Republic and more than one third in the Czech Republic. However, after 2008 the Company's gender structure has moved in favour of women. Asseco CE enables their promotion to leading positions as well as their professional growth. Women equality is also evident in their representation in middle management.

7.1 Employment structure in the Asseco Central Europe Group

Number of employees	31 Dec 2012	31 Dec 2011
Management Board of the parent company	5	5
Management Board of the Group companies	27	25
Production departments	1,280	1,229
Sales departments	143	140
Administration departments	138	122
Other	6	20
TOTAL	**1,597**	**1,541**

Number of employees	31 Dec 2012	31 Dec 2011
Asseco Central Europe, a.s. (SK)	372	342
DanubePay, a. s. (SK)	5	-
Slovanet Group	195	192
Asseco Solutions Group (SK)	170	157
Asseco Solutions Group (CZ)	322	280
Asseco Central Europe, a.s. (CZ) + Asseco BERIT	411	437
Statlogics Zrt	70	68
GlobeNet Zrt	52	65
TOTAL	**1,597**	**1,541**

8 MARKET POSITION

8.1 IT Market

Global IT market

According to the opinion of Gartner analysts, the economic outlook deteriorated in 2012, which led to a slim growth in corporate spending on IT. However, based on the current situation, the analysts conclude that if considerable fiscal crises are prevented in the USA and Europe, the IT spending could experience a more significant growth in 2013, as well as in the next years. In addition, the companies already cut down the IT spending rather considerably in the past years, so now they have only a little room for the potential further reduction of spending.

IDC analysts claim in their forecast that the global IT spending will exceed 2.1 trillion USD next year, so it will increase by 5.7% annually. The biggest driver of growth will be the mobility: sales of smart mobile devices, including smartphones and tablets, will increase by 20%. It will generate 20% of all IT revenues with 57% contribution to the total growth of the IT market. Without the smart mobile devices, the market would grow only by 2.9%. Spending on software is to grow by 6% and spending on IT services is to grow by 4%. PCs and servers are said to see a small growth as well. Another driver of the industry's growth is the emerging markets, mainly in Asia, where IDC projects the growth in IT spending by 8.8% to 730 billion USD. Overall, the so called emerging markets will constitute 34% of the total IT spending. The emerging markets will achieve twice as high growth rate as the developed countries. According to IDC, China will become the second largest IT market in the world by 2014, replacing Japan, owing to the rapidly growing population and expanding middle class.

Agency Gartner put on record that the year 2012 was a pessimistic year in the EMEA (Europe, Middle East and Africa) region. However, that should change in 2013. In 2012, there was a decline in IT spending by 3.6% in EMEA and by 5.9% in Western Europe. Anyhow, the EMEA region will return to growth in 2013 and continue to grow. In 2013, the growth in spending in the EMEA market should reach up to 1.154 trillion USD, and the growth in spending up to 1.247 trillion USD is expected in 2016.

Which industries will spend the most on IT

The highest IT spending - approximately in the amount of 478 billion USD - is expected in the production and natural resource utilization sector (growth by 2.3%) worldwide. Planning of the growth in spending predicates of the change in mood and expectation of the growth in sales, especially considering the fact that the IT spending was, on the contrary, decreasing here already since 2008. The mentioned companies are said to invest more significantly primarily in the popular technologies related to social networks, mobile solutions, cloud and extensive data files (Big Data).

The spending of the banking sector and securities traders is to reach the amount of 460 billion USD in 2013 (growth by 3.5%). The Gartner analysts point out that it is a highly "IT intensive" industry that invests in the information technologies three times the average of other industries. This trend should continue, namely due to the need for difficult technologies for the execution of payments, loans, trading and risk management in particular.

The investments of the CMS sector are to grow by 3% to 426 billion in 2013. Several subsectors within CMS utilize the IT very intensively. It concerns the related providers of professional and IT services, communication services, software and Internet services, as well as media companies. All of them invest in IT significantly - in hardware, software, IT services, internal services and telecommunication. With respect to the requirements for a safe backbone Internet infrastructure and faster wireless transmission, along with the omnipresent social media and video, these industries will have to continue investing in IT.

The investments in the transport sector are to grow considerably for a short time by 4%, namely to 126 billion USD. On the other hand, Gartner expects a decline in the field of government spending, namely by 2% to 445 billion USD. It is caused by the pressure on governments to cut down on expenses. However, the analysts point out that with respect to the potential of the information technologies in seeking more inexpensive ways of providing certain public services, it is possible to observe a more loose connection between the total saving of governments and their saving on IT. The IT spending should thus decline less than their total spending.

So if the global economy does not develop in some unexpected direction, overall, the year 2013 should show a slight growth in IT. However, that, as it follows the above, does not change anything about the fact that while the selected popular segments will grow considerably, others will continue to fight hard for their place in the sun.

Current IT trends

According to IDC, the IT industry switches to a new technological platform every 20-25 years - and the fundamental shift to the third platform, represented by mobile computing, cloud services, social networking and technologies for analysing large amounts of data, is expected exactly in 2013. New technologies for mobile broadband data transmissions and innovative mobile applications will play a significant role in that. A great interest of customers may be anticipated, and thus a rapid growth of the market may be anticipated exactly in these areas of IT.

However, according to the analysts, the market consolidation will result in the displacement of up to 20% of IT providers out of the top one hundred companies oriented exactly on the above services by 2014. Most often, they will be acquired by bigger players in the market. It should not indeed affect the services they provide directly, but according to the analysts, caution should be exercised in the selection of the right provider.

Mobile technologies

The mobile device market is currently the bright spot of the IT industry. As Gartner states: "We are seeing tablets and smartphones significantly outpace purchases of traditional PCs."

Gartner estimates that spending on mobile devices (notebooks, mobile phones, ultramobiles and tablets) in EMEA will amount to 136 billion USD in 2012 and continue to grow, and so it will represent 188 billion USD in 2016. According to the analysts of the company, in Western Europe, both businesses and consumers are already adding tablets to their portfolio of commonly used mobile devices, due to which the mobile device market grew by 8% in 2012 according to the preliminary estimate. This contrasts sharply with the decline of the PC market by 5% in the same year. The same development shows gradually also in the EMEA region.

It is said two thirds of the workforce will have a smartphone or tablet in 2016, which will, among other things, change the software market as well - producers will have to rewrite their popular applications for these devices. That will lead to an increase in the software spending - it is said to increase in EMEA by 3.1% in 2013, nearly reaching the 100 billion USD mark in 2016. The businesses should prepare a strategy for B2E, B2C and B2B utilization of these devices – that is scenarios for the connection of tablets and smartphones to corporate networks, creation of client applications of their software solutions, etc.

Big Data

Solutions for analysing a huge amount of data, which continues to grow, are moving to the cloud and are able to offer a view of even the most current data. Results support the decision-making and mutual cooperation of users in an advanced manner. Not only processed information about past events, but also advanced simulations, predictions and tips for optimising corporate processes are available.

Asseco Central Europe perceives these trends as relevant, which is also confirmed by particular projects and communication with customers (e.g., IB mini system, which allows the clients of Slovenská sporiteľňa to manage their bank accounts via a smartphone, or a solution addressing the processes of construction supervision for Technische Werke Ludwigshafen am Rhein, where tablets are used as mobile devices, by which the site is documented and minutes of construction supervision meetings are taken, and the like.)

Over the next three years, together with North America and Japan, the EMEA is said to be the most active region in using the so called big data. This area is experiencing a significant growth and number of new jobs will be created - globally 4.4 million, thereof 1.2 million in the EMEA region in 2015. However, the problem is that educational institutions do not satisfy the demands of employers, so there will be a lack of big data experts.

Cloud services

According to the analysts, the cloud will quite clearly bring fundamental changes in the way we use the information technologies today. According to the analysis of Cisco Global Index, the transmission of data in the cloud will grow two times faster than the overall transmission in data centres. In 2014, this ratio should change and the absolute majority of operations will be processed by the cloud-based data centres. Gartner also published an estimate of the development in the PaaS (Platform as a Service) market. The worldwide turnover should reach 1.2 billion USD in 2012, already 1.5 billion USD in 2013, and up to 2.9 billion USD in 2016. According to the analysts, the significant growth will be caused, among other things, by the fact that PaaS, together with SaaS (Software as a Service), are the most advanced provided services within the cloud services.

Social networks

Social networks and sharing information in them remains a strong trend in the information technologies. In connection with the massive use of social networks, so called Context-aware Computing is mentioned, which uses information about the environment, activities or preferences of a user, and due to that it offers better interactions. Simply said, the information, for example, that a user is moving in a particular territory as a tourist or is planning a trip to a certain location, is a very interesting and useful piece of information for number of companies.

Some communication principles using social networks are well utilizable also within companies for work in teams, on projects or for the efficient internal communication. The context sharing and communication on particular topics, possibility to set own preferences and then use relevant information sources according to them, result in more interactive and targeted communication. The collaborative method of work thus may acquire other dimensions that will consequently mean, for instance, a closer integration of teams distributed in different territories or easier work of virtual teams, and the like.

European and local IT market

According to IDC, Romania will see the highest annual growth of IT market within the Central and Eastern Europe region this year, recording almost 7% increase. It will be followed by Poland with 5% and Slovenia with less than 3%. Slovakia should rank fifth, as Hungary will record higher growth as well. The biggest IT market in terms of the amount of spending will be Poland this year with 10 billion USD, followed by the Czech Republic with 5 billion USD. Slovakia will be outpaced both by Hungary and Romania, whose IT spending will exceed the mark of 2 billion USD. However, according to IDC, Slovakia's advantage is the high amount of IT spending in proportion to the population, which reflects the willingness to invest in this sector.

According to the estimates of IDC, the IT sector in Slovakia grew by 6.9% last year, and thus the amount of spending reached 1.67 billion USD. In 2013, the positive trend should continue, as the company expects the growth of IT market at the level of 7.4% and

spending in the amount of almost 1.8 billion USD. The growth should slow down in the following years, but it will probably remain at the level of approximately 6%.

The total volume of the information technology market in Slovakia should reach the amount 1.57 billion USD this year, which represents an annual increase by 1.6%. It follows the analysis of IDC, according to which up to 33% of this year's spending will be in the consumer sector and 25% in the industrial sector. In terms of individual IT segments, the hardware will dominate with 44% share in the total market volume. According to IDC, IT services should consume 39% of the spending and software 17%.

The Czech IT service market will grow at an average pace of 4.4% between 2012 and 2016, as it follows the forecast of Gartner. IDC expects the Czech IT market to revive again in 2013 and grow by 6.8% to the already mentioned 5.5 billion USD. The development should be heavily affected by macroeconomic aspects, particularly the development of GDP in the regional context, fiscal restrictions, availability of loans, unemployment rate, higher wages and purchasing power.

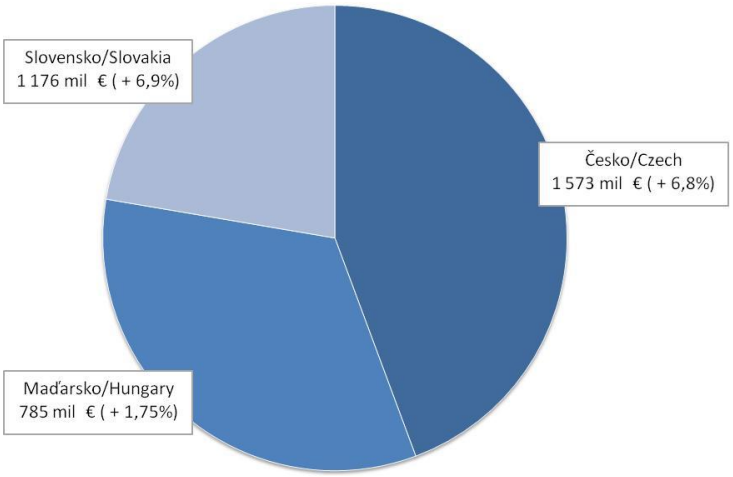
In the corporate sphere, IDC expects a slower growth in spending on hardware than on software and services in 2013. Number of businesses invested heavily in the infrastructure over the past years, and now they are trying to gain the most by additional investments in software and services, which will make that feasible.

The Czech IT market follows the Western markets with some delay, while it is in general among the sharks in the regional context of Central and Eastern Europe in terms of adopting new trends and technologies. This development will be even more apparent this year. An increase in the amount of data - both structured and non-structured - and an effort to produce useful information from it, gives rise to the demand for analytical solutions. A large number of companies allegedly states in survey that they will invest in mobile applications significantly. The most rapidly growing area in the CR will be the cloud computing services. They envisage this year's increase by 34% and average annual increase of up to 41% between 2012 and 2016.

The Czech outsourcing service market is to grow more slowly this year than the local IT service market as a whole: IT outsourcing market will increase by 3.6% (to 12 billion CZK); revenues of business process outsourcing providers will rise by 2% (to 1.3 billion CZK) and Business Process-as-a-Service market will strengthen by 2.4% against 2012 (to 640 million CZK). According to the Gartner analysts, the data centre outsourcing is the biggest individual item in the classification of IT services. This market it to reach 4.5 billion CZK this year, namely with the growth of 2.8%.

And what is the situation in the IT market in Hungary? The research agency BMI revised its expectations of IT market growth for 2012 downwards with regard to the difficult political and economic situation in the country. It is expected that the business conditions for IT providers will remain difficult, because the household demand and both corporate and government investments in IT products and services are limited due to the necessity to decrease the indebtness of the country and to cut down on expenses. According to BMI, sales of computers in Hungary should rise by 0.8% to 1.27 billion USD in 2012. A more rapid growth is expected in this area in 2013. As far as spending on software is concerned, it should increase by 6.3% to 775 million USD in 2012, namely due to the implementation of updates of certain systems that were delayed owing to the poor performance of the economy. The level of spending on IT services should not change significantly in 2012 against 2011, for Hungarian businesses remain careful, and the public sector spending is low as well. It should reach the level of 1.054 billion USD.

It is expected that many segments of IT spending will remain poor also in 2013. Key IT verticals such as telecommunications and finance were affected by government consolidation measures. The government IT spending will remain strictly limited due to the situation in the fiscal area and commitment of the state administration, managed by Fidesz, to keep a rein on spending.



Slovak, Czech and Hungarian IT Market 2011 (IDC Forecast 2012 – year to year)

8.2 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.

8.3 Awards

Asseco Central Europe, as well as its subsidiaries, won several major awards in 2012. The Company has for a long time placed high in ICT in the Trend TOP ranking compiled by the weekly the Trend annually. It also succeeded with its products. AG Portal received the Innovation Award at the CeBIT Fair in Germany. In addition, the Company was

ranked among the leaders of the national economy both in Slovakia and in the Czech Republic.

Asseco Central Europe has maintained its position among the TOP ICT companies in Slovakia

Asseco Central Europe succeeded several times in the ranking of the opinion-shaping economic weekly the Trend – Trend TOP in ICT in 2012 as well. It defended its previous victories in the categories "IT Service Providers in Slovakia", "Top IT Suppliers for Private Financial Sector" and "Top IT Suppliers for Industrial Production". The Company also climbed to the top in the category "Top IT Suppliers for Public Sector" last year particularly due to new tenders in the field of state administration in the Czech Republic.

The Company has improved in the category "Software Houses in Slovakia" already for three years in a row. While it was in the fifth place in 2009, it moved to the fourth place in the ranking for 2010, and it is currently in the third place. It placed second in the categories "Information and Communication Companies with Highest EBITDA", "IT Product and Service Suppliers in the SR by Value Added" and "Most Profitable IT Companies in Slovakia" the same as a year ago.

Poskytovatelia IT služieb na Slovensku (2011)
IT Service Providers in Slovakia (2011)

		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	117 450	10,1	54 243	20 394	20 080	35 158	34 692	–	–
2.	T-Systems Slovakia, s.r.o., Košice	71 849	19,1	69 954	–	–	–	71 849	–	–
3.	Atos IT Solutions and Services, s.r.o., Bratislava	49 131	-29,1	9 566	n	n	n	n	n	n
4.	Tempest, a.s., Bratislava	37 405	-20,5	n	324	2 039	1 901	20 145	9 839	2 238
5.	Siemens Program and System Engineering, s.r.o., Bratislava [2]	35 541	-5,5	n	35 541	–	–	–	–	–
6.	Soitron, a.s., Bratislava	30 002	-36,3	n	–	4 213	2 050	10 414	12 120	1 205
7.	Ness Slovensko, a.s., Bratislava	28 745	-15,5	9 165	20 238	1 498	6 937	–	–	72
8.	Alcatel-Lucent Slovakia, a.s., Bratislava	28 167	59	14 136	6 493	–	–	–	21 674	–
9.	Gratex International, a.s., Bratislava	25 673	96,3	n	19 410	965	3 361	163	–	740
10.	PosAm, s.r.o., Bratislava	20 910	1	325	8 669	3 565	4 683	2 097	1 896	–

Najväčší dodávatelia IT pre súkromný finančný sektor (2011)
Top IT Suppliers for Private Financial Sector (2011)

		Dodávky pre súkromný finančný sektor (tis. €)		Zmena (%)	Podiel na celkových tržbách (%)	
		Supplies for the private financial sector (000 €)		Change (%)	Share on total revenues (%)	
		2011	2010	2011/2010	2011	2010
1.	Asseco Central Europe, a.s., Bratislava	33 521	35 002	-4,2	25,1	27,5
2.	Atos IT Solutions and Services, s.r.o., Bratislava	13 095	12 169	7,6	18,1	12,6
3.	InsData, s.r.o., Nitra	11 467	9 628	19,1	100,0	100,0
4.	Soitron, a.s., Bratislava	10 487	9 400	11,6	16,1	11,5
5.	Gratex International, a.s., Bratislava	9 792	6 768	44,7	28,0	39,0
6.	Softec, s.r.o., Bratislava	6 060	6 516	-7,0	47,5	68,5
7.	PosAm, s.r.o., Bratislava	5 503	5 238	5,1	16,3	16,9
8.	Datalan, a.s., Bratislava	5 033	3 005	67,5	12,0	7,0
9.	Ness Slovensko, a.s., Bratislava	3 969	8 615	-53,9	13,8	25,3
10.	Tempest, a.s., Bratislava	2 536	1 628	55,8	4,7	2,1
11.	Softip, a.s., Bratislava	1 142	943	21,1	9,3	6,7
12.	Asseco Solutions, a.s., Bratislava	939	458	105,0	10,0	5,1
13.	Millennium 000, s.r.o., Bratislava	855	n	n	41,2	n
14.	Softline Services, a.s., Bratislava	800	600	33,3	38,3	34,7
15.	Anasoft APR, s.r.o., Bratislava	670	670	-0,1	7,2	10,9

Najväčší dodávatelia IT pre verejný sektor (2011)
Top IT Suppliers for Public Sector (2011)

		Dodávky pre verejný sektor (tis. €)		Zmena (%)	Podiel na celkových tržbách (%)	
		Supplies for the public sector (000 €)		Change (%)	Share on total revenues (%)	
		2011	2010	2011/2010	2011	2010
1.	Asseco Central Europe, a.s., Bratislava	44 210	40 599	8,9	33,1	31,9
2.	Atos IT Solutions and Services, s.r.o., Bratislava	30 124	53 585	-43,8	41,6	55,5
3.	Datalan, a.s., Bratislava	28 103	28 760	-2,3	67,0	67,0
4.	Tempest, a.s., Bratislava	22 745	36 849	-38,3	42,2	48,6
5.	Soitron, a.s., Bratislava	16 219	25 677	-36,8	24,9	31,4
6.	Gratex International, a.s., Bratislava	11 541	4 339	166,0	33,0	25,0
7.	Ness Slovensko, a.s., Bratislava	11 414	12 025	-5,1	39,7	35,3
8.	PosAm, s.r.o., Bratislava	9 625	17 368	-44,6	28,5	56,0
9.	Gamo, a.s., Banská Bystrica	8 945	11 421	-21,7	68,0	67,0
10.	Softec, s.r.o., Bratislava	4 893	1 626	200,9	38,3	17,1
11.	exe, s.r.o., Bratislava	4 600	n	n	37,0	n
12.	InterWay, s.r.o., Bratislava	4 564	n	n	64,8	n
13.	efra, s.r.o., Košice	4 290	10 363	-58,6	59,1	84,3
14.	Anasoft APR, s.r.o., Bratislava	3 128	2 004	56,1	33,7	32,5
15.	Telegrafia, a.s., Košice	2 651	4 208	-37,0	35,0	40,0

Najväčší dodávatelia IT pre priemyselnú výrobu (2011)
Top IT Suppliers for Industrial Production (2011)

		Dodávky pre priemyselnú výrobu (tis. €) / Supplies for Industrial production (000 €)		Zmena (%) / Change (%)	Podiel na celkových tržbách (%) / Share on total revenues (%)	
		2011	2010	2011/2010	2011	2010
1.	Asseco Central Europe, a.s., Bratislava	42 846	51 663	-17,1	32,1	40,6
2.	Alcatel-Lucent Slovakia, a.s., Bratislava	14 167	8 710	62,7	31,4	37,0
3.	Atos IT Solutions and Services, s.r.o., Bratislava	11 078	9 258	19,7	15,3	9,6
4.	Soitron, a.s., Bratislava	7 621	1 880	305,4	11,7	2,3
5.	Ness Slovensko, a.s., Bratislava	5 184	3 760	37,9	18,0	11,0
6.	PosAm, s.r.o., Bratislava	4 544	517	778,9	13,5	1,7
7.	Siemens Program and System Engineering, s.r.o., Bratislava	4 265	5 644	-24,4	12,0	15,0
8.	exe, s.r.o., Bratislava	2 880	n	n	23,2	n
9.	Datalan, a.s., Bratislava	2 097	2 576	-18,6	5,0	6,0
10.	Asseco Solutions, a.s., Bratislava	2 067	1 544	33,9	22,0	17,2
11.	Softip, a.s., Bratislava	2 016	1 712	17,8	16,4	12,1
12.	Telegrafia, a.s., Košice	1 894	3 156	-40,0	25,0	30,0
13.	BSC Line, s.r.o., Dubnica nad Váhom	1 763	1 475	19,5	40,0	35,0
14.	GiTy – Slovensko, a.s., Martin	1 390	765	81,7	47,2	25,2
15.	Tempest, a.s., Bratislava	1 335	1 516	-11,9	2,5	2,0

Najväčší dodávatelia IT pre infraštruktúrne podniky (2011)
Top IT Suppliers for Utility Companies (2011)

		Dodávky pre infraštruktúrne podniky (tis. €) / Supplies for the utility companies (000 €)		Zmena (%) / Change (%)	Podiel na celkových tržbách (%) / Share on total revenues (%)	
		2011	2010	2011/2010	2011	2010
1.	Alcatel-Lucent Slovakia, a.s., Bratislava	30 865	14 844	108,1	68,6	63,0
2.	RWE IT Slovakia, s.r.o., Košice	16 033	13 377	19,9	100,0	100,0
3.	Asseco Central Europe, a.s., Bratislava	12 908	–	–	9,7	–
4.	PosAm, s.r.o., Bratislava	11 423	5 393	111,8	33,9	17,4
5.	Soitron, a.s., Bratislava	11 203	3 510	219,2	17,2	4,3
6.	Atos IT Solutions and Services, s.r.o., Bratislava	10 953	11 243	-2,6	15,1	11,6
7.	Tempest, a.s., Bratislava	10 887	10 391	4,8	20,2	13,7
8.	Ness Slovensko, a.s., Bratislava	6 631	9 236	-28,2	23,1	27,1
9.	Ipesoft, s.r.o., Žilina	5 492	4 178	31,4	93,8	90,6
10.	I.S.D.D. plus, s.r.o., Bratislava	3 923	3 678	6,7	95,0	95,7
11.	Datalan, a.s., Bratislava	3 356	2 576	30,3	8,0	6,0
12.	Stéra, a.s., Bratislava	3 075	2 219	38,6	73,2	64,4
13.	Telegrafia, a.s., Košice	2 651	3 156	-16,0	35,0	30,0
14.	AnasoftA PR, s.r.o., Bratislava	2 567	2 078	23,5	27,6	33,7
15.	Softip, a.s., Bratislava	1 874	3 140	-40,3	15,3	22,2

Info-komunikačné firmy s najvyššou EBITDA (2011)
ICT Companies With The Highest EBITDA (2011)

		EBITDA (tis. €) / EBITDA (000 €)	Ročná zmena (%) / Change (%)	Marža EBITDA (%) / EBITDA margin (%)	Odpisy (tis. €) / Amortization and depreciation (000 €)	Prevádzkový zisk (tis. €) / Operating Profit (000 €)	Investície (tis. €) / Investsments (000 €)
Informačné technológie							
1.	Eset	70 838	-8,0	69,1	2 029	68 928	2 429
2.	Asseco Central Europe	30 335	32,8	22,7	9 259	18 001	21 769
3.	T-Systems Slovakia	7 037	-29,0	9,8	2 496	4 792	3 124
4.	PosAm	3 990	-13,1	11,8	855	3 135	1 190
5.	Gratex International	3 878	166,6	11,1	348	3 512	n
6.	Soitron	3 837	-61,7	5,9	1 136	2 701	n
7.	Tempest	3 806	-54,7	7,1	672	3 024	n
8.	Atos IT Solutions and Services	3 144	-62,6	4,3	2 847	297	1 899
9.	Sygic [1]	3 118	71,0	34,9	8	3 111	84
10.	RWE IT Slovakia	2 866	-28,3	17,9	32	2 854	n

Dodávatelia IT produktov a služieb v SR podľa pridanej hodnoty (2011)
Suppliers of Information Technologies in Slovakia Ranked by Added Value (2011)

		Pridaná hodnota (tis. €) / Added value (000 €)		Zmena (%) / Change (%)	Celkové tržby (tis. €) / Total sales (000 €)	Zisk po zdanení (tis. €) / After-tax profit (000 €)		Zmena (%) / Change (%)	Priemerný počet zamestnancov / Average number of employees	
		2011	2010	2011/2010	2011	2011	2010	2011/2010	2011	2010
1.	Eset, s.r.o., Bratislava [4]	89 616	86 071	4,1	102 542	55 864	61 141	-8,6	326	245
2.	Asseco Central Europe, a.s., Bratislava	75 719	67 184	12,7	133 485	15 742	9 610	63,8	1 515	1 672
3.	T-Systems Slovakia, s.r.o., Košice	55 430	45 747	21,2	71 849	4 344	7 143	-39,2	2 041	1 766
4.	Siemens Program and System Engineering, s.r.o., Bratislava [1]	25 058	26 225	-4,4	35 541	905	1 876	-52	698	700
5.	Atos IT Solutions and Services, s.r.o., Bratislava [1,2]	21 960	n	n	72 356	-1 075	n	n	476	n
6.	Soitron, a.s., Bratislava [3]	19 366	32 788	-40,9	65 135	2 947	6 689	-55,9	422	714
7.	Tempest, a.s., Bratislava	16 788	21 878	-23,3	53 892	2 498	6 206	-59,7	233	211
8.	Gratex International, a.s., Bratislava	16 244	9 864	64,7	34 973	2 790	601	364,2	303	259
9.	Alcatel-Lucent Slovakia, a.s., Bratislava	15 521	4 701	230,2	45 062	408	1 008	-59,5	201	201
10.	PosAm, s.r.o., Bratislava	13 898	14 635	-5,0	33 739	2 366	2 995	-21,0	269	254

Source: Trend TOP in IT, economy weekly Trend, May 2012

AG Portal won the Innovation Award at CeBIT

The solution for creation of communication and publishing portals – AG Portal – received the innovation award INNOVATIONSPREIS IT 2012 from the initiative of small and medium-sized enterprises Initiative Mittlestand at the CeBIT Fair in Germany. A jury comprised of professors, industrial experts, scientists and specialized journalists acknowledged the uniqueness of the product in the competition of more than 2,500 applications submitted for the contest.

The prize was awarded primarily on the basis of the project undertaken for Technische Werke Ludwigshafen. The meaning of granting this award is to motivate enterprises to develop IT solutions for the medium-sized enterprises, implement them and make them available to the public.

Intelligent Transport System in the City of Trnava on the shortlist of the IT PROJECT OF THE YEAR

In autumn last year, Asseco CE was included in the **shortlist for the IT PROJECT OF THE YEAR** with the Intelligent Transport System in the City of Trnava project. The goal of the project is the strategic monitoring of the road network on the territory of the city and in the wider vicinity, and of the traffic related information, as well as the creation of traffic information on the current and predicted traffic conditions. The project offers a solution that is unique in the conditions of the SR, where many new technological and telematic solutions and procedures have been tested and debugged. The official results of the contest were announced at the ceremonial event IT GALA.

Asseco CE among the pikes of the Czech business

Asseco Central Europe ranked among the ten top companies of the Prague region in the economic ranking "Czech Business Pikes". The ranking has been compiled by Coface Czech every year since 2005 with an aim to identify the rapidly growing enterprises with an economic prerequisite for further growth. The ranking of companies is based solely on objective economic indicators of growth in turnover and financial stability for the period of last three years.

Asseco CE is among the leaders in building of the national economy in Slovakia

Last year, Asseco Central Europe was not absent from the ranking of the top companies and organizations operating in Slovakia both in various branches of business and in the non-profit sphere either, which is annually compiled by the weekly the Trend. Last year, only five IT companies were included in the TREND TOP 200 ranking that analyses the most important Slovak non-financial enterprises by consolidated revenues regardless of their focus. Only HP, whose subject of business differs considerably, was ranked higher than Asseco CE. The Company also scored in the following rankings (all rankings contain companies regardless of their focus):

- Asseco CE has the 20th highest return on sales among all the companies doing business in Slovakia.
- The Company is in the top thirty of companies with the highest increase in value added. Moreover, the Company placed thirty-second in the cross-industry ranking of companies that contribute the most to the creation of the GDP of Slovakia.
- It is also in the top thirty of companies with the highest after-tax-profit.
- Asseco CE made its ways to the ranking of the most investing companies in the SR as well.

9 NEW PROJECTS, PRODUCTS AND SERVICES

Czech Social Security Administration – Delivery of the solution for integration with the basic registers

Czech Social Security Administration (CSSA) is essentially one of the biggest users of basic register data, which are used by a number of internal systems. Some of them are classified as critically important for the operation of the state (e.g., payment of pensions). The delivered system implements a unified interface on the basic registers, provides secure communication in the synchronous and asynchronous mode, and addresses tasks of the data synchronization between internal and external systems, including the process of claim and dispute settlement. The system is designed for operation in the high availability mode with a requirement for extreme data throughput within the given communication infrastructure.

Ministry of Finance of the CR – ARES system – Generation upgrade and integration with the basic registers

ARES is an information system that allows to search economic entities registered in the Czech Republic. It mediates the display of data maintained in individual registers of the state administration, from which it draws the data (so called source registers). It makes the data from the basic (majority) sources (Commercial Register, Trade Licensing Register, statistical Register of Economic Entities, ...) accessible in a transparent way, which are supplemented with data from other sources in the form of links. It is now also integrated with the system of basic registers and constitutes one of its integral outputs.

Ministry of Finance of the CR – SDPF system – Generation upgrade

The SDPF information system enables the Ministry of Finance of the CR to pay state contributions to participants in the additional pension insurance (pension funds apply for the state contribution on behalf of clients) in accordance with the Additional Pension Insurance Act. It allows to return and eventually penalize the ineligibly paid state contributions or contributions, which were not used to satisfy the entitlement arising from the additional pension insurance. The generation upgrade enabled the integration of the system with the basic registers, as well as the full redesign of the existing solution to the JEE platform and JBOSS application servers.

Ministry of Interior of the CR - Service Level Agreement for the Operation of the Register of Rights and Obligations

The provision of support to the operation of one of the basic registers in two geographically remote data centres in the high availability mode with the guarantee of compliance with the SLA with the aggressively set reaction time for the response time and action time.

Ministry of Interior of the CR – PMA – Agenda process modelling tool

The design and delivery of a unique solution for modelling public administration agenda processes (CraftCase) and the support web portal (AG Portal) to manage the modelling process including an activity tree, status management, task management and sophisticated workflow.

Supreme Audit Office of the SR – Audit Information System support and development services

At the end of 2011 and at the beginning of 2012, all the parts of the National Project Audit Information System of the Supreme Audit Office (hereinafter referred to as the AIS SAO SR), financed from the OPIS funds, were put into production operation. The subject

of the delivery was an implementation of electronic services of the Supreme Audit Office of the SR (hereinafter referred to as the SAO SR), namely by the implementation of a new information system for the support of SAO SR processes.

The support and development services for the delivered solution have been provided under the valid agreement (Terms and Conditions for the Provision of Support Services) since 2012.

In the first half of 2012, the priority goals of the project focused on setting the process and conditions for the management of AIS SAO SR production operation, as well as the support to SAO SR end users by the provision of training services.

Based on good practice and user experience in the use of AIS SAO SR, activities related to the development of the information system were designed, approved and consequently implemented in the second half of 2012. Their main goal was the support to the end user at work with the information system and implementation of new procedures and methods related to the support of the audit activity of SAO SR personnel.

Completion of StarFIN implementation for the financial group Wüstenrot

Since 2010, a project of StarFIN production system implementation was in progress in Wüstenrot. It comprised of a complete delivery of the main information systems StarINS, StarBUILD and StarSTAT. StarINS was delivered including the customization, as well as the migration of data from the existing systems to the new system. In January 2012, **StarINS** was launched in the production environment of Wüstenrot pojišťovna as well as of Wüstenrot životní pojišťovna. In February 2012, the implementation of StarFIN was completed by the migration of data from the original systems and starting the routine operation of the banking core system **StarBUILD** for Wüstenrot stavební spořitelna, a. s. and Wüstenrot hypoteční banka, a. s., namely including DMS, report administration and management system **StarSTAT** and all interfaces to the related institutions and registers (Ministry of Finance, Czech National Bank (CNB), CBCB, Central Credit Register (CCR), ISIR, FISST, …). In May 2012, a pilot operation of the whole StarFIN was completed and its final implementation was accepted by the customer. In the third quarter of 2012, a client and consultant portal (CCP) was launched above the central system StarFIN.

By this implementation, the Wüstenrot financial group acquired a high-performance complex information system providing an automated processing of bulk processes, with central secured records of all its clients, central database of its product portfolio - with full support of their administration and functionality, and with great options of their mutual combination and interconnection, with the tracking of its customers' needs, and with the provision of a wide range of building savings and insurance tailor made for its clients. The new CCP ensures record-keeping, tracking and control of all the information, and provides operations and tools required for the support of both internal and external sales channels, as well as for the clients of the Wüstenrot financial group.

Launch of SofiSTAR information system pilot operation in ČSOB Penzijná spoločnosť, a. s.

In February 2012, ČSOB Penzijná spoločnosť, a. s. signed a contract with Asseco CE for the delivery of SofiSTAR information system. The experience gained by the Company in the implementation of the same information system in projects for the second and third pillar in Slovakia, as well in the creation of the previous core system of ČSOB Penzijná spoločnosť, contributed to this success. The work on the project advanced very dynamically in the past year, and a pilot operation of the solution being supplied was launched early this year. SofiSTAR was modified for the conditions of ČSOB Penzijná spoločnosť preserving the original functionalities in the existing core system ISPF. In 2013, the Company will deliver the remaining functionalities and migrate the data from the original core system ISPF to the new core system SofiSTAR. Consequently, the operation of the original core system will be terminated.

Českomoravská stavební spořitelna – Replacement of the existing core system IBP with the complex system for building savings StarBUILD

A contract for the delivery of StarBUILD was signed in July 2012 follow up to the Proof of Concept project successfully implemented at the turn of 2011 and 2012. Českomoravská stavební spořitelna (ČMSS) is the largest building savings bank in the Czech Republic and the second largest building savings bank in Europe. By the signature of the contract, Asseco CE acquired the fourth out of five building savings banks in the Czech Republic. Thus it reinforced the dominant position of StarBUILD in the building savings bank market in the Czech Republic.

Financial Directorate of the SR – Extension of the data warehouse functions by the solution for the fight against tax frauds

In accordance with the governmental concept of fight against tax frauds, a Collateral module was implemented above the data warehouse solution to support the payment of collateral in the registration of taxable entities for VAT.

The module provides the determination of taxable entity's risk level by an evaluation of predefined attributes on the basis of the implemented data mining model. Subsequently, it calculates, according to the risk level, the amount of the collateral that has to be paid by the taxable entity in connection with the registration. The module provides the evaluation of taxable entity's behaviour after one year from the registration, when the state returns the collateral in case of a trouble-free course. If the taxable entity commits an illegal act within a year after the registration, then the paid collateral is be used to cover the liabilities incurred to the state by such conduct.

Delivery of the DMS system to Vojenská zdravotní pojišťovna ČR

The Health Insurance Company Portal (HICP) data message processing and the trustworthy HICP data message storage for Vojenská zdravotní pojišťovna České republiky represent a system of electronic document circulation in the environment of the health insurance company. It provides information support for the entire process from the creation and recording of a document up to its sending, and on the other hand, recording of the receipt of documents and their long-term trustworthy archiving in electronic format. In terms of the concept, it de facto makes it possible to fulfill the vision of a paperless insurance company. The delivery of the whole solution consists of four main components: central infrastructure, HICP data message recording, support process management and trustworthy HICP data message storage. The benefits of the project for the customer can be seen in saving on administrative costs related to the processing of documents, harmonisation with the legislation of the CR in the field of electronic file service management, and in the streamlining and organization of work for the covered areas/processes.

Delivery of the information and communication interface for the provision of information to the clients of Czech Social Security Administration (CSSA)

A new interface will be the only secure input/output gate for the communication of CSSA with the environment. It will provide services, data and information to the public, state administration authorities, and concurrently, it will control the communication channels for gaining information from external organizations. The complex delivery includes the supply and installation of hardware, basic software (ESB buses for the back end and front end), implementation of required services and user interfaces, and primarily, the integration of the entire system in the existing infrastructure of the procurer. The project started in September 2012.

ČEZ Group – Preparation of low voltage (LV) distribution data for SCADA

In November 2012, Asseco Central Europe won a tender for the general contractor of the "Preparation of low voltage (LV) distribution data for SCADA" contract for the ČEZ Group, which ranks among the biggest power groups in Europe. During the extensive project,

which commenced in December 2012 and will be completed in January 2014, 22,000 km of low voltage distribution networks will be updated in total, and the changes will be incorporated in the geographic information system of ČEZ. The goal of the project is to align the equipment recorded in the GIS with the actual physical condition of the equipment in the field.

EWR Netz GmbH – New module for Mobile Work Force Management

After the successful implementation of LIDS, TOMS and AG Portal technology-based portal, further development of an operating and technical information system continued in EWR Netz in the German city of Worms in August with the implementation of a system for the management of crews operating in the field – so called work force management system. The central module for optimum planning of work is interconnected with an application running on tablets with the Android platform. In combination with Google Maps and data from LIDS, the new system brings maximum orientation and overview both to the company management and crews in the field.

Implementation of the Public Administration Digital Map (PADM) project within the construction of the Olomouc Region Technology Centre

The goal of the PADM project is to make the processes in the administration and provision of information about the territory in digital format more efficient. Within the project, tools for storing data on the territory, its development, values, limits and intentions will be created. Due to the creation of tools for work with metadata on the tracked phenomena and data on the territory, the project will become a part of the infrastructure for spatial information in the European Community (INSPIRE). Both the general public and professional organizations will embrace the remote access to the up-to-date spatial and analytical information of the whole region. The Asseco solution will be built on the use of own LIDS 7, AG Portal technology and their interconnection with the existing GIS of the region on the basis of ESRI products (ArcInfo). The project was started in September.

10 KEY CLIENTS

BANKING

Bankovní informační technologie, s.r.o. (BANIT, s.r.o.)
Českomoravská hypoteční banka, a.s.
Českomoravská záruční a rozvojová banka, a.s.
Československá obchodní banka, a.s.
Česká spořitelna, a.s.
EXIMBANKA SR
GE Money Bank, a.s.
GE Money Multiservis, a.s.
Ingenico CZ, s.r.o.
Istrobanka, a.s.
J&T Banka, a.s.
Magyar Nemzeti Bank
OTP Banka Slovensko, a.s.
Poštová banka, a.s.
Slovenská sporiteľňa, a.s.
Tatra banka, a.s.
UniCredit Bank Slovakia, a.s.
Všeobecná úverová banka, a.s.
Wincor Nixdorf, s.r.o.
Wüstenrot hypoteční banka, a.s.
Živnostenská banka, a.s.

BUILDING SAVINGS

Českomoravská stavební spořitelna, a.s.
HVB – Banca pentru Locuinte
Modrá pyramida stavební spořitelna, a.s.
Stavební spořitelna České spořitelny, a.s.
Wüstenrot - stavební spořitelna, a.s.

INSURANCE

Allianz - Slovenská poisťovňa, a.s.

AXA neživotní, a.s.

ČSOB d.s.s., a.s.

ČSOB Penzijní fond Progress, a.s.

ČSOB Pojišťovna, a.s.

Pojišťovna Všeobecné zdravotní pojišťovny, a.s.

STABILITA d.d.s., a.s.

VICTORIA VOLKSBANKEN pojišťovna, a.s.

VÚB Generali dôchodková správcovská spoločnosť, a.s.

Wüstenrot neživotní pojišťovna, a.s.

Wüstenrot životní pojišťovna, a.s.

HEALTHCARE

Česká průmyslová zdravotní pojišťovna

Európska zdravotná poisťovňa, a.s.

Fakultná nemocnica s poliklinikou F. D. Roosevelta

Fakultná nemocnica Trnava

Ministerstvo zdravotníctva SR (Ministry of Health of the Slovak Republic)

Národné centrum zdravotníckych informácií (National Health Information Center, Slovak Republic)

Oborová zdravotní pojišťovna zaměstnanců bank, pojišťoven a stavebnictví

Revírní bratrská pokladna, zdravotní pojišťovna

Union zdravotná poisťovňa, a.s.

Ústav zdravotnických informací a statistiky ČR (Institute of Health Information and Statistics of the Czech Republic)

Všeobecná zdravotná poisťovňa, a.s.

Vojenská zdravotní pojišťovna České republiky

Zaměstnanecká pojišťovna Škoda

PUBLIC

Centrální depozitář cenných papírů (Central Securities Depository, Czech Republic)

Česká správa sociálního zabezpečení (Czech Social Security Administration)

Český úřad zeměměřický a katastrální – Zeměměřický úřad (Czech Geodetic and Cadaster Office – Geodetic Office)

Daňové riaditeľstvo SR (Tax Directorate of the Slovak Republic)

Energetický regulačný úrad (Energy Regulatory Office, Slovak Republic)

Hlavní město Praha (Capital city Prague, Czech Republic)

Kraj Vysočina (Vysočina Region, Czech Republic)

Královéhradecký kraj (Hradec Králové Region, Czech Republic)

Ministerstvo dopravy ČR (Ministry of Transport of the Czech Republic)

Ministerstvo dopravy, výstavby a regionálneho rozvoja SR (Ministry of Transport, Construction and Regional Development of the Slovak Republic)

Ministerstvo financí ČR (Ministry of Finance of the Czech Republic)

Ministerstvo vnitra ČR (Ministry of Interior of the Czech Republic)

Ministerstvo spravedlnosti ČR (Ministry of Justice of the Czech Republic)

Ministerstvo zdravotníctva SR (Ministry of Health of the Slovak Republic)

Moravsko-slezský kraj (Moravian-Silesian Region, Czech Republic)

Najvyšší kontrolný úrad SR (The Supreme Audit Office of the Slovak Republic)

Národná diaľničná spoločnosť, a.s. (National Highway Company, Slovak Republic)

Olomoucký kraj (Olomouc Region, Czech Republic)

Plzeňský kraj (Plzeň Region, Czech Republic)

Řízení letového provozu České republiky (Air Navigation Services of the Czech Republic)

Senát Parlamentu ČR (Senate of the Parliament of the Czech Republic)

Štatistický úrad SR (Statistical Office of the Slovak Republic)

Úřad pro zastupování státu ve věcech majetkových ČR (Office of the Government Representation in Property Affairs, Czech Republic)

UTILITY

Brněnské vodárny a kanalizace, a.s.
ČEZ Distribuce, a.s.
ČEZ ICT Services, a.s.
ČEPS, a.s.
Distribuce tepla Třinec, a.s.
ELTODO-CITELUM, s.r.o.
Energienetze Südbayern
ENNI Energie Wasser Niederrhein GmbH, Moers
Erdgas Südbayern GmbH, München
E.ON Bayern
E.ON Česká republika, a.s.
E.ON IT Czech Republic, s.r.o
EWR Netz, Worms
Kapsch Telematic Services, s.r.o.
Kapsch TrafficCom Construction & Realization, s.r.o.
Liechtensteinischen Kraftwerke Schaan
Liptovská vodárenská spoločnosť, a.s., Liptovský Mikuláš
N-ERGIE Aktiengesellschaft, Nürnberg
SATT, a.s.
SIG Genéve, Stadtwerke Genf, Geneve
Severoslovenské vodárne a kanalizácie, a.s., Žilina
SpreeGas, Gesellschaft für Gasversorgung und Energiedienstleistung GmbH
Stadtwerke Erkrath
SWU Stadtwerke Ulm
Šumperská provozní vodohospodářská společnost, a.s. Vodárna Plzeň, a.s.
Technische Werke Ludwigshafen AG, Ludwigshafen
Teplárny Brno, a.s.
Trenčianske vodárne a kanalizácie, a.s.
Trenčianska vodohospodárska spoločnosť, a.s, Trenčín
Trnavská vodárenská spoločnosť, a.s., Piešťany
Turčianska vodárenská spoločnosť, a.s., Martin
Oravská vodárenská spoločnosť, a.s, Dolný Kubín
Podtatranská vodárenská spoločnosť a.s., Poprad
Považská vodárenská spoločnosť, a.s, Považská Bystrica
Vodárenská akciová společnost, a.s.
Vodárenská spoločnosť Ružomberok, a.s.
Východoslovenská vodárenská spoločnosť, a.s., Košice
Západoslovenská vodárenská spoločnosť, a.s., Nitra

TELCO AND IT

Orange Slovensko, a.s.
SWAN
Slovak Telekom, a.s.
T-Mobile ČR, a.s.
Vodafone, a.s.

PRODUCTION

AUDI AG, plants in Ingolstadt, Neckarsulm
BASF SE, Ludwigshafen
Bayer Industry Services GmbH & Co. OHG, plants in Dormagen, Leverkusen, Uerdingen
Bosch Diesel, s.r.o.
BMW AG, plants in Berlin, München
Daimler AG, plants in Berlin, Bremen, Mannheim
Evonik Degussa
Fortischem a.s., Nováky
GOHR
KORADO, a.s.
Novartis Services AG, Werk Basel
Philip Morris ČR, a.s.
Roche Diagnostics, Mannheim
RWE Power AG
SYNTHOS Kralupy, a.s.

ŠKODA AUTO, a.s.
Vattenfall Europe Mining AG, Cottbus
Sindelfingen
Stavby mostů Praha, a.s.
ŽĎAS, a.s., Žďár nad Sázavou

11 ANALYSIS OF FINANCIAL RESULTS OF THE ASSECO CENTRAL EUROPE GROUP

In the last three financial years ended 31 December 2012, 31 December 2011 and 31 December 2010, the Asseco Central Europe Group (the "Group") reported the following consolidated financial results:

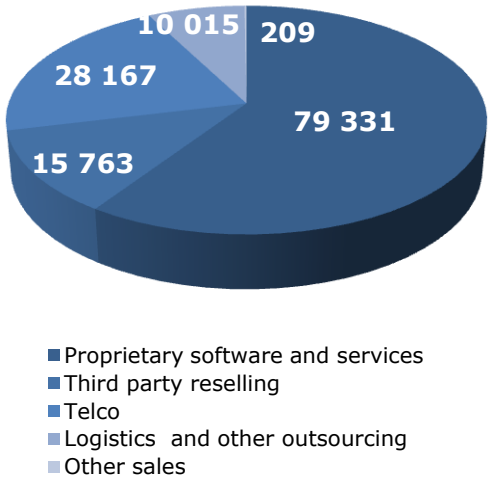
EUR thousand	2010	Margin	2011	Margin	2012	Margin
Sales revenues	127,264	*N/A*	133,485	*N/A*	134,440	*N/A*
Operating profit	16,167	*12.7%*	18,001	*13.0%*	17,622	*13.1%*
Pre-tax profit	16,254	*12.8%*	18,817	*14.0%*	17,544	*13.0%*
Net profit for the period	9,610	*7.6%*	15,742	*12.0%*	14,401	*10.7%*

The Group's sales increased by moderate 1% in 2012 y/y due to a relatively high revenue base in 2011 when compared to the solid growth by 5% in 2011 y/y sales. Parliamentary elections in March 2012 resulted in personnel changes in public administration and have essentially stopped new tenders in public sector in Slovakia. Further to that, the very modest macroeconomic development in the Central European countries continued also in 2012 and encouraged IT cost savings by clients from commercial sphere and ERP business.

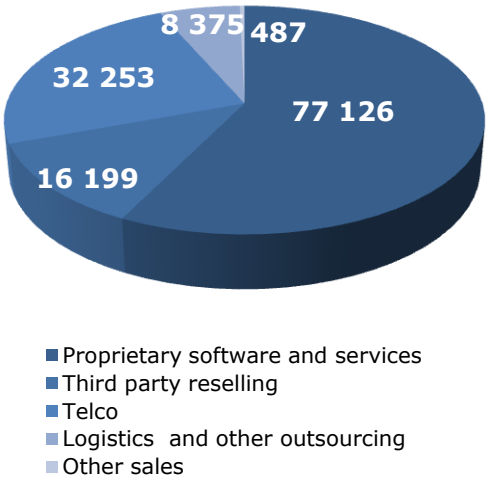
Operating profits and margins declined from EUR 18 million (13% on Sales revenues) posted in 2011 to EUR 17.6 million in 2012 (13%). Segment analysis below provides details on the sources of this drop. Unlike the 2011 and 2012 net profit, net profit reported in 2010 was adversely affected by UNiQUARE results which was discontinued in mid-2010. The impact of the UNiQUARE losses on the financial result of the Group was EUR 3.4 million in 2010.

Provision of proprietary software and services declined by 2.8% in 2012 y/y, though it was slightly compensated by a growth in revenues from sale of third party software and services. Telco revenues represented mainly by company Slovanet accounted for 15% increase in 2012 y/y, while logistics and outsourcing activities share dropped from 8% to 6% of total sales in 2011 and 2012 respectively.

Structure by type of revenues in 2011



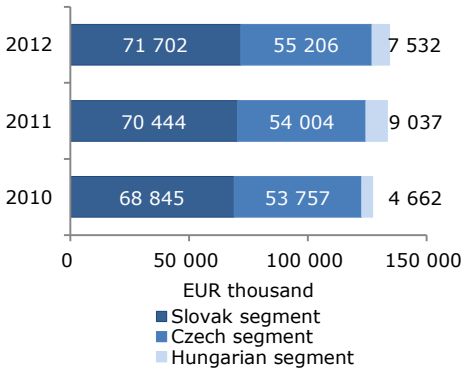
Structure by type of revenues in 2012



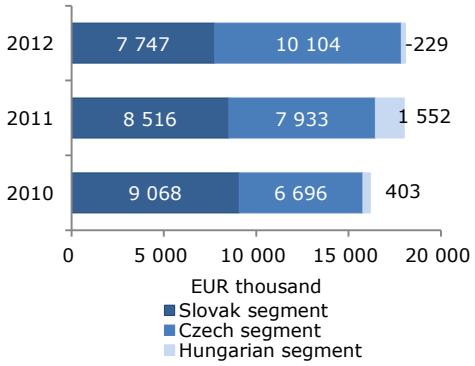
Financial performance of the Group

The Group reports its financial performance by three geographical segments: Slovak, Czech and Hungarian segment. The Hungarian segment was established by acquisitions of Stalogics and GlobeNet, carried out by the Group in 2010. Contribution of individual sectors to the Group's revenues and operating income is provided in the charts below.

Revenues by countries

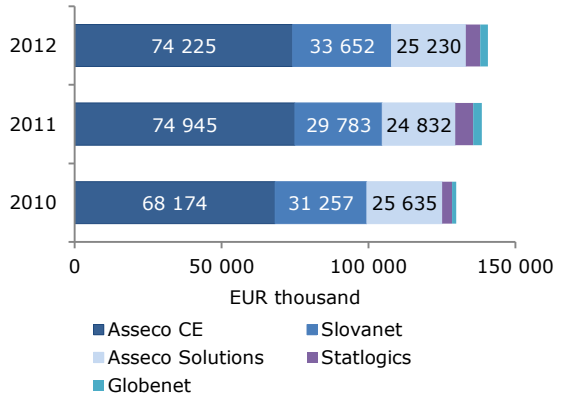


Operating profit by countries

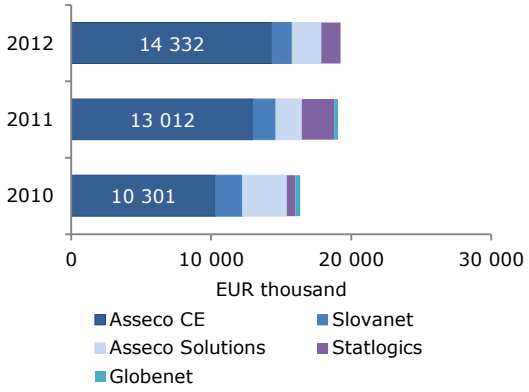


The major Slovak and Czech segments saw almost flat revenues in the 2010-2012 period. The ERP business of Asseco Solutions stagnated in both segments with total revenues at a level of EUR 25 million in 2011 and 2012. Slovanet revenues growth in 2012 by EUR 4 million y/y compensated the lack of new software projects in Slovakia. A slightly negative impact on the 2012 revenues was brought in by Asseco Central Europe mainly due to very high revenue base in 2011 from realization of projects for Central Depository ("CDCR"). New projects like Registry of Rights and Obligations helped to maintain the position of Czech segment. Unlike very positive impact in 2011, the Hungarian segment reported declined sales by EUR 1.5 million.

Revenues by entities



Operating profit by entities



Despite the falling revenues, operating profit of the Asseco Central Europe improved by EUR 1.3 million in 2012 y/y (+10%). The main reasons were (i) positive impact from the higher portion of sales from own services especially in Czech public sector in 2012 and (ii) positive effect of accounting operations (provisions, write-offs, allowances, etc.) which prevailed over the higher amortization expenses of software licences in Slovakia.

Higher depreciation expense in Slovanet (related to assets acquired in business combinations) and extraordinary originating costs related to extra revenues resulted in drop of operating profit by 10% in 2012 y/y to EUR 1.4 million.

ERP sector represented by Asseco Solutions reported increase in sales revenue by 2% in 2012 y/y, although the positive impact on total operating profit in amount of EUR 2 million (+8.3% y/y) was partially supported by received subsidies in Czech Republic.

Statlogics reported a drop in sales revenue by EUR 1.2 million y/y in 2012, due to extremely high sales base from 2011 influenced mainly by large projects delivered in Kazakhstan and revenue from terminated contract in Croatia. As a result, the operating profit decreased by EUR 0.9 million y/y in 2012.

Globenet which operates exclusively in Hungarian healthcare sector suffered from extraordinary budgetary restrictions implied by Hungarian government on the overall public spending. Revenue declined by 10.6% y/y in 2012, but operating profit was lowered by almost EUR 1 million, partially by continuous amortization of Medworks software without any additional capitalization in 2012 and partially by extra costs related to changes brought by replacing of the CEO in August 2012 (after acquiring of 100% share in Globenet).

Financial position of the Group

EUR thousand	As at 31 Dec 2010	Share on total	As at 31 Dec 2011	Share on total	As at 31 Dec 2012	Share on total
Goodwill and intangibles	73,204	*47.10%*	65,337	*37.20%*	63,143	*39.4%*
Other non-current assets	22,008	*14.10%*	22,248	*12.70%*	25,965	*16.2%*
Current assets, excluding cash	38,000	*24.40%*	47,010	*26.80%*	44,607	*27.9%*
Cash and cash equivalents	22,357	*14.40%*	41,024	*23.40%*	26,401	*16.5%*
Total Assets	**155,569**	*100.00%*	**175,619**	*100.00%*	**160,116**	*100.0%*
Equity	99,374	*63.90%*	106,957	*60.90%*	108,243	*67.6%*
Interest-bearing debt[1]	10,570	*6.80%*	9,428	*5.40%*	10,390	*6.5%*
Other non-interest bearing liabilities[1]	45,625	*29.30%*	59,234	*33.70%*	41,483	*25.9%*
Total Equity and Liabilities	**155,569**	*100.00%*	**175,619**	*100.00%*	**160,116**	*100.0%*

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

Financial indicators

Net debt	-11,787		-31,596		-16,011	
Net liabilities	33,838		27,638		25,472	
Net liabilities to Equity	34%		26%		24%	

The balance sheet of the Group reflects that of a typical software group with a high proportion of assets allocated in goodwill and intangibles and relatively low leverage. In 2011, the Group reported a steep increase in total assets to EUR 176 million which corresponded to increase in current assets from ordinary operations as well as retention of cash not paid out in dividends. In 2012, the property and equipment net value increased by more than EUR 3.5 million mainly due to new investments carried out in Slovanet. Goodwill and intangible assets dropped by more than EUR 2 million as result of amortization and impairment of goodwill allocated to Globenet by EUR 1.45 million. Cash position shrunk significantly due to extraordinarily high portion of dividends paid out to shareholders.

The Group's net working capital position (current assets less current liabilities) remained very solid in the analysed period.

The Group maintained strong balance sheet with high balances of cash and stable debt. Majority of the debt was drawn by Slovanet to finance its infrastructure projects and acquisitions. Net debt and leverage ratios show that the Group's leverage is very low and the capital structure is still healthy with a significant debt capacity.

Cash-flow analysis

EUR thousand	2010	2011	2012
Cash-flow from operating activities and FX differences	22,733	30,534	17,912
Cash-flow from investing activities	(16,593)	(4,573)	(14,846)
Cash-flow from financial activities	(7,632)	(7,294)	(17,689)
Change in cash for the period	**(1,534)**	**18,667**	**(14,623)**
Cash and cash equivalents, beginning of period	23,933	22,357	41,024
Cash and cash equivalents, end of period	22,357	41,024	26,401

Unlike in 2011, when the Group was able to retain most of the cash generated by the operating activities, in 2012 most of the cumulated cash had to be paid out as dividends (more than EUR 14 million). Apart from that reversed structure of working capital in 2012 y/y resulted in decreased level of cash-flow from operating activities by EUR 13 million.

Increased outflow from investing activities is represented by short-term investments used as equivalent of the bank deposits in amount of EUR 10 million.

Operating cash-flows served as a main source of financing investments and acquisitions, while dividend pay-out was partially covered from cash reserves created in previous periods.

Main uses of cash were allocated to acquisition of subsidiaries and non-current assets. In the course of 2010, the Group acquired controlling interests in Statlogics and GlobeNet for a total cash consideration of EUR 11.7 million and property, plant and equipment ("PP&E") investments (net of proceeds from disposals) of EUR 7 million. In 2011 the Group focused on consolidation of subsidiaries. During the same period, Slovanet outlays for infrastructure and acquisition of local internet providers exceeded EUR 6 million and EUR 5 million in 2012. Proceeds from sale of shares in UNiQUARE in amount of EUR 2.3 million served as additional source for other investing activities in 2012.

Apart from dividend pay-out the purchase of non-controlling interests in both Hungarian subsidiaries in amount of EUR 3.8 million contributed to the negative cash-flows from financial activities, which was partially offset by positive impact from net loans payment (EUR 1.4 million) in 2012.

Analysis of concentration risks

There were no customers (suppliers) exceeding a 10% share on total revenues (purchases) of the Group in year 2012.

11.1 Information on subsidiaries

The table below shows the basic financial data for individual companies belonging to the Group[1].

EUR thousand	Sales revenues of the Group companies in the period of		Profits/(losses) attributable to the Group companies in the period of	
	12 months ended 31 Dec 2012	12 months ended 31 Dec 2011	12 months ended 31 Dec 2012	12 months ended 31 Dec 2011
	(audited)	(audited)	(audited)	(audited)
Asseco Central Europe SK *	31,009	33,162	12,463	11,687
Asseco Solutions SK **	9,635	9,394	384	269
Slovanet	33,652	29,783	969	1,229
DanubePay ***	102	-	(69)	-
Asseco BERIT GmbH *	3,562	2,866	111	105
Asseco BERIT AG *	1,183	1,047	5	3
Asseco Solutions CZ **	15,595	15,438	1,263	1,384
Asseco Central Europe CZ *	38,369	37,870	7,920	6,453
Statlogics	4,885	6,082	1,215	2,524
Globenet	2,647	2,962	(646)	159
Total	**140,639**	**138,604**	**23,615**	**23,813**

[1] Data exclude consolidation adjustments and net profit attributable to non-controlling interest

* constitutes the business entity Asseco Central Europe (or Asseco CE)
** creates the business entity Asseco Solutions
*** in 2012 contributed to Asseco CE entity

12 DESCRIPTION OF SIGNIFICANT RISKS AND THREATS

Risks associated with the environment in which the Company and the Asseco Central Europe Group operates

- Risks associated with the macroeconomic situation in the markets where the Group operates. Unpredictable development of the markets, mainly because of still appreciable effects of the global financial crisis, uncertain economic growth, decline in business investments in the previous periods which may repeat in future, decline in public procurement due to budgetary restrictions or increase in inflation can have a negative impact on the activities and financial situation of the Group, its financial results and prospects of development
- Risk associated with the adoption of legislation, when some of the activities provided by the private institutions will be eliminated and moved to the State responsibility (health insurance, social security and pension insurance and selected banking activities)
- Changes in the way of adoption, interpretation and application of legislation - any changes in legislation, especially in the field of taxation, labour, 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 Group to obtain new projects, which can result in reduction of profit margins and lead to a reduction in market share
- The persistence of difficult availability of IT professionals in the labour 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 euro
- Risks connected with the geographical inclusion of companies in the Group - the activities of companies in the Group are focused on one region, so the development in the region (positive or negative) may have a direct impact on the Group regardless of product diversification
- Risks linked with the development in the financial sector - most of the Group's customers are customers from the financial sector, development in this sector will have an impact on the results of the Group
- Risks connected with the interpretation of laws of a foreign legal system, with the inaccuracy of interpretation - Asseco Central Europe SK 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 Asseco Central Europe Group

- Dependence on few big projects and any difficulties in obtaining new projects may have an adverse impact on the Group's activities - each loss of an important project, which is not offset by revenue from new or existing projects may affected adversely the operation activities, forecasts, financial results and situation of the Group
- Dependence on major customers, loss of which could have an adverse impact on the Group's activities, may adversely affected operation activities, forecasts, financial results and position of the Group
- Failure to prepare and implement new products and services may have a material adverse effect on the Group's activities
- The Group 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 Group's operations
- Failure to meet contractual deadlines, or other parameters specified by the clients of the Group or the improper functioning of the solutions provided by the Group - there is still a potential risk that companies in the Group 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 Group 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 Group (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 Group 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 Group's activities
- Board members who resign, may require compensation
- Group may not be able to maintain the existing corporate culture in relation with activities development
- Integration of management processes in the Group 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

13 CHANGES IN THE GROUP STRUCTURE

Asseco Central Europe, a. s. (SK) and following subsidiaries and associated companies form the Group as at 31 December 2012:

	Country of registration	Scope of activities	Relationship with Parent Company	Voting interest			Equity interest		
				1 March 2013	31 Dec 2012	31 Dec 2011	1 March 2013	31 Dec 2012	31 Dec 2011
Subsidiary companies									
Slovanet, a.s.	Slovak Republic	Telco services	Direct subsidiary	51%	51%	51%	51%	51%	51%
AmiTel, s.r.o.	Slovak Republic	Internet provider	Indirect subsidiary	51%	51%	51%	51%	51%	51%
MadNet, a. s.	Slovak Republic	Electronic services provider	Indirect subsidiary	50.06%	50.06%	-	50.06%	50.06%	-
Asseco Solutions, a.s. (SK)	Slovak Republic	ERP solutions	Direct subsidiary	100%	100%	100%	100%	100%	100%
Axera, s.r.o.	Slovak Republic	Software solutions	Indirect subsidiary	100%	100%	100%	100%	100%	100%
DanubePay, a. s.	Slovak Republic	Card and transaction business	Direct subsidiary	100%	100%	-	100%	100%	-
Asseco Central Europe, a.s. (CZ)	Czech Republic	Software, integration and outsourcing	Direct subsidiary	100%	100%	100%	100%	100%	100%
Asseco Solutions, a.s. (CZ)	Czech Republic	ERP solutions	Indirect subsidiary	100%	100%	100%	100%	100%	100%
NZ Servis s. r. o.	Czech Republic	Software for customs and communication with public administration	Indirect subsidiary	100%	100%	-	100%	100%	-
LCS Deutchland GmbH	Germany	ERP solutions	Indirect subsidiary	100%	100%	100%	100%	100%	100%
Asseco BERIT AG	Switzerland	Software, Geospatial and Network Solutions	Indirect subsidiary	100%	100%	100%	100%	100%	100%
Asseco BERIT GmbH	Germany	Software, Geospatial and Network Solutions	Indirect subsidiary	100%	100%	100%	100%	100%	100%
Statlogics Zrt.	Hungary	Banking IS	Direct subsidiary	100%	100%	85.02%	100%	100%	85.02%
Globenet Zrt.	Hungary	Hospital IS	Direct subsidiary	100%	100%	60%	100%	100%	60%
Associated companies									
Crystal Consulting s.r.o.	Slovakia	ERP solutions		50%	50%	30.23%	50%	50%	30.23%
Prvni Certifikacni Autorita, a.s. (I.CA)	Czech Republic	IT security		23.25%	23.25%	23.25%	23.25%	23.25%	23.25%

13.1 Presentation of changes in the structure of the Asseco Central Europe Group

During the period of 12 months ended 31 December 2012 the following changes in the Group structure were observed:

Asseco Central Europe, a. s.:

- Exercise of put option by non-controlling shareholders in Statlogics on 16 May 2012. Asseco Central Europe, a. s. (SK) increased the Parent Company's ownership interest in Statlogics to 100%. (in 2011: 85.02%)
- Exercise of call option by non-controlling shareholders in GlobeNet on 25 May 2012. Asseco Central Europe, a. s. (SK) increased the Parent Company's ownership interest in GlobeNet to 70%. (in 2011: 60%)
- Share purchase agreement regarding the acquisition of remaining 30% shares in GlobeNet concluded on 11 June 2012. Shares were transferred on 2 August 2012 after fulfilment of all conditions precedent. Asseco Central Europe, a. s. currently controls 100% of shares in GlobeNet.
- Establishment of a new subsidiary DanubePay, a. s. in line with growth strategy of Asseco Central Europe, a. s. on 27 July 2012.

Asseco Solutions, a. s. /SK/:

- Increase of shareholding in associated company Crystal Consulting, s. r. o. to 50% in March 2012.
- Merger of Data spol. s r. o. with Asseco Solutions, a. s. /SK/ on 1 July 2012.

Asseco Solutions, a. s. /CZ/:

- Purchase of 100% shares in NZ Servis s. r. o. on 4 April 2012.

Slovanet, a. s. /SK/:

- Acquisition of 50.6% shares in MadNet, a. s. on 14 December 2012.

14 SIGNIFICANT EVENTS AND ACHIEVEMENTS OF THE ASSECO CENTRAL EUROPE GROUP

On 13 December 2012, the Board of Directors of Asseco Central Europe, a. s., adopted the resolutions on the resignation of Mr. Michal Navrátil and Mr. Marek Morávek from Board of Directors. The resignations came into effect on the same day.

On 13 December 2012, the Supervisory Board of the Asseco Central Europe, a. s. adopted a resolution on the appointment of Mr. Radek Levíček, Business Unit Public Director, as a new vice-chairman of the Board of Directors of the Company. Furthermore, on 13 December 2012, the Supervisory Board of the Company at its meeting adopted a resolution on the appointment of Mr. David Stoppani, Sales Director of Asseco Central Europe, a. s. /CZ/, as a new member of the Board of Directors of the Company. Both appointments came into effect on the same day.

On the same day, Director of Internal Support Division of the Company, Mr. Michal Navrátil, was appointed as a registered proxy of the Company. The appointments came into effect on 15 January 2013.

Important business contracts realized by the Company

- Českomoravská stavební spořitelna (Czech-Moravian Building Society) – replacement of the core banking system, StarBUILD implementation and customization for the largest Building Society in Czech Republic
- Českomoravská stavební spořitelna (Czech-Moravian Building Society) –CHR project extension
- Finančné riaditeľstvo SR (Tax Administration of the Slovak Republic) – change requests related with the extension of the DWH functionalities in Anti Fraud Solution
- NKU (Supreme Audit Office) – signed SLA contract

General Shareholders Meeting

Ordinary general shareholders meeting held on 19 April 2012 approved consolidated and standalone financial statements of Asseco Central Europe, a. s. (SK) and a distribution of net profit for financial year 2011. The dividends were paid out in the total amount of EUR 14,097,600 which represents EUR 0.66 per share.

Important business contracts realized by the Company's subsidiaries

Company	Significant events during the reporting period
Asseco Central Europe, a.s. (CZ)	▪ Česká správa sociálního zabezpečení (The Czech Social Security Administration) – supply and implementation of Information and Communication Interface for the 159 project ▪ ČSOB Penzijní fond ▪ Vojenská zdravotní pojišťovna ČR (Military Healthcare Insurance Company of the Czech republic) – supply of DMS system ▪ Česká správa sociálního zabezpečení (The Czech Social Security Administration) – supply of communication module for communication towards basic registers of the Czech Republic ▪ Ministerstvo financí ČR (Ministry of Finance) – supervision system for pension funds (SDPF III.) ▪ Kraj Vysočina (Vysočina Region) – service contract to develop the DWH project ▪ ČEZ ICT Services – master agreement on IT activities development ▪ Krajský úřad Olomouc (Olomouc Regional Office) – digital map of the Olomouc region
Slovanet, a.s.	▪ Aliter – hardware sales ▪ Alef Distribution – misc services ▪ Geodesy, Cartography and Cadastre Office of the Slovak Republic – VPN update, 4 years contract ▪ Corps of Prison and Court Guard – IP Telephony upgrade
Asseco Solutions, a.s. (SK)	▪ Contract with Úrad verejného zdravotníctva for the project

	e-learning ▪ Contract with Turčianská vodárenská spoločnosť - licence and implementation of HELIOS Green ▪ Contract with Národná diaľničná spoločnosť - licence and implementation of HELIOS Spin ▪ Contract with Volkswagen LFS for the project ZIS ▪ Contract with MEDIAPRINT – KAPA, Pressegrosso, a. s. for the project ZIS ▪ Contract with Automatizácia železničnej dopravy – licence and implementation of HELIOS Spin
Asseco Solutions, a.s. (CZ)	▪ Contract with BRANO – implementation of HELIOS Green ▪ Contract with Simac technik ČR, a. s. – licence and implementation of HELIOS Green ▪ Contract with Stefe SK, a. s. – licence and implementation of HELIOS Green ▪ Contract with SE-MI Technology, a. s. – licence and implementation of HELIOS Green ▪ Contract with Technický a zkušební ústav stavební Praha s.p. – implementation of HELIOS Green ▪ Contract with United Energy, a. s. – implementation of HELIOS Green ▪ Contract with Oresi Slovakia s.r.o. – licence and implementation of HELIOS Orange ▪ Contract with Edenred CZ s.r.o. – licence and implementation of HELIOS Green
GlobeNet, Zrt.	▪ Contract with BAZ County Hospital – visit-supporting module development
Statlogics, Zrt.	▪ Eurasian Bank, Kazakhstan – credit cards (down-payment) ▪ Eurasian Bank, Kazakhstan – mortgage loan ▪ Eurasian Bank, Kazakhstan – credit cards (developments) ▪ MiG Credit, Russia – annual development contract ▪ Société Générale Srbja – production start ▪ Eurasian Bank, Kazakhstan – internet loan (development) ▪ Raiffeisen Bank-Aval, Ukraine – development ▪ Dan-Aktiv S/A Groupe Crédit Agricole, Denmark – scorecard developments

15 ADDITIONAL INFORMATION

15.1 Indication of proceedings pending before 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, or any company of the Group, which would be subject to claims or liabilities of at least 10% of the equity of the Company.

15.2 Information about seasonality

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

15.3 Information on 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 19 April 2012 approved consolidated and standalone financial statements of Asseco Central Europe, a. s. and the distribution of net profit for 2011. The dividends were paid out in the total amount of EUR 14,097,600 which represents EUR 0.66 per 1 share.

15.4 Information on changes in contingent liabilities or contingent assets

Information on changes in contingent liabilities or contingent assets are presented in the Note 28 of the Group's consolidated financial statements.

15.5 Transactions with related parties

For details, refer to the Note 27 of the consolidated financial statement of the Group.

15.6 Loans, loan agreements, sureties, guarantees and commitments

Loans, loan agreements, guarantees and commitments are presented in the Note 24 of the Group's consolidated financial statements.

15.7 Feasibility of achievement of published of forecasts for 2012

The Board of Directors of the Parent Company did not publish any forecast for 2012.

15.8 Management of financial resources

The financial resources of the Group consist of revenues from operations.

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

The Group has exposure to various creditors based on interest bearing loan and credit agreements. All loan and credit commitments are paid in line with the agreed repayment schedules.

The Group generally fulfils its obligations on time. If necessary, the Group is able to react to short-term lack of liquidity in individual companies using intercompany loans.

15.9 Evaluation of feasibility of investment projects

Investments of the Group in 2012 were connected mostly with the purchase of non-controlling interests in subsidiaries with a plan to further integrate and consolidate the Group. Further to that, the Group invested in infrastructure, mainly in its telco subsidiary Slovanet.

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

15.10 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 Group in 2012:

- Impairment charge on software and intangible assets and consolidation goodwill (allocated to Globenet) in total amount of EUR 1.6 million; partially offset by release of EUR 1.45 million of contingent consideration related to the transaction price (Globenet);
- Used and reversed provisions for warranties, legal proceedings and other provisions (net of provisions created) in net amount of EUR 0.7 million; and
- Received grants for research and creation of new labour positions in the total amount of EUR 1.5 million (mainly Slovanet and Asseco Solutions (CZ)).

15.11 Characteristics of factors relevant to development of the Group

External factors affecting the future financial performance of the Group 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 the future financial performance of the Group 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 Group 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.

15.12 Changes in basic principles of management of the Group and its parent company

In the reporting period, there were no changes in the basic principles of management of Group and its parent company.

15.13 All agreements between Asseco Central Europe, a. s. 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.

15.14 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 33 of the Group's consolidated financial statements.

15.15 Information about existing agreements that may result in 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.

15.16 Information about share based payment transactions

The Group does not conduct employee share schemes.

15.17 Agreement with the entity authorized to audit financial statements

The 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 2012.

Detailed information about total audit fees charged to Asseco Central Europe, a. s. is presented in the Note 31 of the Group's consolidated financial statements.

15.18 Significant events after the balance sheet date

Up to the date of preparing this annual report 2012 no significant events occurred that might have an impact on the financial statements.

16 SELECTED FINANCIAL DATA OF CONSOLIDATED FINANCIAL STATEMENTS

SELECTED FINANCIAL DATA	In thousand of zł		In thousand of EUR	
	4 quarters cumulative 1 Jan 2012 - 31 Dec 2012	4 quarters cumulative 1 Jan 2011 - 31 Dec 2011	4 quarters cumulative 1 Jan 2012 - 31 Dec 2012	4 quarters cumulative 1 Jan 2011 - 31 Dec 2011
Sales revenues	561,099	552,641	134,440	133,485
Operating profit (loss)	73,547	74,526	17,622	18,001
Pre-tax profit (loss)	73,222	77,904	17,544	18,817
Net profit for the period reported attributable to Shareholders of the Parent Company	59,319	61,663	14,213	14,894
Net cash provided by (used in) operating activities	72,157	131,067	17,289	31,658
Net cash provided by (used in) investing activities	(61,961)	(18,933)	(14,846)	(4,573)
Net cash provided by (used in) financing activities	(73,827)	(30,198)	(17,689)	(7,294)
Increase (decrease) in cash and cash equivalents	(63,631)	81,937	(15,246)	19,791
Assets total	654,586	775,674	160,116	175,619
Non-current liabilities	35,109	28,113	8,588	6,365
Current liabilities	176,958	275,153	43,285	62,297
Shareholders' equity attributable to Shareholders of the Parent Company	425,929	450,377	104,185	101,969
Share capital	2,899	2,808	709	709
Number of shares (pcs.)	21,360,000	21,360,000	21,360,000	21,360,000
Earnings per share (in ZŁ/EUR)	2.78	2.89	0.67	0.70
Book value per share (in ZŁ/EUR)	19.94	21.09	4.88	4.77
Declared or paid dividends per share (in ZŁ/EUR)	2.70	0.91	0.66	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 2012 were recalculated at exchange rate announced by National Bank of Poland on the balance sheet date (EUR 1 = ZŁ 4.0882)
- Selected items of Statement of financial position as of 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 Profit and loss account and Statement of cash flows for the period from 1 January 2012 to 31 December 2012 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 4.1736)
- 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)
- The highest and the lowest exchange rate for the reported periods:

		1 Jan 2012 - 31 Dec 2012	1 Jan 2011 - 31 Dec 2011
max	ZŁ -> EUR	4.5135	4.5642
min	ZŁ -> EUR	4.0465	3.8403

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 Group for the 2012 year

Jozef Klein Chairman of the Board	Radek Levíček Vice-chairman of the Board	Marek Grác Member of the Board
David Stoppani Member of the Board	Tomáš Osuský Member of the Board	

1 March 2013, Bratislava

ASSECO CENTRAL EUROPE BOARD OF DIRECTORS STATEMENT

Statement of the Board of Directors of Central Europe, a. s. on the reliability of the consolidated financial statements of the Group of Asseco Central Europe for the period from 1 January to 31 December 2012.

The Board of Directors of Asseco Central Europe, a. s., according to its best knowledge, declares that the consolidated financial statements for the period from 1 January to 31 December 2012 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	Radek Levíček Vice-chairman of the Board	Marek Grác Member of the Board of Directors
David Stoppani 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 consolidated financial statements of Central Europe, a. s. for the period from 1 January to 31 December 2012.

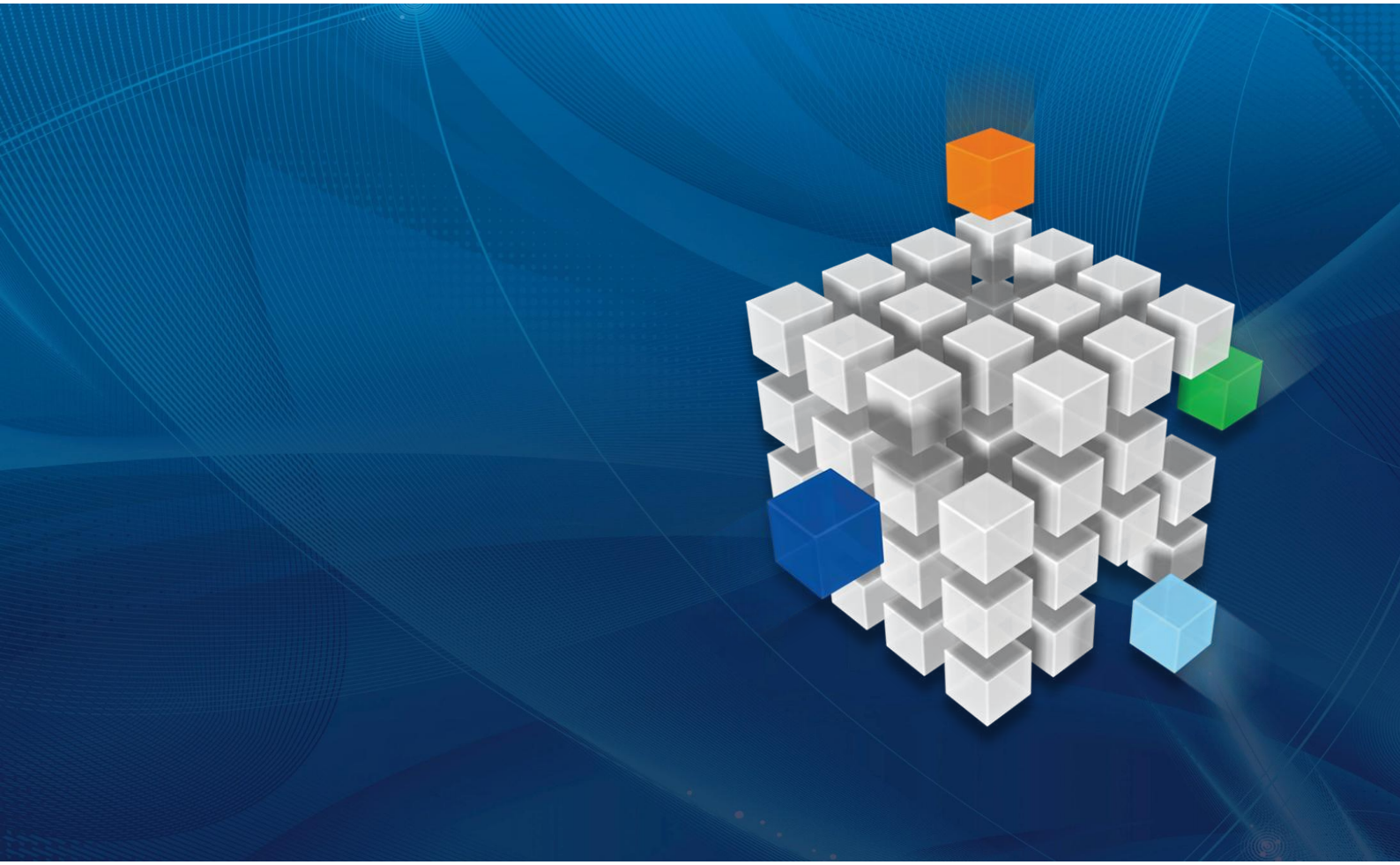
This Board of Directors of Asseco Central Europe, a. s. declares that the entity authorized to audit the consolidated financial statements of the Asseco Central Europe, a. s., i.e. Ernst & Young Slovakia, spol. s r. o., with seat in Bratislava was chosen in accordance with the law. Entity and the auditors 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	Radek Levíček Vice-chairman of the Board	Marek Grác Member of the Board of Directors
David Stoppani Member of the Board of Directors	Tomáš Osuský Member of the Board of Directors	

1 March 2013, Bratislava

asseco CENTRAL EUROPE

Solutions for Demanding Business



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

1 March 2013

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 document, related entity shall be understood within the meaning of the	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 shareholders.

	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).	
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 Annex, a person who is an employee of the company or an associated company	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.

	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 1 March 2013, 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	19,973,096	19,973,096	93.51

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 2012:

Name and Surname	Position	Period
Adam Tadeusz Góral	Chairman	1.1.2012-31.12.2012
Andrej Košári	Vice-Chairman	1.1.2012-31.12.2012
Ján Handlovský	Member (elected by employees)	1.1.2012-31.12.2012
Marek Paweł Panek	Member	1.1.2012-31.12.2012
Przemysław Sęczkowski	Member	1.1.2012-31.12.2012

There were following members of the Supervisory Board of Asseco Central Europe, a. s. as at 1 March 2013:

Name and Surname	Position	Period
Adam Tadeusz Góral	Chairman	1.1.2013-present
Andrej Košári	Vice-Chairman	1.1.2013-present
Ján Handlovský	Member (elected by employees)	1.1.2013-present
Marek Paweł Panek	Member	1.1.2013-present
Przemysław Sęczkowski	Member	1.1.2013-11.2.2013

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;

m) executes budget of the Company, submits it for the approval of the Supervisory Board 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 2012:

Name and Surname	Position	Period
Jozef Klein	Chairman	1.1.2012-31.12.2012
Radek Levíček	Vice-chairman	13.12.2012-31.12.2012
Tomáš Osuský	Member	1.1.2012-31.12.2012
Marek Grác	Member	1.1.2012-31.12.2012
David Stoppani	Member	13.12.2012-31.12.2012
Martin Morávek	Member	1.1.2012-13.12.2012
Michal Navrátil	Member	1.1.2012-13.12.2012

There were following members of the Board of Directors of Asseco Central Europe, a. s. as at 01 March 2013:

Name and Surname	Position	Period
Jozef Klein	Chairman	1.1.2013-present
Radek Levíček	Vice-chairman	1.1.2013-present
Tomáš Osuský	Member	1.1.2013-present
Marek Grác	Member	1.1.2013-present
David Stoppani	Member	1.1.2013-present

Jozef Klein
Chairman of the Board of Directors

Radek Levíček
Vice-chairman of the Board of Directors

Tomáš Osuský
Member of the Board of Directors

Marek Grác
Member of the Board of Directors

David Stoppani
Member of the Board of Directors

Ernst & Young Slovakia, spol. s r.o.
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Independent Auditors' Report to the Shareholders of Asseco Central Europe, a.s.

We have audited the accompanying consolidated financial statements of Asseco Central Europe, a.s., and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position as at 31 December 2012, the consolidated profit and loss account, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of 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 fair presentation of these consolidated financial statements 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 consolidated 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 consolidated 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 about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 consolidated 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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2012, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

1 March 2013
Bratislava, Slovak Republic

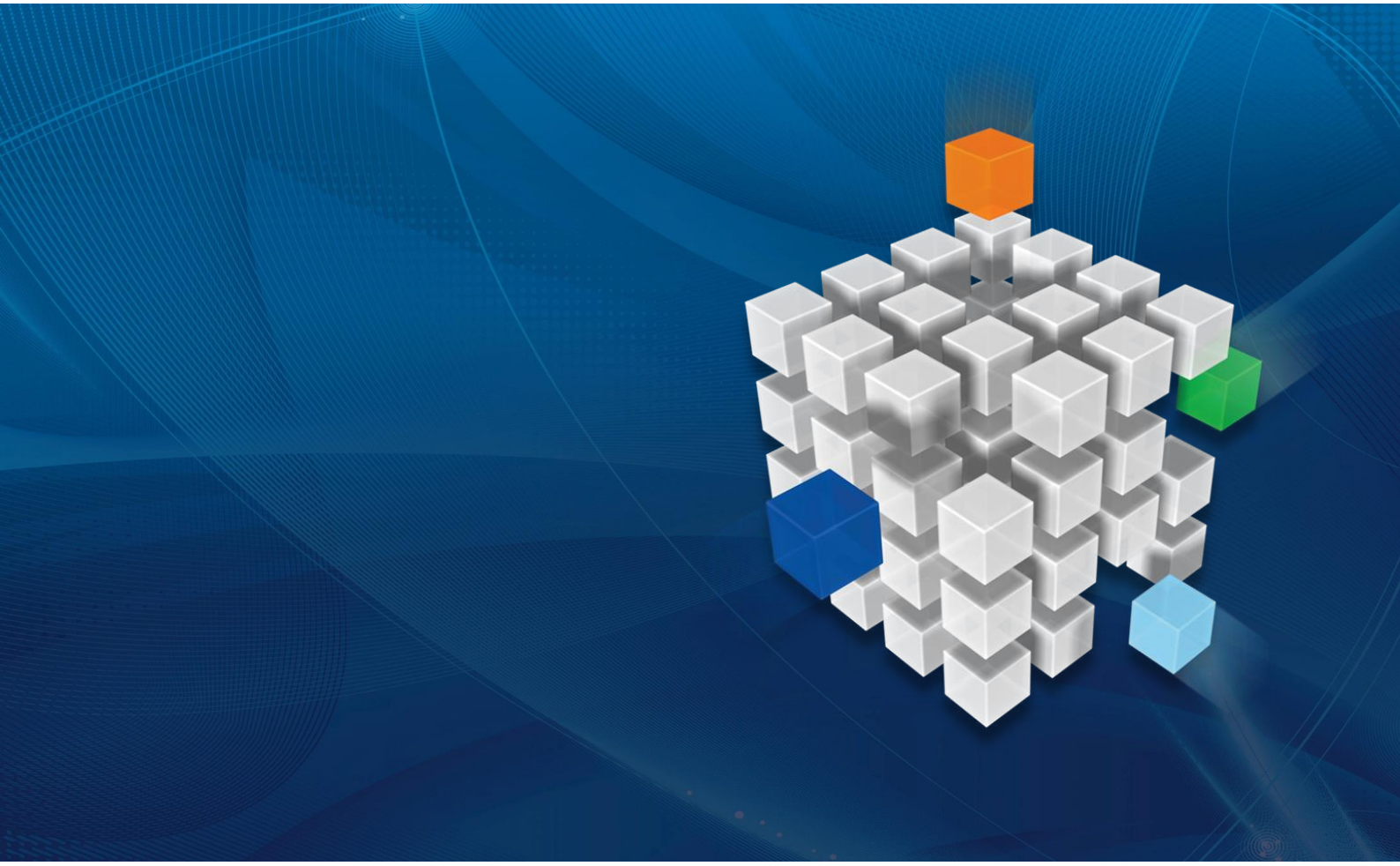
Ernst & Young Slovakia, spol. s r.o.
SKAU Licence No. 257

Ing. Peter Hollý
UDVA Licence No.1072

THIS IS A TRANSLATION OF THE ORIGINAL SLOVAK REPORT

asseco CENTRAL EUROPE

Solutions for Demanding Business



THE ASSECO CENTRAL EUROPE GROUP

CONSOLIDATED FINANCIAL STATEMENTS
INCLUDING INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED
31 DECEMBER 2012

PREPARED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY EUROPEAN UNION

Bratislava, 1 March 2013

CONSOLIDATED FINANCIAL STATEMENTS OF THE ASSECO CENTRAL EUROPE GROUP INCLUDING INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

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CONSOLIDATED FINANCIAL STATEMENTS OF THE ASSECO CENTRAL EUROPE GROUP INCLUDING INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

These consolidated financial statements were prepared on 1 March 2013 and authorized for publication by the Management Board of Asseco Central Europe, a.s. on 1 March 2013.

Management Board:

RNDr. Jozef Klein	Chairman of the Board of Directors
Ing. Radek Levíček	Vice-Chairman of the Board of Directors
Ing. David Stoppani	Member of the Board of Directors
Ing. Tomáš Osuský	Member of the Board of Directors
Ing. Marek Grác	Member of the Board of Directors

Person responsible for maintaining the accounting books:

Ing. Rastislav Mordavský	Chief Accountant

CONSOLIDATED PROFIT AND LOSS ACCOUNT
THE ASSECO CENTRAL EUROPE GROUP

	Note	12 months ended 31 Dec 2012 (audited)	12 months ended 31 Dec 2011 (restated, audited)
Sales revenues	1	**134,440**	**133,485**
Cost of sales	2	**(93,466)**	(90,537)
Gross profit on sales		**40,974**	**42,948**
Selling expenses	2	(11,394)	(11,135)
General and administrative expenses	2	(12,410)	(12,544)
Net profit on sales		**17,170**	**19,269**
Other operating income	3	1,495	2,629
Other operating expenses	3	(1,043)	(3,897)
Operating profit		**17,622**	**18,001**
Financial income	4	2,265	2,937
Financial expenses	4	(2,598)	(2,415)
Share in profits of associated companies	13	255	294
Pre-tax profit		**17,544**	**18,817**
Corporate income tax (current and deferred portions)	5	(3,143)	(3,075)
Net profit for the period reported from continuing operations		**14,401**	**15,742**
Profit / loss after tax for financial year on discontinued operations		-	-
Net profit for reporting period		**14,401**	**15,742**
Attributable to:			
Shareholders of the Parent Company		**14,213**	**14,894**
Non-controlling interest	21	**188**	**848**
Consolidated earnings per share attributable to Shareholders of Asseco Central Europe, a.s. (in EUR):			
Basic consolidated earnings per share from continuing operations for reporting period	6	0.67	0.70
Diluted consolidated earnings per share from continuing operations for reporting period	6	0.67	0.70

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
THE ASSECO CENTRAL EUROPE GROUP

	Note	12 months ended 31 Dec 2012 (audited)	12 months ended 31 Dec 2011 (audited)
Net profit for reporting period		**14,401**	**15,742**
Other comprehensive income:			
Foreign currency translation differences on subsidiary companies		2,589	(3,161)
Total other comprehensive income		**2,589**	**(3,161)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**16,990**	**12,581**
Attributable to:			
Shareholders of Parent Company		*16,644*	*12,071*
Non-controlling interests		*346*	*510*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
THE ASSECO CENTRAL EUROPE GROUP

ASSETS	Note	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Non-current assets		**89,108**	**87,585**
Property, plant and equipment	9	23,511	19,293
Intangible assets	10	21,889	24,020
Consolidation goodwill	12	41,254	41,317
Investments in associated companies	13	815	762
Non-current loans	14	2	11
Non-current receivables and prepayments	18	262	87
Restricted cash		4	3
Deferred income tax assets	5	1,371	2,092
Current assets		**71,008**	**88,034**
Inventories	16	872	501
Deferred expenses	15	2,743	2,437
Trade accounts receivable	18	25,034	29,636
Receivables from state budgets	18	1,566	1,128
Other receivables	18	4,459	12,700
Loans granted	14	25	598
Financial assets valued at fair value through profit or loss		-	10
Other financial assets	19	9,908	-
Cash and cash equivalents	20	26,401	41,024
TOTAL ASSETS		**160,116**	**175,619**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
THE ASSECO CENTRAL EUROPE GROUP

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Shareholders' equity (attributable to Shareholders of the Parent Company)		**104,185**	**101,969**
Share capital	21	709	709
Share premium		74,901	74,901
Foreign currency translation differences on foreign operations		(2,331)	(4,762)
Retained earnings		30,906	31,121
Non-controlling interests	21	**4,058**	**4,988**
Total shareholders' equity		**108,243**	**106,957**
Non-current liabilities		**8,588**	**6,365**
Interest-bearing bank credits, loans and debt securities	24	4,469	2,122
Deferred income tax provisions	5	1,009	781
Non-current provisions	25	1,291	1,900
Non-current financial liabilities	22	943	534
Non-current deferred income	26	838	853
Other non-current liabilities	26	38	175
Current liabilities		**43,285**	**62,297**
Interest-bearing bank credits, loans and debt securities	24	4,757	5,662
Trade accounts payable	26	14,701	18,013
Liabilities due to state budget	26	3,846	3,435
Corporate income tax liabilities	26	25	1,599
Financial liabilities	22	1,506	5,624
Other current liabilities	26	6,401	12,217
Provisions	25	2,861	2,966
Current accrued expenses	26	3,687	4,826
Current deferred income	26	5,501	7,955
TOTAL LIABILITIES		**51,873**	**68,662**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**160,116**	**175,619**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
THE ASSECO CENTRAL EUROPE GROUP

	Note	Share capital	Share premium	Foreign currency translation differences on foreign operations	Retained earnings	Shareholders' equity of Parent Company	Minority interests	Total shareholders' equity
As at 1 January 2012	21	**709**	**74,901**	**(4,762)**	**31,121**	**101,969**	**4,988**	**106,957**
Net profit for period		-	-	-	14,213	**14,213**	188	**14,401**
Total other comprehensive income for reporting period		-	-	2,431	-	**2,431**	158	**2,589**
Dividend for 2011	7	-	-	-	(14,098)	**(14,098)**	(196)	**(14,294)**
Excercize of put option on non-controllig interest in Statlogics (14,98%)	21	-	-	-	(121)	**(121)**	(58)	**(179)**
Non-controlling interest of Globenet	21	-	-	-	(209)	**(209)**	(1,022)	**(1,231)**
Other movements		-	-	-	-	**-**	-	**-**
As at 31 December 2012 (audited)		**709**	**74,901**	**(2,331)**	**30,906**	**104,185**	**4,058**	**108,243**
As at 1 January 2011	21	**709**	**74,901**	**(1,939)**	**20,602**	**94,273**	**5,101**	**99,374**
Net profit for period		-	-	-	14,894	**14,894**	848	**15,742**
Total other comprehensive income for reporting period		-	-	(2,823)	-	**(2,823)**	(338)	**(3,161)**
Dividend for 2010	7	-	-	-	(4,699)	**(4,699)**	(321)	**(5,020)**
Put option on non-controlling interests in Statlogics	21	-	-	-	495	**495**	291	**786**
Purchase of 14.98% in Statlogics	21	-	-	-	(108)	**(108)**	(593)	**(701)**
Other movements		-	-	-	(63)	**(63)**	-	**(63)**
As at 31 December 2011 (audited)		**709**	**74,901**	**(4,762)**	**31,121**	**101,969**	**4,988**	**106,957**

CONSOLIDATED STATEMENT OF CASH FLOWS
THE ASSECO CENTRAL EUROPE GROUP

	Note	12 months ended 31 Dec 2012 (audited)	12 months ended 31 Dec 2011 (audited)
Cash flows - operating activities			
Pre-tax profit (loss) from continuing and discontinued operations excluding share in profit from associates		17,289	18,523
Total adjustments:		**4,054**	**17,916**
Depreciation and amortization		10,352	9,259
Changes in working capital	28	(6,410)	7,444
Interest income and expense		(174)	(266)
Gain (loss) on foreign exchange differences		13	223
Gain (loss) on investing activities		(21)	1,202
Other		475	54
Net cash generated from operating activities		**21,343**	**36,439**
Corporate income tax paid		(4,054)	(4,781)
Net cash provided by (used in) operating activities		**17,289**	**31,658**
Cash flows - investing activities			
Disposal of tangible assets and intangible assets		278	665
Acquisition of tangible assets and intangible assets		(7,902)	(5,462)
Acquisition of associated companies		(60)	-
Acquisition of subsidiary companies	12	(859)	(938)
Cash and cash equivalents of subsidiary companies acquired		132	22
Proceeds from disposal of shares in subsidiary companies	18	2,360	860
Disposal/settlement of financial assets valued at fair value through profit or loss		(35)	(5)
Acquisition of other financial assets	19	(9,895)	-
Loans granted		502	-
Loans collected		(36)	19
Interest received		412	77
Dividends received		257	189
Net cash used in (provided) by investing activities		**(14,846)**	**(4,573)**

CONSOLIDATED STATEMENT OF CASH FLOWS
THE ASSECO CENTRAL EUROPE GROUP (CONTINUED)

	Note	12 months ended 31 Dec 2012 (audited)	12 months ended 31 Dec 2011 (audited)
Cash flows - financing activities			
Acquisition of non-controlling interests	21	(3,769)	(699)
Proceeds from bank credits and loans	24	6,770	2,600
Repayment of bank credits and loans	24	(5,328)	(2,768)
Finance lease commitments paid		(480)	(1,103)
Interest paid		(238)	(114)
Dividends paid to shareholders of Parent entity		(14,098)	(4,699)
Dividends paid to non-controlling interests	21	(546)	(511)
Net cash used in (provided) financing activities		**(17,689)**	**(7,294)**
Decrease (increase) in cash and cash equivalents		(15,246)	19,791
Net foreign exchange differences		623	(1,124)
Cash and cash equivalents as at 1 January		41,024	22,357
Cash and cash equivalents as at 31 December		**26,401**	**41,024**

SUPPLEMENTARY INFORMATION AND EXPLANATIONS

I. GENERAL INFORMATION

The parent company of the Asseco Central Europe Group (the "Group") is Asseco Central Europe, a. s. (the "Parent Company", "Company", "Issuer", "Asseco Central Europe, a. s. (SK)) with its seat at Trencianska street 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 2012, Asseco Poland SA held a 93.51% stake in the share capital of Asseco Central Europe, a. s. Asseco Poland SA increased share as a result within a public offering based on a prospectus published on 12 November 2012 for a swap of shares of Asseco Central Europe, a. s. for shares of Asseco Poland SA.

The business profile of Asseco Central Europe, a. s. (SK) includes software and computer hardware consultancy, production of software as well as the 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". Other undertakings of the Group conduct similar operations.

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

These consolidated financial statements cover the 12 months period ended 31 December 2012 and contain comparative data for the 12 months period ended 31 December 2011 in the case of the statement of comprehensive income, statement of changes in equity and statement of cash flows; and balance sheet data as at 31 December 2012 and 31 December 2011 in the case of the statement of financial position.

The Group draws up its financial statements in accordance with the International Financial Reporting Standards ("IFRS") endorsed by the European Union for the current and comparative period. Asseco Central Europe, a.s. began to apply the IFRS in 2006.

II. ACCOUNTING PRINCIPLES APPLIED IN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis for preparation of consolidated financial statements

The consolidated 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 consolidated financial statements is euro (EUR), and all figures are presented in thousands of euros (EUR '000), unless stated otherwise.

These consolidated financial statements were prepared on a going-concern basis, on the assumption that the Group 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 Group companies' ability to continue as going concerns have been identified.

2. Compliance statement

These consolidated 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 Group's operations, in the scope of accounting principles applied by the Group no difference pertains between the IFRS that came into force and the IFRS as endorsed by the EU, other than as disclosed in Note 5.

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

3. Significant professional judgments, estimates and assumptions

Preparing the consolidated financial statements in accordance with IFRS requires making judgments, estimates and assumptions that 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 based on the Group's management's best knowledge of the current activities and occurrences, the actual results may differ from those anticipated.

In the 12 month period ended 31 December 2012, the Group's approach to making estimates was not subject to any substantial changes compared to previous periods. Details of the main areas subject to accounting estimates and the management's professional judgment, and whose estimates, if changed, could significantly affect the Group's future results, are given below.

i Valuation of IT contracts as well as measurement of their completion

The Group executes a number of contracts for construction and implementation of information technology systems. In addition, 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, as well as requiring 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-outlay 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 2012, receivables from the valuation of IT contracts amounted to EUR 564

thousand (EUR 1,974 thousand as at 31 December 2011), while liabilities due to this valuation equalled EUR 1,568 thousand (EUR 2,832 thousand as at 31 December 2011). As at 31 December 2012, no valuation of embedded financial derivatives was recognized in financial liabilities. In the case of contracts denominated in foreign currencies, embedded financial derivatives are not disclosed separately. Revenues and expenses relating to such contracts are determined on the basis of spot exchange rates.

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 Group verifies the periods of useful life adopted on an annual basis, taking into account the current estimates.

iii Goodwill – impairment test

As at 31 December 2012, the Management Board of the Parent Company performed impairment tests on goodwill which resulted from acquisitions of subsidiary companies. This task required making estimates of the value in use of cash-generating units to which goodwill was allocated. The value in use is estimated by determination of future cash flows expected to be achieved from the cash-generating units and determination of a discount rate to be subsequently used in order to calculate the net present value of those cash flows. As at 31 December 2012, goodwill arising from the acquisition of subsidiary companies amounted to EUR 41,254 thousand, compared to EUR 41,317 thousand as at 31 December 2011.

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

As at 31 December 2012, the Group recognized liabilities by virtue of future payments to non-controlling interests in the companies NZ Servis, s.r.o., MadNet, s.r.o., Amitel, s.r.o. and Asseco Solutions, a. s. (CZ). Determination of the amounts payable under such liabilities required making estimates of the companies' financial results. As at 31 December 2012 and 31 December 2011, such liabilities equalled EUR 1,272 thousand and EUR 4,354 thousand, respectively.

v Intangible assets acquired in acquisitions

As at 31 December 2012, net value of intangible assets recognized as part of purchase price allocations related to the Group's acquisitions of subsidiaries amounted to EUR 7,743 thousand (EUR 7,833 thousand as at 31 December 2011). The intangibles comprise various categories of assets including customer contracts and related customer relationships and software and licenses recognized in the acquisitions of Statlogics, GlobeNet as well as the business combination carried out by Slovanet, a. s. ("Slovanet").

The customer contracts and related customer relationships and software and licenses were initially recognized at fair values. The fair values were estimated using valuation methodologies which require making estimates regarding future cash flows generated by the intangible assets, discount rates to convert the projected cash flows to their present values, replacement or reproduction costs of the intangible assets as well as their normalized useful life and remaining useful life.

vi Deferred tax

The Group recognizes deferred tax assets on the assumption that taxable profits will be available against which the deferred tax asset can be utilized. Deterioration of future taxable profits might render this assumption unreasonable.

4. Changes in principles of presentation applied

In the second half of 2012, the subsidiary Slovanet, a.s. harmonized its internal reporting methodology with that of the Asseco Group (Asseco Poland S.A.). As a result, the presentation of cost of sales, selling expenses and general and administrative expenses related to the profit and loss account for the 12 montrhs period ended 31 December 2011 changed. As a result, the costs of EUR 1,626 thousand have been derecognized from general and administrative expenses and EUR 408 thousands from selling expenses and charged cost of sales. This presentation change had an impact on the consolidated profit and loss account for the period ended 31 December 2011 as presented in table below.

Position in Profit & Loss account	12 months ended 31 Dec 2011 (restated)	12 months ended 31 Dec 2011	Change
Cost of sales	(90,537)	(88,503)	(2,034)
Selling expenses	(11,135)	(11,543)	408
General and administrative expenses	(12,544)	(14,170)	1,626
	(114,216)	**(114,216)**	**-**

5. Changes in accounting principles applied

The accounting principles (policy) adopted in preparation of these consolidated financial statements are consistent with those applied for preparation of the Group's consolidated financial statements for the year ended 31 December 2011, except for applying the following amendments to standards and new interpretations effective for annual periods beginning on or after 1 January 2012. The Group 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 Group's operations.

Standards and interpretations relevant to the Group'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:

- IFRS 7 Financial Instruments: Disclosures (amendment): The IASB issued an amendment to IFRS 7 on 7 October 2010. The amendment provides enhanced disclosures for transferred financial assets that are derecognised in their entirety and transferred assets that are not derecognised in their entirety. The effective date is for annual periods beginning on or after 1 July 2011.
- IAS 12 Income Taxes (Amendment) – Deferred Taxes: Recovery of Underlying Assets
- IFRS 1 First-Time Adoption of International Financial Reporting Standards (Amendment) – Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopter

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 Group's financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards when they become effective.

- The first phase of IFRS 9 *Financial Instruments: Classification and Measurement* – effective for financial years beginning on or after 1 January 2015 – not endorsed by EU till the date of approval of these financial statements. In subsequent phases, the IASB will address hedge accounting and impairment. The application of the first phase of IFRS 9 will have impact on classification and measurement of the financial assets of the Company / Group. The Company / Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture,
- Amendments to IAS 19 *Employee Benefits* - effective for financial years beginning on or after 1 January 2013,
- Amendments to IAS 1 *Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income* - effective for financial years beginning on or after 1 July 2012,
- Amendments to IAS 12 *Income Taxes: Deferred Tax: Recovery of Underlying Assets* – effective for financial years beginning on or after 1 January 2012 – in EU effective at the latest for financial years beginning on or after 1 January 2013,
- Amendments to IFRS 1 *First–time Adoption of International Financial Reporting Standards: Severe Hyperinflation and Removal of Fixed Dates for First–time Adopters* – effective for financial years beginning on or after 1 July 2011 – in EU effective at the latest for financial years beginning on or after 1 January 2013,
- IFRS 10 *Consolidated Financial Statements Statements* – effective for financial years beginning on or after 1 January 2013, – in EU effective at the latest for financial years beginning on or after 1 January 2014, the Company expects to adopt this standard from 1 January 2014
- IFRS 11 *Joint Arrangements* – effective for financial years beginning on or after 1 January 2013 – in EU effective at the latest for financial years beginning on or after 1 January 2014, the Company expects to adopt this standard from 1 January 2014
- IFRS 12 *Disclosure of Interests in Other Entities* – effective for financial years beginning on or after 1 January 2013 – in EU effective at the latest for financial years beginning on or after 1 January 2014, the Company expects to adopt this standard from 1 January 2014
- Amendment*s to IFRS 10, IFRS 11 and IFRS 12 Transition Guidance* - effective for financial year*s beginning on or a*fter 1 January 2013 – not endorsed by EU till the date of approval of these financial statements,
- IFRS 13 *Fair Value Measurement* - effective for financial years beginning on or after 1 January 2013,
- IAS 27 *Separate Financial Statements* – effective for financial years beginning on or after 1 January 2013 – in EU effective at the latest for financial years beginning on or after 1 January 2014,
- IAS 28 *Investments in Associates and Joint Ventures* – effective for financial years beginning on or after 1 January 2013 – in EU effective at the latest for financial years beginning on or after 1 January 2014,
- IFRIC 20 Stripping C*osts in the Production Phase of a Surface Mine - effective for financial years beginning o*n or after 1 January 2013,
- Amendments to IFRS 7 *Financial Instruments – Disclosures: Offsetting Financial Assets and Financial Liabilities* - effective for financial years beginning on or after 1 January 2013,

- Amendments to IAS 32 *Financial Instruments – Presentation: Offsetting Financial Assets and Financial Liabilities*- effective for financial years beginning on or after 1 January 2014,
- Amendments to IFRS 1 *First–time Adoption of International Financial Reporting Standards: Government Loans* – effective for financial years beginning on or after 1 January 2013 – not endorsed by EU till the date of approval of these financial statements,
- *Improvements to IFRSs* (issued in May 2012) – effective for financial years beginning on or after 1 January 2013 – not endorsed by EU till the date of approval of these financial statements,
- Amendments to IFRS 10, IFRS 12 and IAS 27 *Investment Entities* (issued on 31 October 2012) – effective for financial years beginning on or after 1 January 2014 – not endorsed by EU till the date of approval of these financial statements.

The management of the Parent Company has elected not to adopt these standards, revisions and interpretations in advance of their effective dates. The management of the Parent Company is performing an analysis of the adoption of these standards, revisions and interpretations; this is not yet finalized and the impact has not been assessed.

7. Summary of major accounting principles

i. Basis of consolidation

These consolidated financial statements include the financial statements of the Parent Company – Asseco Central Europe, a. s. (SK) as well as the financial statements of its subsidiary companies prepared in each case for the year ended 31 December 2012. The annual financial statements of subsidiary companies are prepared for the same reporting period as adopted by the Parent Company, with the use of consistent accounting principles for similar transactions and economic activities.

Basis of consolidation from 1 January 2010

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2011.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interest, even if that results in a negative balance.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative translation differences, recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent company's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

Basis of consolidation prior to 1 January 2010

Certain of the above requirements were applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Acquisitions of non-controlling interests, prior to 1 January 2010, were accounted for using the parent entity extension method, whereby the difference between the consideration and the book value of the share of the net assets acquired was recognized in goodwill.
- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further excess losses were attributed to the parent, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 January 2010 were not re-allocated between NCI and the parent shareholders.
- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date that control was lost. The carrying values of such investments at 1 January 2010 have not been restated.

Business combinations and goodwill

Business combinations from 1 January 2010

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Business combinations prior to 1 January 2010

In comparison with the above requirements, the following differences applied:

Business combinations were accounted for using the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Any additional acquired share of interest did not affect previously recognized goodwill.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree were not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that otherwise would have been required under the contract.

Contingent consideration was recognized if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent adjustments to the contingent consideration were recognized as part of goodwill.

Business combination under common control

A business combination under common control is a business combination in which all of the entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and that control is not transitory.

In particular, this will include transactions such as the transfer of subsidiaries or businesses between entities within the Group.

In the case of a business combination under common control, entities within the Group should apply the pooling of interest method.

The pooling of interest method is considered to involve the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts – i.e. no adjustments are made to reflect fair values or to recognize any new assets or liabilities, which would otherwise be done under the acquisition method; the only adjustments that are made are to harmonize accounting policies and eliminate inter-company balances;
- No "new" goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid/transferred and the equity "acquired" is reflected within equity;

ii. Investments in associated companies

The Group's investments in associated companies are valued under the equity method. Associated companies are entities in which the Group holds between 20 and 50% of votes at the General Meeting of Shareholders and on which the Group exerts a significant influence, but without the ability to control them. This means they are neither subsidiary companies nor joint ventures. Financial statements of associated companies, adjusted for compliance with the IFRS, constitute the basis for the valuation of shares in these companies owned by the Group using the equity valuation method. The balance sheet dates of associated companies correspond to those applied by the Group.

Investments in associated companies are presented in the statement of financial position at purchase price increased by further changes in the Group's share in net assets of these entities, reduced by impairment charges. The profit and loss account reflects the Group's share in the results of associated companies. In the case of changes booked directly in the

equity of associated companies, the Group presents its share in each change and, if necessary, discloses this in its statement of changes in equity.

Unrealized profits/losses on transactions carried out between the Group and its associated companies are subject to consolidation eliminations, proportionally to the Group's stakes in individual associated companies. Unrealized losses are also eliminated unless it is obvious from transactions that impairment of transferred assets took place. Investment in an associated company comprises goodwill created at the acquisition date. Should the Group's participation in losses of an associated company equal or exceed the investment value, the Group does not recognize any further losses unless it committed itself to settle the liabilities of, or to make payments to, such an associated company.

iii. Goodwill

Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods

iv. Disposal of subsidiary and associated companies

Gain/loss on disposal of a subsidiary and/or associated company is the difference between the selling price and the value of net assets/investments plus goodwill of the entity involved.

v. Participation in a joint venture

The Group's participation in joint ventures is accounted for under the proportional consolidation method, whereby a venturer's share in each of the assets, liabilities, income and expenses of a jointly controlled entity is combined line by line with similar items in the venturer's consolidated financial statements. Before the financial data of a joint venture are entered in the consolidated financial statements, they are subject to appropriate adjustments in order to bring such financial data into compliance with the IFRS as applied by the Group.

vi. Treatment of put options held by non-controlling interests in the consolidated financial statements

A contract that contains an obligation for an entity to purchase its own equity instruments gives rise to a financial liability for the present value of the redemption amount, even if the obligation to purchase is conditional on the counterparty exercising a right to redeem, for example in situations where the non-controlling interests are entitled to put shares of a subsidiary to be purchased by the Parent Company.

If concluded based on contractual terms that the acquirer does not have a present ownership interest in the shares concerned, the non-controlling interest is still attributed its share of the profits and losses (and other changes in equity) of the acquiree. The impact of the put option is the amount attributable to the non-controlling interest to be reclassified as a financial liability. The reclassification of the non-controlling interest is deemed to be equivalent to a change in the non-controlling interest. Therefore, the accounting at the end of the reporting period should replicate the accounting that would be adopted as if the option had been exercised at that date.

Accordingly, any difference between the liability under the put option at the end of the reporting period and the non-controlling interest reclassified is accounted for as a change in the non-controlling interest. No amount is recognized in the profit or loss for the financial liability or separate accounting for the unwinding of any discount in respect of the liability. It also means that the liability resulting from the put option is not subject to any discount.

While the put option remains unexercised, the accounting at the end of each reporting period is as follows:

- The entity determines the amount that would have been recognized within equity for the non-controlling interest, including an update to reflect its share of profits and losses (and other changes in equity) of the acquiree for the period, and
- The entity accounts for the difference between (1) the amount determined above and (2) the fair value of the liability under the put option, as a change in the non-controlling interest.

If the put option is ultimately exercised, the same treatment will be applied up to the date of exercise. The amount recognized as the financial liability at that date will be extinguished by payment of the exercise price. If the put option expires unexercised, the position will be unwound, so that the non-controlling interest at that date is reclassified back to equity and the financial liability is derecognized.

vii. Translation of items expressed in foreign currencies

The functional currency of the Parent Company as well as the reporting currency used in these consolidated financial statements is the euro (EUR). The functional currencies of the Group's foreign subsidiaries are Euro (EUR), Czech crown (CZK), Hungarian forint (HUF) and Swiss Franc (CHF).

Transactions denominated in foreign currencies are initially recognized at the functional currency exchange rate on the transaction date. Assets and liabilities expressed in foreign currencies are restated at the functional currency exchange rate on 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 assets and liabilities of foreign operations are translated into EUR at the rate of exchange prevailing at the reporting date and their income statements are translated at the exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the income statement.

Any goodwill arising on the acquisition of a foreign operation subsequent to 1 January 2005 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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

Currency	As at 31 Dec 2012	As at 31 Dec 2011
CZK	25.151	25.787
CHF	1.2072	1.2156
HUF	292.3	314.580
PLN	4.074	4.458

Average exchange rates for the specified reporting periods were as follows:

Currency	Period of 12 months ended 31 Dec 2012	Period of 12 months ended 31 Dec 2011
CZK	25.149	24.590
CHF	1.205	1.233

HUF	289.249	279.373
PLN	4.185	4.121

viii. 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 into 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 also constitute a component of assets.

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 years
Machinery and technical equipment	4-12 years
Transport vehicles	3-6 years
Computer hardware	4-12 years

The appropriateness of the periods of useful life and residual values applied is subject to annual verification, which results in appropriate adjustments to depreciation charges being 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 the disposal against the present book value of such asset, and it is accounted for as an operating income/expense. Any gains or losses resulting from the removal 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 relate to tangible assets under construction or during assembly and 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.

ix. Intangible assets

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

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.

All the intangible assets subject to amortization are amortized under the straight-line method. Below are the periods of useful life adopted for intangible assets:

Type	Period of useful life
Cost of development work	2-5 years

Computer software	2-9 years
Patents and licences	2-8 years
Customer contracts and related customer relations	2-7 years
Other	2-5 years

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 definite is made on a prospective basis

Except for development work on products (software packages), intangible assets produced by the company on its own are not capitalized, but 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 removal 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 the item) is disclosed in the profit and loss account for the period in which the derecognition was effected.

x. Leasing

Finance lease agreements, under which substantially all the risks and rewards incidental to ownership of the leased asset are transferred to the Group, 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 the shorter.

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

xi. Impairment of non-financial assets

At each reporting date, the Group assesses whether there is an indication that an asset may be impaired. Should there be any indications of impairment, the Group 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 its recoverable value. The recoverable value is whichever of the following two values is the lower: fair value of an asset or cash-generating unit less selling expenses, or value in use determined for an asset or a cash-generating unit if the asset or cash generating unit generates cash inflows significantly independent from the cash inflows generated by other assets (other group of assets) or other cash-generating units.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a 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 income statement in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken into 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 are performed every year for intangible assets with an indefinite period of useful life, not yet available for use and those which are no longer used. The remaining intangible assets are tested for impairment if there are indicators of a possible impairment in value. Should the book value exceed 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 reduced to the recoverable value.

xii. Government subsidies

Government subsidies are a form of financial assistance provided to enterprises by the government in exchange for satisfying, in the past or in the future, certain conditions related to their operating activities. Government subsidies do not include any forms of government aid which have no precise value, nor any transactions conducted with the government which cannot be differentiated from ordinary business transactions of an enterprise.

Government subsidies are not recognized in accounts until there is sufficient certainty that a beneficiary company is going to meet the subsidy conditions and that the subsidy is going to be received, while the fact of actually having received a subsidy may not itself be perceived as convincing evidence that the subsidy conditions have been or will be met.

The method of subsidy accounting does not depend upon the manner in which it was granted. Therefore, a subsidy is accounted for using the same approach, irrespective of whether it was received in cash or in the form of a reduction of liabilities towards the government.

If a subsidy corresponds to a specific cost item, then it is recognized as income proportionally to the incurrence of the costs which the subsidy is supposed to compensate.

However, if a subsidy corresponds to a specific asset then its fair value is initially recognized in the deferred income account and amortized in the profit and loss account over the estimated useful life of the related asset.

xiii. 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 effected 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 Group intends and is able to hold up 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 fixed assets if their maturity exceeds 12 months from the balance sheet date.

Financial instruments acquired in order to generate profits owing to current price fluctuations are classified as financial instruments valued at fair value through profit or loss. Financial instruments valued at fair value through profit and 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 of 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 fixed 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. Should financial instruments not be quoted on an active market and should it not be possible to reliably determine their fair value using alternative methods, financial assets available for sale are valued at the purchase price adjusted by impairment charges. Provided that financial instruments have a market price determined in a regulated active market or it is possible to determine their fair value in another 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) are disclosed in the asset revaluation reserve. A decrease in the value of assets available for sale, resulting from their impairment, is disclosed 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 and loss are measured at amortized cost using the effective interest rate.

A financial instrument is removed from the statement of financial position if the Group no longer controls the contractual rights arising from such an 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.

xiv. Trade accounts receivable

Trade accounts receivable, usually with payment terms ranging from 14 to 60 days, are recognized and disclosed at the amounts initially invoiced, less any allowances for uncollectable receivables. An allowance for doubtful accounts is determined if it is no longer probable that the entire amount receivable 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. Should the discounting method be used, the increase in receivables over time is booked as financial income.

xv. Cash and cash equivalents, restricted cash

Cash and cash equivalents presented in the statement of financial position consist of cash held 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 consolidated statement of cash flows consists of cash and cash equivalents as defined above. For the purposes of the statement of cash flows, the Group decided not to present current account credits (used as an element of financing) and restricted cash in the balance of cash and cash equivalents. Restricted cash is presented in a separate position of the statement of financial position.

xvi. Interest-bearing bank credits and loans

All the bank credits, loans and debt securities are initially recognized at cost; this is at fair value of cash received less the costs related to obtaining a credit or loan, or issuing a debt security.

Subsequently to such initial recognition, bank credits, loans and debt securities are measured at amortized purchase price using the effective interest rate. Determination of the amortized purchase price takes into account the costs related to obtaining a credit or loan, or issuing a debt security, as well as the discounts or bonuses obtained on repayment of the liability.

The difference between the cash received (net of costs related to obtaining a credit or loan, or issuing a debt security) and the repayment amount is disclosed in the profit and loss account over the term of the liability involved. Gains and losses are recognized in the profit and loss account after the liability has been removed from the statement of financial position but also when impairment is detected or depreciation charges are made. All expenses relating to bank credits, loans or debt securities issued, are recognized in the profit and loss account for the period to which they relate.

xvii. Trade accounts payable

Trade accounts payable relating to operating activities are recognized and disclosed at the amounts stated on the invoices 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.

xviii. Derivative financial instruments

In order to hedge against the risk of changes in foreign currency exchange rates and in interest rates, the Group 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 a similar maturity.

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

xix. Impairment of financial assets

At each balance sheet date, the Group determines whether 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 amounts of such assets are reduced either directly or by establishing an impairment write-down. The amount of the loss is recognized in the profit and loss account.

The Group 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 Group 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 collectively assesses them 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. Any such 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 at which 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 such an 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 removed 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 the impairment loss is reversed in the profit and loss account.

xx. Inventories

Inventories are valued at 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 consumed inventories by using the specific identification method. Revaluation write-downs of inventories are recognized in operating expenses.

xxi. 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; and
- prepaid third-party services to be provided in future periods; other incurred expenses that relate to future periods.

xxii. Accrued expenses and deferred income

Accrued expenses are recognized in the profit and loss account in the amount of 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 practices in the trade should be considered.

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

xxiii. 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 proportion 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.

Should it not be possible 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, which should however be 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 has been detected.

Production costs of unfinished services comprise the costs incurred from the effective date of relevant agreement to the balance sheet date. Production costs that have been incurred prior to concluding the agreement and 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 reduced 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) sales income resulting from such a difference is disclosed as other liabilities.

xxiv. Provisions

A provision should be recognized when the Group 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 Group expects that the expenditure required to settle a provision is to be reimbursed, e.g. under an insurance contract, this reimbursement should be 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 to be presented in the profit and loss account, net of the amount of any reimbursements.

The Group 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.

xxv. Equity

Equity is composed of shareholders' equity and non-controlling interest.

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

- share capital, disclosed in the amount of capital contributions made and paid up;
- share premium from the sale of shares over their par value;
- foreign currency translation differences on foreign operations;
- retained earnings, including other capital funds and net profit for the reporting period; and
- non-controlling interest.

Non-controlling interest is equity in a subsidiary not attributable, directly or indirectly to the Parent. In the event of a transaction whereby the Group increases its equity interest in a subsidiary (partial or full buy-out of non-controlling interests), such a transaction is deemed not to be a business combination. The assets, liabilities and equity of such a subsidiary are measured at fair value at the date when an additional equity stake is acquired by the Group. The difference between the purchase price of non-controlling interests and the book value of net assets acquired is recognized directly in equity disclosed in the Group's consolidated financial statements.

xxvi. Sales revenue

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

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 the products have been transferred to the buyer and when the amount of revenue can be reliably measured. Sales of computer software services (implementations, modifications, maintenance) are recognized systematically over the term of the relevant contracts, whereas revenues from the 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 the work completed out of the total work effort planned. Should it be impossible to reliably estimate the result of the contract, the revenues are only recognized in the amount of costs incurred which the Group expects to recover. Revenues relating to package solutions (products/licensing fees) are recognized when they occur.

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 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.

xxvii. Operating costs

The Group companies maintain 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.

xxviii. Payroll expenses and costs of social and other insurance

The Group provides current 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 Group 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 Group contributes an amount of up to 3.0% of the total monthly tariff wage for these purposes.

No pension scheme is currently in operation in the Group.

xxix. Income tax and value added tax

For financial reporting purposes , deferred income tax is calculated applying the statement of financial position 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 the initial recognition of goodwill or initial recognition of an asset or liability on a transaction other than the 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 the 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 the amount that it is probable that future taxable income will be sufficient to allow the 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 the 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 case of negative temporary differences arising from investments in subsidiary or associated companies or from participation in joint ventures, deferred tax assets are recognized in the statement of financial position in the amount only that it is probable that the 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 in order 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 is 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 disclosed under equity and not in the profit and loss account.

Revenues, expenses and assets are disclosed 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 tax authorities is included in the statement of financial position as a part of receivables or liabilities.

xxx. Net profit (loss) attributable to non-controlling interests

This item represents the Group's net profit for the reporting period, attributable to its non-controlling interests.

Earnings per share (basic and diluted)

Basic earnings per share for each reporting period are computed by dividing the net profit from continuing operations for the reporting period, attributable to shareholders of the Parent Company, by the average weighted number of shares outstanding in the given reporting period.

Diluted earnings per share for each reporting period are calculated by dividing the net profit from continuing operations for the reporting period by the total of the average weighted number of shares outstanding in the given reporting period and all shares of potential new issues.

xxxi. Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at whichever is the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

In the consolidated statement of comprehensive income of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

III. INFORMATION ON OPERATING SEGMENTS

According to IFRS 8, an operating segment is a separable component of the Group's business for which separate financial information is available and regularly reviewed by the chief operating decision-maker in order to allocate resources to the segment and to assess its performance.

As a result of the analysis conducted, the Group identified the following three operating segments:

- the Slovak market – this segment groups the companies which generate sales revenue mostly in the domestic market. Performance of this segment is analyzed on a regular basis by the Parent Company's Management Board acting as the chief operating decision-maker. The Slovak market segment comprises the following entities: Asseco Central Europe, a. s. (SK), Asseco Solutions, a. s. (SK), DanubePay, a. s. and Slovanet, a. s. These companies offer comprehensive IT and internet services intended for a broad range of clients operating in the sectors of financial institutions, enterprises and public administration.
- the Czech market – this segment gathers together the companies which generate sales revenues mostly in the Czech Republic (Asseco Central Europe, a. s. (CZ), Asseco Solutions, a. s. (CZ)), Germany (Asseco BERIT GmbH) and Switzerland (Asseco BERIT AG). The performance of these companies is assessed on a periodic basis by the Management Board of Asseco Central Europe, a. s. (CZ). The segment's performance as a whole is subject to regular verification by the Management Board of Asseco Central Europe, a. s. (SK). This group offers comprehensive IT solutions and services intended primarily for the enterprises and public administration sector.
- the Hungarian market – this segment includes two Hungarian companies: Statlogics Zrt. and GlobeNet, Zrt., which derive their revenues from the Hungarian market. Performance of these companies is assessed on a periodic basis by the Management Board of Asseco Central Europe, a. s. (SK). These companies offer comprehensive IT services intended for a broad range of clients operating in the sectors of financial institutions, enterprises and public administration.

For 12 months ended 31 December 2012 and as at 31 December 2012 (audited)	Slovak market	Czech market	Hungarian market	Eliminations	Total
Sales revenues:	**74,398**	**58,709**	**7,532**	**(6,199)**	**134,440**
Sales to external customers	71,702	55,206	7,532		**134,440**
Inter/intra segment sales	2,696	3,503	0	(6,199)	**0**
Operating profit (loss) of reportable segment	**7,747**	**10,104**	**679**	**(908)**	**17,622**
Interest income	383	89	29	(51)	**450**
Share in profits of associated companies	40	215	0	0	**255**
Interest expense	(290)	(1)	(35)	50	**(276)**
Corporate income tax	**(1,263)**	**(2,090)**	**210**		**(3,143)**
Non-cash items:					
Depreciation and amortization	(7,441)	(1,357)	(1,626)	72	**(10,352)**
Impairment write-downs on segment assets	(329)	(205)	(111)	119	**(526)**
Net profit (loss) of reportable segment	**13,787**	**9,514**	**569**	**(9,469)**	**14,401**
Segment assets, of which:	139,444	26,949	(765)	(5,514)	**160,113**
goodwill from consolidation	*10,706*	*23,451*	*7,097*		**41,254**
investments in associated companies	144	671	0		**815**
					0
Segment capital expenditures	**(8,654)**	**(1,193)**	**(69)**	**0**	**(9,916)**

The amount of EUR 8,453 thousand in the eliminations column represents elimination of intragroup dividends.
Impairment write-downs consist of creation and release of allowances for receivables, other assets and goodwill impairment charge.

For 12 months ended 31 December 2011 and as at 31 December 2011 (audited)	Slovak market	Czech market	Hungarian market	Eliminations	Total
Sales revenues:	**72,337**	**57,221**	**9,044**	**(5,117)**	**133,485**
Sales to external customers	70,444	54,004	9,037	-	**133,485**
Inter/intra segment sales	1,893	3,217	7	(5,117)	**-**
Operating profit (loss) of reportable segment	**8,516**	**7,933**	**2,602**	**(1,050)**	**18,001**
Interest income	267	59	9	(19)	**316**
Share in profits of associated companies	53	241	-	-	**294**
Interest expense	(427)	(2)	(44)	19	**(454)**
Corporate income tax	**(1,668)**	**(1,511)**	**(51)**	155	**(3,075)**
Non-cash items:					
Depreciation and amortization	(6,434)	(1,040)	(1,785)	-	**(9,259)**
Impairment write-downs on segment assets	(656)	(558)	(1,346)	-	**(2,560)**
Net profit (loss) of reportable segment	**13,182**	**7,945**	**2,683**	**(8,068)**	**15,742**
Segment assets, of which:	148,254	28,419	3,513	(4,566)	**175,619**
goodwill from consolidation	*10,596*	*22,882*	*7,839*	-	***41,317***
investments in associated companies	*137*	*625*	-	-	***762***
Segment capital expenditures	**(4,009)**	**(565)**	**(888)**	**-**	**(5,462)**

The amount of EUR 8,068 thousand in the elimination column represents elimination of intragroup dividends.
Impairment write-downs consist of creation and release of allowances for receivables, other assets and goodwill impairment charge.

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Sales revenue

In 2012 and the corresponding comparative period, revenues reported by the Group were as follows:

Sales revenues by type of business	12 months ended 31 Dec 2012 (audited)	12 months ended 31 Dec 2011 (audited)
Proprietary software and services	77,126	79,331
Third-party software and services	16,199	15,763
Telco	32,253	28,167
Logistic and outsorcing	8,375	10,015
Other sales	487	209
	134,440	**133,485**

Sales revenues by sectors	12 months ended 31 Dec 2012 (audited)	12 months ended 31 Dec 2011 (audited)
Banking and finance	24,011	33,521
Enterprises	53,874	55,754
Public institutions	56,555	44,210
	134,440	**133,485**

2. Operating costs

	12 months ended 31 Dec 2012 (audited)	12 months ended 31 Dec 2011 (audited)
Materials and energy used	(2,484)	(6,311)
Third-party services	(42,375)	(37,047)
Salaries	(34,711)	(35,154)
Employee benefits, of which	(11,135)	(10,302)
social security contributions	(3,569)	*(3,906)*
Depreciation and amortization	(10,352)	(9,259)
Taxes and charges	(125)	(105)
Business trips	(768)	(739)
Other	(1,062)	(1,630)
Cost of merchandise	(14,258)	(13,669)
	(117,270)	**(114,216)**

3. Other operating income and expenses

Other operating income	12 months ended 31 Dec 2012 (audited)	12 months ended 31 Dec 2011 (audited)
Gain on disposal of non-current assets	66	298
Release of other provisions	788	1,003
Subsidies	11	776
Compensations received	375	253
Recharged services		22
Other	255	277
	1,495	**2,629**

In 2012 Asseco Central Europe, a.s. released a provision created for contractual penalties related to delayed project deliveries in 2011 in amount EUR 635 thousand. The Company concluded negotiation about penalties with the customers without disputes and thus provisions were reversed.

In 2011 Group released a provision for legal proceedings of EUR 956 thousand, following a settlement agreement between the Ministry of Foreign Affairs and Asseco Central Europe, a.s. (CZ) regarding the obligations of the cancelled project Visa Information System.

Other operating expenses	12 months ended 31 Dec 2012 (audited)	12 months ended 31 Dec 2011 (audited)
Loss on disposal of non-current assets	(4)	(1)
Liquidation costs of non-current assets and inventories	0	(197)
Other provisions created	(789)	(3,378)
Charitable contributions to unrelated companies	(29)	(19)
Costs of recharged services	(13)	(22)
Receivables write-offs	(5)	-
Other	(203)	(280)
	(1,043)	**(3,897)**

In 2012 the Group created a provision to the non-cancellable office lease contract in Asseco Central Europe, a.s. /CZ/ of EUR 789 thousand in addition to the EUR 1,394 thousand created in 2011, which was partially released in 2012 in amount EUR 131 thousands.

Apart from this in 2011 Asseco Central Europe, a.s. /CZ/ created a provision of EUR 1,107 thousand in connection with software sub-deliveries provided by vendors during the period. Part of this provision was released in 2012. The balance of other provisions created in 2011 is represented by provisions for contractual penalties of EUR 754 thousand, mostly related to delays in project deliveries in 2011.

4. Financial income and expenses

Financial income	12 months ended 31 Dec 2012 (audited)	12 months ended 31 Dec 2011 (audited)
Interest income on loans granted, debt securities and bank deposits	430	316
Other interest income	20	-
Gain on foreign exchange differences	336	521
Other financial income	1,453	2,069
Gain on change in fair value of currency forward contracts	-	10
Gain on exercise of currency forward contracts	26	21
Total financial income	**2,265**	**2,937**

Other financial income reported in 2012 represents a gain from business combination accounting. In particular, EUR 1,450 thousand relates to remaining partial reversal of a contingent consideration in connection with the acquisition of GlobeNet, of which the first part was reversed in 2011 in the same amount. Remaining part of Other financial income in 2011 corresponds to negative goodwill that arose from acquisitions carried out by Slovanet in EUR 403 thousand. Refer to the Note 12 for more details.

Financial expenses	12 months ended 31 Dec 2012 (audited)	12 months ended 31 Dec 2011 (audited)
Interest expense on bank credits, loans, debt securities	(168)	(307)
Interest expense on financial leases	(96)	(147)
Bank fees and charges	(106)	(128)
Loss on foreign exchange differences	(607)	(298)
Loss on disposal of other capital investments	(1)	(9)
Loss on valuation of capital investments	(1,450)	(1,450)
Other financial expenses	(98)	(50)
Loss on exercise of financial derivatives	(72)	(26)
Total financial expenses	**(2,598)**	**(2,415)**

As a result of annual impairment tests performed as at 31 December 2012, the Group recognized an impairment charge of EUR 1,450 thousand related to goodwill from the acquisition of GlobeNet.

As a result of annual impairment tests performed as at 31 December 2011, the Group recognized an impairment charge of EUR 1,450 thousand related to goodwill from the acquisition of GlobeNet .

5. Corporate income tax

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

	12 months ended 31 Dec 2012 (audited)	12 months ended 31 Dec 2011 (audited)
Current portion of corporate income tax and prior years adjustments	(2,562)	(4,593)
Deferred portion of corporate income tax	(581)	1,518
Related to occurrence or reversal of temporary differences	*(581)*	*1,518*
Income tax expense as disclosed in the profit and loss account, of which:	**(3,143)**	**(3,075)**
Corporate income tax attributable to continuing operations	*(3,143)*	*(3,075)*

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 the taxpayers of the possibility to refer to well-established regulations or legal precedents. The regulations currently 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 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 the corporate income tax payable on pre-tax profit according to the statutory tax rates with the corporate income tax computed at the Group's effective tax rate.

	12 months ended 31 Dec 2012 (audited)	12 months ended 31 Dec 2011 (audited)
Pre-tax profit		
Pre-tax profit from continuing operations	**17,289**	**18,817**
Statutory corporate income tax rate	19%	19%
Corporate income tax computed at the statutory tax rate	**3,285**	**3,575**
Non-deductible expenses from disposal of subsidiary	-	-
Income exempt from taxation	(34)	(216)
Difference in corporate income tax rates	27	(220)
Other non-deductible expenses and non-taxable income	(135)	(64)
Corporate income tax computed	**3,143**	**3,075**

The Group made an estimate of taxable income planned to be achieved in the future and concluded it would enable the recovery of deferred income tax assets of EUR 1,371 thousand as at 31 December 2012 (EUR 2,092 thousand as at 31 December 2011).

Deferred tax asset / liability	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Deferred income tax assets	1,371	2,092
Deferred income tax liabilities	(1,009)	(781)
Deferred income tax asset/liability, net	**362**	**1,311**

	Balance Sheet			Profit and Loss Account		
	31 Dec 2012 (audited)	Business combination (audited)	31 Dec 2011 (audited)	12 months ended 31 Dec 2012 (audited)	12 months ended 31 Dec 2011 (audited)	Foreign currency differences on translation of foreign subsidiaries
Deferred income tax provision						
Valuation of financial assets at fair value	(1,268)	(344)	(1,432)	508	272	-
Receivables from the valuation of long-term IT contracts	(21)	-	-	(21)	130	-
Difference between tax and accounting amortisation	(90)	-	(158)	73	(166)	5
Difference between tax and accounting depreciation	(919)	(69)	(768)	(77)	416	5
Other	(167)	-	(104)	(64)	(652)	(1)
Deferred income tax provision, gross	**(2,465)**		**(2,462)**			
Deferred income tax assets						
Accrued expenses, provisions and other liabilities	319	-	802	(493)	188	(10)
Provisions for warranty repairs and returns	390		261	127	(104)	(2)
Other provisions	434		654	(232)	521	(12)
Liabilities related to valuation of IT contracts	284	-	453	(179)	594	(10)
Unused tax losses and unused tax credits	764	10	961	(207)	(591)	-
Difference between tax and accounting depreciation	30	-	70	(42)	(40)	(2)
Revaluation of intangible assets, including write-offs	183	-	205	(26)	189	(4)
Trade receivables writte-offs	397	-	305	91	52	(1)
Other	26	-	62	(39)	709	(3)
Deferred income tax assets, gross	**2,827**		**3,773**			
Write-down due to impossibility to realize a deferred income tax asset	-		-			
Deferred income tax assets, net	**2,827**		**3,773**			
Deferred tax offset by companies						
Deferred income tax assets (+)	1,371		2,092			
/Deferred income tax provision (-)	(1,009)		(781)			
Change in deferred income tax in the period reported, of which				**(581)**	**1,518**	**(35)**
deferred income tax change recognized directly in other comprehensive income				-	-	
deferred income tax change recognized in profit or loss				(581)	1,518	

6. Earnings per share

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

Diluted earnings per share are computed by dividing net profit for the financial period, attributable to shareholders of the Parent 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 2012 (audited)	12 months ended 31 Dec 2011 (audited)
Net profit attributable to Shareholders of the Parent Company	**14,213**	**14,894**
Dilution factors	-	-
Adjusted average weighted number of ordinary shares, used for calculation of diluted earnings per share	**21,360,000**	**21,360,000**

In both the reporting period and the prior year's corresponding period no events took place that would cause dilution of earnings per share.

7. Dividends

In 2012 the Parent company paid out to its shareholders a dividend of EUR 0,66 per share in total amount of EUR 14,097,600.

In 2011 the Parent Company paid out a dividend to its shareholders for 2010. By decision of the Ordinary General Meeting of Shareholders of Asseco Central Europe, a.s. (SK), the amount of EUR 4,699 thousands from net profit for 2010 was allocated to payment of a dividend of EUR 0.22 per share.

8. Discontinued operations

In 2012, whereas in 2011 the Group did not recognize any profit or loss from discontinued operations in its profit and loss account.

9. Property, plant and equipment

For 12 months ended 31 December 2012 (audited)	Land and buildings	Computers and other office equipment	Transport vehicles	Other tangible assets	Tangible assets under construction	Total
As at 1 January 2012, less depreciation and impairment allowance	**5,896**	**10,564**	**1,281**	**156**	**1,396**	**19,293**
Additions, of which:	3,892	4,463	947	124	4,347	**13,773**
Purchases	*396*	*1,202*	*808*	*124*	*4,347*	***6,877***
Taking control over subsidiaries	*2,036*	*318*	*44*	*0*	*0*	***2,398***
Put in use and other changes	*1,460*	*2,943*	*95*	*0*	*0*	***4,498***
Reductions, of which:	(752)	(3,703)	(587)	(81)	(4,511)	**(9,634)**
Depreciation charge for the reporting period	*(756)*	*(3,698)*	*(584)*	*(82)*	*0*	***(5,120)***
Impairment write-downs	*0*	*0*	*0*	*0*	*0*	***0***
Disposal and liquidation	*0*	*(1)*	*(3)*	*(1)*	*(11)*	***(16)***
Put in use and other changes	*4*	*(4)*	*0*	*2*	*(4,500)*	***(4,498)***
Foreign currency differences on translation of foreign subsidiaries (+/-)	*11*	*44*	*16*	*6*	*2*	***79***
As at 31 December 2012, less depreciation	**9,047**	**11,368**	**1,657**	**205**	**1,234**	**23,511**
As at 1 January 2012						
Gross value	9,048	37,008	3,935	754	1,396	**52,141**
Depreciation and impairment write-downs	(3,152)	(26,444)	(2,654)	(598)	0	**(32,848)**
Net book value as at 1 January 2012	**5,896**	**10,564**	**1,281**	**156**	**1,396**	**19,293**
As at 31 December 2012						
Gross value	13,273	42,829	4,645	897	1,234	**62,878**
Depreciation and impairment allowance	(4,226)	(31,461)	(2,988)	(692)	0	**(39,367)**
Net book value as at 31 December 2012	**9,047**	**11,368**	**1,657**	**205**	**1,234**	**23,511**

Assets under construction represent investments into infrastructure carried out by Slovanet in 2012. As at 31 December 2012, no property, plant and equipment served as security for bank credits.

For 12 months ended 31 December 2011 (audited)	Land and buildings	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	**5,231**	**11,766**	**1,125**	**125**	**441**	**18,688**
Additions, of which:	1,450	2,394	837	107	957	**5,745**
Purchases	-	*332*	*560*	*101*	*3,485*	***4,478***
Taking control over subsidiaries	*141*	*332*	-	-	*445*	***918***
Other changes	*1,309*	*1,730*	*277*	*6*	*(2,973)*	***349***
Reductions, of which:	(785)	(3,596)	(681)	(76)	(2)	**(5,140)**
Depreciation charge for the reporting period	*(773)*	*(3,354)*	*(551)*	*(63)*	-	***(4,741)***
Impairment write-downs	-	-	*(22)*	-	-	***(22)***
Disposal and liquidation	-	*(2)*	*(81)*	*(2)*	-	***(85)***
Other changes	-	*(177)*	-	-	-	***(177)***
Foreign currency differences on translation of foreign subsidiaries (+/-)	*(12)*	*(63)*	*(27)*	*(11)*	*(2)*	***(115)***
As at 31 December 2011, less depreciation	**5,896**	**10,564**	**1,281**	**156**	**1,396**	**19,293**
As at 1 January 2011						
Gross value	7,471	32,206	3,923	1,088	441	**45,129**
Depreciation and impairment write-downs	(2,240)	(20,440)	(2,798)	(963)	-	**(26,441)**
Net book value as at 1 January 2011	**5,231**	**11,766**	**1,125**	**125**	**441**	**18,688**
As at 31 December 2011						
Gross value	9,048	37,008	3,935	754	1,396	**52,141**
Depreciation and impairment allowance	(3,152)	(26,444)	(2,654)	(598)	-	**(32,848)**
Net book value as at 31 December 2011	**5,896**	**10,564**	**1,281**	**156**	**1,396**	**19,293**

Assets under construction represent investments into infrastructure carried out by Slovanet in 2011. As at 31 December 2011, no property, plant and equipment served as security for bank credits.

10. Intangible assets

For 12 months ended 31 December 2012 (audited)	Internally generated R&D costs	Software, patents and licenses	Intangible assets not put in use	Other	Total
As at 1 January 2012, less amortization and impairment allowance	**2,026**	**14,161**	**-**	**7,833**	**24,020**
Additions, of which:	313	987	548	2,028	**3,876**
Purchases	-	*634*	-	-	***634***
Taking control over subsidiaries	*17*	*72*	-	*1,661*	***1,750***
Change in classification of types of intangible assets					
Other	*296*	*281*	*548*	*367*	***1,492***
Reductions, of which:	(732)	(3,055)	(102)	(2,118)	**(6,007)**
Amortization charge for the reporting period	*(756)*	*(2,569)*	-	*(1,991)*	***(5,316)***
Impairment write-downs	*102*	*(153)*	-	-	***(51)***
Disposal and liquidation	-	*(2)*	-	-	***(2)***
Change in classification of types of intangible assets	-	-	-	-	**-**
Other changes	*(17)*	*(113)*	*(102)*	-	***(232)***
Foreign currency differences on translation of foreign subsidiaries (+/-)	*(61)*	*(218)*	-	*(127)*	***(406)***
As at 31 December 2012, less amortization	**1,607**	**12,093**	**446**	**7,743**	**21,889**
As at 1 January 2012	-	-	-	-	**-**
Gross value	3,456	26,392	-	11,596	**41,444**
Amortization and impairment allowance	(1,430)	(12,231)	-	(3,763)	**(17,424)**
Net book value as at 1 January 2012	**2,026**	**14,161**	**-**	**7,833**	**24,020**
As at 31 December 2012	-	-	-	-	-
Gross value	3,769	24,947	446	13,561	**42,723**
Amortization and impairment allowance and foreign currency differences on translation of foreign subsidiaries	(2,162)	(12,854)	-	(5,818)	**(20,834)**
Net book value as at 31 December 2012	**1,607**	**12,093**	**446**	**7,743**	**21,889**

As at 31 December 2012, intangible assets with net book value of EUR 400 thousand served as security for bank credits. Liabilities under the credits secured with those assets as at 31 December 2012 were EUR 8 thousand.

Intangible assets not put in use represents internally development of software without any impairment indicated. Column Other represents PPA from acquisitions (customer contracts) in amount EUR 7,743 thousands (in 2011 amount EUR 7,833 thousand respectively).

For 12 months ended 31 December 2011 (audited)	Internally generated R&D costs	Software, patents and licenses	Intangible assets not put in use	Other	Total
As at 1 January 2011, less amortization and impairment allowance	**2,463**	**7,397**	**12,300**	**6,391**	**28,551**
Additions, of which:	343	15,334	-	4,608	**20,285**
Purchases	-	*5,464*	-	-	***5,464***
Taking control over subsidiaries	-	*1,912*	-	*446*	***2,358***
Change in classification of types of intangible assets	*(108)*	*(4,054)*	-	*4,162*	**-**
Other	*783*	*12,300*		-	***13,083***
Reductions, of which:	(1,112)	(8,858)	(12,300)	(3,166)	**(25,436)**
Amortization charge for the reporting period	*(669)*	*(1,890)*	-	*(1,959)*	***(4,518)***
Impairment write-downs	*(254)*	*(709)*	-	-	***(963)***
Disposal and liquidation	-	*(6,000)*	-	-	***(6,000)***
Change in classification of types of intangible assets	*29*	*856*	-	*(885)*	**-**
Other changes	-	*(1,052)*	*(12,300)*	-	***(13,352)***
Foreign currency differences on translation of foreign subsidiaries (+/-)	*(218)*	*(63)*		*(322)*	***(603)***
As at 31 December 2011, less amortization	**2,026**	**14,161**	**-**	**7,833**	**24,020**
As at 1 January 2011					
Gross value	3,113	17,153	12,300	7,501	**40,067**
Amortization and impairment allowance	(650)	(9,756)	-	(1,110)	**(11,516)**
Net book value as at 1 January 2011	**2,463**	**7,397**	**12,300**	**6,391**	**28,551**
As at 31 December 2011					
Gross value	3,456	26,392	-	11,596	**41,444**
Amortization and impairment allowance and foreign currency differences on translation of foreign subsidiaries	(1,430)	(12,231)	-	(3,763)	**(17,424)**
Net book value as at 31 December 2011	**2,026**	**14,161**	**-**	**7,833**	**24,020**

As at 1 January 2011 the Group brought its classification of intangible assets in line with that of the Asseco Poland Group. Since that date, the Group has presented intangible assets acquired in business combinations in the column: other intangible assets. Prior to 1 January 2011, such assets were reported in the columns: internally generated R&D costs and software, patents and licenses. As a result of the presentation change, acquisition costs (EUR 4,162 thousand) and accumulated amortization (EUR 885 thousand) were transferred between the corresponding columns. No change in amortization rates was recognized in this regard.

The purchase of intangible assets represents an acquisition of licence def 3000/CB from Asseco Poland S.A. (EUR 5,200 thousand). The disposal of intangible assets of EUR 6,000 thousand represents a sale of UNiQUARE software (Teller, Loan) to Asseco Poland S.A.

As at 31 December 2011, intangible assets with net book value of EUR 400 thousand served as security for bank credits. Liabilities under the credits secured with those assets as at 31 December 2011 were EUR 106 thousand.

11. Organization and changes in the Asseco Central Europe Group structure, including specification of entities subject to consolidation

Over the 12 months period ended 31 December 2012, the following changes in the Group structure were observed:

- Increase of shareholding in associated company Crystal Consulting, s. r. o. by Asseco Solutions, a. s. /SK/ to 50% in March 2012 (refer to Note 13).
- Purchase of 100% shares in NZ Servis s. r. o. by Asseco Solutions /CZ/ on 4 April 2012 (refer to Note 12) .
- Exercise of put option by non-controlling shareholders in Statlogics on 16 May 2012. Asseco Central Europe, a. s. /SK/ increased the Parent Company's ownership interest in Statlogics to 100%. (in 2011: 85.02%), (refer to Note 21).
- Exercise of call option by Asseco Central Europe, a. s. /SK/ in GlobeNet on 25 May 2012. Asseco Central Europe, a. s. /SK/ increased the Parent Company's ownership interest in GlobeNet to 70%. (in 2011: 60%), (refer to Note 21).
- Share purchase agreement regarding the acquisition of remaining 30% shares in GlobeNet concluded on 11 June 2012. Shares were transferred on 2 August 2012 after fulfilment of all conditions precedent. Asseco Central Europe, a. s. currently controls 100% of shares in GlobeNet (refer to Note 21).
- Merger of Data spol. s r. o. with Asseco Solutions, a. s. /SK/ on 1 July 2012 (refer to Note 12).
- Establishment of a new subsidiary DanubePay, a. s. in line with growth strategy of Asseco Central Europe, a. s. on 27 July 2012 (refer to Note 12).
- Acquisition of 50.6% shares in MadNet, a. s. by Slovanet on 14 December 2012 (refer to Note 12).

The table below presents the Group's structure along with equity interests and voting interests held at the general meetings of shareholders/partners as at 31 December 2012:

	Country of registration	Scope of activities	Relationship with Parent Company	Voting interest		Equity interest	
				31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Subsidiary companies							
Slovanet, a. s.	Slovak Republic	Telco services	Direct subsidiary	51%	51%	51%	51%
AmiTel, s. r. o.	Slovak Republic	Internet provider	Indirect subsidiary	51%	51%	51%	51%
MadNet, a. s.	Slovak Republic	Electronic services provider	Indirect subsidiary	50.6%	-	50. 6%	-
Asseco Solutions, a. s. (SK)	Slovak Republic	ERP solutions	Direct subsidiary	100%	100%	100%	100%
Axera, s. r. o.	Slovak Republic	Software solutions	Indirect subsidiary	100%	100%	100%	100%
DanubePay, a. s.	Slovak Republic	Card and transaction business	Direct subsidiary	100%	-	100%	-
Asseco Central Europe, a. s. (CZ)	Czech Republic	Software, integration and outsourcing	Direct subsidiary	100%	100%	100%	100%
Asseco Solutions, a. s. (CZ)	Czech Republic	ERP solutions	Indirect subsidiary	100%	100%	100%	100%
LCS Deutchland GmbH	Germany	ERP solutions	Indirect subsidiary	100%	100%	100%	100%
NZ Servis s. r. o.	Czech Republic	Software for customs and communication with public administration	Indirect subsidiary	100%	-	100%	-
Asseco BERIT AG	Switzerland	Software, Geospatial and Network Solutions	Indirect subsidiary	100%	100%	100%	100%
Asseco BERIT GmbH	Germany	Software, Geospatial and Network Solutions	Indirect subsidiary	100%	100%	100%	100%
Statlogics Zrt.	Hungary	Banking IS	Direct subsidiary	100%	85.02%	100%	85.02%
Globenet Zrt.	Hungary	Hospital IS	Direct subsidiary	100%	60%	100%	60%
Associated companies							
Crystal Consulting s. r. o.	Slovakia	ERP solutions		50%	30.23%	50%	30.23%
Prvni Certifikacni Autorita, a. s. (I.CA)	Czech Republic	IT security		23.25%	23.25%	23.25%	23.25%

12. Consolidation goodwill

	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Amitel	34	34
Asseco Central Europe (CZ)	15,816	15,426
Asseco BERIT AG + Asseco BERIT GmbH	610	605
Asseco Solutions (SK)	7,647	7,648
GlobeNet	1,996	3,099
ISZP	533	533
Asseco Solutions (CZ)	7,025	6,851
Micronet	144	144
MPI Consulting	542	542
Slovanet	1,695	1,695
Statlogics	5,101	4,740
NZ Servis	111	
Total carrying amount	**41,254**	**41,317**

The balance of goodwill is in amount EUR 41,254 thousand as at 31 December 2012. Part of the decrease related to an impairment charge of EUR 1,450 thousand recognized on goodwill related to the GlobeNet acquisition (for more details, refer below). Foreign exchange differences from the translation of goodwill-carrying amounts accounted for EUR 1,278 thousand of the difference.

Impairment tests of goodwill related to acquisition of subsidiaries

The Parent Company performs an impairment test of goodwill on an annual basis (as at 31 December) or whenever the indicators of impairment exist. For the purpose of goodwill impairment tests, goodwill was allocated to a cash generating unit ("CGU") or a group of cash generating units which benefit from the acquisitions.

Goodwill resulting from the acquisition of Amitel and Micronet was included in CGU Slovanet. The carrying amount of goodwill from the acquisition of Asseco BERIT GmbH and Asseco BERIT AG was tested at the level of CGU represented by Asseco Central Europe (CZ). Finally, goodwill related to acquisitions of ISZP and MPI Consulting was tested at the CGU level represented by the Healthcare business unit of Asseco Central Europe or the CGU represented by Asseco Central Europe (SK), respectively.

The Management Board regularly reviews whether there exist indicators of impairment of goodwill. Upon assessment of triggering events, the Group concluded there are indicators of impairment related to GlobeNet, Zrt goodwill. Lower performance of subsidiary Globenet resulted in additional 10% of shares acquisition based on call option realization as at 25 May 2012. These conditions were considered to be a trigger for impairment testing of goodwill as at 30 June 2012. As a result of the test as at 30 June 2012, the Company recognized an impairment loss to goodwill in Globenet of EUR 1,450 thousand in its profit and loss account. According to the result of the impairment test as at 31 December 2012 it was not necessary to change amount of impairment.

The impairment test of goodwill was conducted by comparing the carrying amount of goodwill and the related CGU with its recoverable amount, being the CGU's value in use. The value in use was determined on the basis of the net present value of estimated cash flows to be generated by the CGU. The cash flows were projected for a 5-year explicit period and, thereafter, to grow at a nominal rate of 2% and 3% into perpetuity. The projected cash flows were discounted at a discount rate reflecting risks of each individual CGU. The weighted average cost of capital method was applied to determine the appropriate discount rates.

The discount rates and the terminal growth rates, on a pre-tax basis, were as follows as at 31 December 2012:

CGU	Pre-tax discount rate	Nominal growth rate in terminal period
Czech CGUs	11. 3%	2.0%
Slovak CGUs	13.01% - 13.39%%	2.0%
Hungarian CGUs	16.64%	3.0%

As a result of the impairment tests conducted, the Group recognized an impairment charge of EUR 1,450 thousand on goodwill from the acquisition of GlobeNet as at 30 June 2012. The Parent Company's management considers that the reasons for the impairment were lower financial performance of the CGU.

The Parent Company's management considers that the reasons for the impairment were twofold, i.e. the worsened macroeconomic situation in Hungary in 2012 and moderate financial performance of the CGU.

Additionally, the Parent Company carried out a sensitivity analysis with reference to the goodwill impairment tests conducted. The sensitivity analysis examined the impact of changes on key assumptions of the impairment tests, i.e. (i) the discount rates, (ii) operating margins 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 goodwill as resulting from the impairment tests as well as the additional impairment charge against goodwill, should the key assumptions be adversely changed.

	Discount rate			**Operating profitability**			**Growth rate**		
Impairment of goodwill	Applied	+ 0.5%	+ 1.0%	Applied	- 0.5%	- 1.0%	Applied	- 0.5%	- 1.0%
Asseco Solutions (SK)	-	+270	+687	-	-	+148	-	+182	+519
GlobeNet	1,450	0	0	1,450	+ 117	+ 235	1,450	0	0

With the exception of goodwill from the acquisition of GlobeNet, the Group would not recognize an impairment loss for other subsidiaries taking into account the reasonable change in key the assumptions tested in the sensitivity analysis. The impairment of goodwill in GlobeNet in amount EUR 1,450 thousand was recognized as at 31 December 2011 and additional impairment of EUR 1,450 thousand was recognized as at 30 July 2012. No additional impairment needed as at 31 December 2012. (for more details refer to note 4)

Acquisition of shares in MadNet, a. s.

On 14 December 2012 Slovanet signed an agreement for acquisition of 50,6% of shares in MadNet, a. s. Slovak internet provider and 100% of its customer base in amount of EUR 988 thousand. No put option for further shares in MadNet, a. s included in the contract. The purchase price amounted to EUR 300 thousand paid in cash and in contingent consideration in amount of EUR 685 thousand (in amount EUR 276 thousands as a current and EUR 409 as non-current part of contingent consideration). As at 31 December 2012, gain on bargain purchase arising from the purchase of shares in MadNet amounted to EUR 3 thousand and it was recognized on the provisional basis of fair values of identifiable assets, liabilities and contingent liabilities. The fair values and book values of identifiable assets and liabilities as at the control take-over date are provided below:

	Fair value as at the acquisition date in EUR
Assets acquired	
Property, plant and equipment	2,375
Intangible assets	995
Receivables	153
Cash and cash equivalents	31
Other assets	94
Total assets	**3,648**
Liabilities acquired	-
Liabilities	2,210
Provisions incl. deferred tax liabilities	227
Total liabilities	**2,437**
	-
Value of net assets	**1,211**
Percentage of share capital purchased	50.6%
Fair value of net assets purchased	**988**
Purchase price	**985**
Gain on bargain purchase as at the acquisition date	**(3)**

The Group recognized fair value adjustment related to customer contracts and customer relationships in amount of EUR 988 thousand. The valuation of this asset has been performed by means of the Multi Period Excess Earnings Method. Customer contracts and relationships are amortized on a straight-line basis over period of 10 years.

Acquisition of shares in NZ Servis, s. r. o.

On 1 April 2012 Asseco Solution, a. s. /CZ/ signed an agreement for acquisition of 100% of shares in NZ Servis, a Czech software company. The acquisition price amounted to EUR 566 (CZK 14,000) thousand paid in cash and contingent consideration of EUR 105 (CZK 2,500) thousand. As at 31 December 2012, goodwill arising from the purchase of shares in NZ Servis amounted to EUR 105 thousand and it was recognized on the fair values of identifiable assets, liabilities and contingent liabilities based on final figures. The fair values and book values of identifiable assets and liabilities as at the control take-over date are provided below:

	Fair value as at the acquisition date in EUR
Assets acquired	
Property, plant and equipment	24
Intangible assets	639
Deferred tax asset	8
Receivables	169
Cash and cash equivalents	103
Other assets	-
Total assets	**943**
Liabilities acquired	
Bank credits and loans	58
Liabilities	200
Provisions incl. deferred tax liabilities	119
Total liabilities	**377**
Value of net assets	**566**
Percentage of share capital purchased	100%
Fair value of net assets purchased	**566**
Purchase price	**671**
Goodwill as at the acquisition date	**105**

In the period since the acquisition the company NZ Servis realised the EUR 204 thousands of revenues and EUR 55 thousands of net profit.
In the current reporting period the company NZ Servis realised EUR 489 thousands of revenues and EUR 67 thousands of net profit.

Acquisition of shares in Data spol. s r. o.

On 4 October 2011 Asseco Solutions, a. s. /SK/ acquired a 100% interest in Data spol. s r. o. for a consideration of EUR 25 thousand. The company provides IT services for corporate customers. The Group recognized negative goodwill of EUR 6 thousand from the acquisition in its consolidated financial statements for the period ended 31 December 2011.

In 2012 the company merged with Asseco Solutions, a. s. /SK/ as they legal successor.

Acquisition of shares in M-ELEKTRONIK, s. r. o.

On 1 April 2011 Slovanet signed an agreement for the acquisition of 100% of shares in M-ELEKTRONIK, a Slovak internet provider. The acquisition price amounted to EUR 296 thousand paid in cash. The purchase of shares in M-ELEKTRONIK resulted in the recognition of negative goodwill of EUR 86 thousand. Negative goodwill was recognized on the basis of the fair values of identifiable assets, liabilities and contingent liabilities.

The Group recognized a fair value adjustment related to customer contracts and customer relationships of EUR 446 thousand. The valuation of this asset was performed by the Multi-period Excess Earnings Method. Customer contracts and relationships are amortized on a straight-line basis over a period of 10 years.

In 2011 the company merged with Slovanet, a. s. as they legal successor.

Acquisition of shares in Wimax Telecom Slovakia, s. r. o.

On 12 May 2011 Slovanet signed an agreement for the acquisition of 100% of shares in Wimax Telecom Slovakia, a Slovak internet provider. The acquisition price amounted to EUR 700 thousand paid in cash. The purchase of shares in Wimax Telecom Slovakia resulted in negative goodwill of EUR 317 thousand, recognized on the basis of fair values of identifiable assets, liabilities and contingent liabilities.

The recognition of negative goodwill on the acquisition of the company corresponded mainly to tax losses carried forward that are expected to be utilized by Slovanet in the following periods as well as the weak financial position of Wimax Telecom Slovakia prior to the acquisition and, hence, the better position of Slovanet in purchase price negotiations.

In 2011 the company merged with Slovanet, a.s. as they legal successor.

Establishement of DanubePay, a. s.

On 27 July 2012 Asseco Central Europe, a. s. /SK/ established a new subsidiary DanubePay, a. s. with 100% share for EUR 25 thousand. From this transaction did not arrised any goodwill.

13. Investments in associated companies

As at 31 December 2012 and 31 December 2011, the Parent Company's associated entities included Prvni Certifikacni Autorita a. s. and Crystal Consulting s. r. o.

The above investments are valued using the equity valuation method.

The Group increased shareholding in associated company Crystal Consulting, s. r. o. by Asseco Solutions, a. s. /SK/ to 50% in March 2012.

The table below presents condensed information on the associated investments held by the Group.

	As at and for the period ended	
	31 Dec 2012	**31 Dec 2011**
Current assets	927	1,188
Fixed assets	120	6
Non-current liabilities	59	1
Current liabilities	223	244
Net assets	**765**	**949**
Sales revenues	1,761	1,735
Net profit	294	419
Share in profits	255	294
Book value of investments	**815**	**762**

As at 31 December 2012 and 31 December 2011, the shares held in associated companies did not serve as security for any bank credits.

14. Non-current and current loans

Non-current	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Loans, of which:		
loans granted to employees	2	11
	2	**11**

Current	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Loans, of which:		
loans granted to employees	*25*	*7*
UNiQUARE		*591*
	25	**598**

The above loans are valued using the amortized cost method.

15. Current deferred expenses

Current	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Pre-paid maintenance services	1,505	1,331
Pre-paid insurance	59	84
Pre-paid subscriptions	169	6
Pre-paid rents and pre-paid operating lease payments	195	197
Pre-paid consultancy services	8	8
Other pre-paid services	530	403
Other deferred expenses	277	408
	2,743	**2,437**

Other pre-paid services relate to data connection purchased by Slovanet from other telecommunications network operators.

The balance of other deferred expenses mainly consists of losses incurred by Slovanet from sale of equipment to clients as part of service contracts. The losses are deferred over a period of the contract terms.

16. Inventories

	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Raw materials and components used in implementations of IT systems (at acquisition cost)	92	98
Computer hardware and software licenses for resale	882	483
Impairment allowance to inventories	(102)	(80)
	872	**501**

As at 31 December 2012 subsidiary Asseco Central Europe, a. s. /CZ/ purchased third-party licences for customer, which will sell in 2013.

As at 31 December 2012 and as at 31 December 2011, inventories did not serve as security for any bank credits agreed by the Group.

17. Implementation contracts

In 2012 and 2011, the Group 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 2012 and 2011, the Group measured the percentage of completion of IT implementation contracts using the "cost" method (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 on the ongoing IT implementation contracts.

	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Costs incurred due to execution of IT contracts	(14,880)	(13,540)
Profit (loss) on execution of IT contracts	**13,281**	**8,315**
Total revenue attributable to IT contracts	**28,159**	**21,855**
of which		
Progress billing	29,165	22,715
Receivables related to valuation of IT contracts (Note 19)	564	1,974
Liabilities related to valuation of IT contracts (Note 26)	(1,568)	(2,832)
Provision for loss on IT contracts	(2)	(2)

18. Non-current and current receivables and prepayments

Non-current receivables	**31 Dec 2012 (audited)**	**31 Dec 2011 (audited)**
Trade accounts receivable including:		
Receivables from related companies, of which:	-	-
Receivables from other companies	10	10
Receivables due from disposal of shares	-	1
Other receivables	81	76
Revaluation write-down	-	-
	91	**87**

Non-current trade accounts receivable are not interest-bearing and were valued at the present (discounted) value.

Non-current receivables did not serve as security for any bank guarantees (of due performance of contracts and tender deposits) either at 31 December 2012 or at 31 December 2011.

Non-current prepayments	**31 Dec 2012 (audited)**	**31 Dec 2011 (audited)**
Prepaid maintenance and licence fees	171	-
	171	**-**

Current receivables

Trade accounts receivable	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Trade accounts receivable including:	**27,880**	**32,069**
Receivables from related companies, of which:	172	10
from associated companies	-	*1*
Receivables from other companies	27,708	*32,059*
Revaluation write-down on doubtful accounts receivable	(2,846)	*(2,433)*
	25,034	**29,636**

Trade accounts receivable are not interest-bearing.

The Group has a relevant policy based on selling its products to reliable clients only. Owing to that, in the Group's management opinion, the credit risk would not exceed the level covered by allowances for doubtful accounts as established by the Group.

Ageing of trade accounts receivable	as at 31 Dec 2012 (audited)		as at 31 Dec 2011 (audited)	
	amount	structure	amount	structure
Receivables not yet due	21,725	87%	23,366	79%
Receivables past-due up to 3 months	2,551	10%	5,402	18%
Receivables past-due over 3 months	758	3%	868	3%
	25,034	**100%**	**29,636**	**100%**

As at 31 December 2012, receivables and future receivables of EUR 3,200 thousand served as security for bank credits agreed. Liabilities by virtue of those credits amounted to EUR 2,422 thousand as at 31 December 2012.

As at 31 December 2011, receivables and future receivables of EUR 3,000 thousand served as security for bank credits agreed. Liabilities by virtue of those credits amounted to EUR 2,422 thousand as at 31 December 2011.

Transactions with related companies are presented in Note 27 to these consolidated financial statements.

Receivables from state budgets	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Value added tax	109	-
Corporate income tax (CIT)	811	893
Other	646	235
	1,566	**1,128**

Other receivables	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Receivables from book valuation of IT contracts (Note 18)	564	1,974
Receivables from non-invoiced deliveries	82	250
Advance payments to other suppliers	474	238
Receivables from employees	-	40
Receivables from disposal of non-current assets	-	5,685
Receivables from disposal of shares in UNiQUARE	2,197	4,360
Other receivables	1,320	232
Revaluation write-down on other doubtful receivables	(78)	(79)
	4,459	**12,700**

Receivables from valuation of IT contracts (implementation contracts) result from the surplus of the percentage of completion of implementation contracts over invoices issued.

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

As at 31 December 2012, the balance of other receivables included receivables due from the Ministry of Trade and Industry of Czech Republic of EUR 832 thousand related to unpaid subsidies from grant related to employement in Asseco Solutions, a.s. (CZ).

As at 31 December 2011, the receivable from disposal of non-current assets of EUR 5,685 thousand represents the outstanding receivable due from Asseco Poland S.A. for the sale of Uniquare software (Teller, Loan) (refer to Note 10).

In 2012 and 2011, revaluation write-downs on trade accounts receivable and other receivables were as follows:

	31 Dec 2012 (audited)	31 Dec 2011 (audited)
As at 1 January	**2,512**	**2,392**
Additions due to taking control over companies	60	235
Creation	1,077	1,233
Released	(736)	(1,329)
Foreign currency differences on translation of foreign subsidiaries (+/-)	11	(19)
As at 31 December	**2,924**	**2,512**

19. Other financial assets

	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Bills in Asseco Central Europe (SK)	4,129	-
Bills in Asseco Central Europe (CZ)	5,779	-
	9,908	**-**

As at 31 December 2012 the Asseco Central Europe (SK) owns bills of exchange of J&T Private Equity B.V in amount of EUR 4,129 thousand with maturity in February 2013 (EUR 746 thousand, interest rate 6.5%) March 2013 (EUR 2,718 thousand, interest rate 3.5%)

and bills due 30 days after request (EUR 665 thousand, interest rate 2.5%). Simmiliary Asseco Central Europe (CZ) owns bills of exchange of J&T Private Equity B.V in amount of EUR 5,779 thousand, booth with maturity in February 2013 (EUR 2,785 thousand, interest rate 0,3% and EUR 2,994 thousand, interest rate 3.5%)

20. Cash and cash equivalents

	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Cash in bank	19,026	26,945
Cash in hand	233	220
Current deposits	6,955	13,700
Cash equivalents	187	159
	26,401	**41,024**

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

Current deposits did not serve as security for any bank guarantees (of due performance of contracts and tender deposits) either at 31 December 2012 or at 31 December 2011.

21. Share capital, capital reserves and non-controlling interests

Share capital		Par value per share	as at 31 Dec 2012 (audited)	as at 31 Dec 2011 (audited)
Shares	**Series**		**Number of shares**	**Number of shares**
Ordinary shares – series		0.0331939	21,360,000	21,360,000

Par value on shares

All shares issued have the par value of EUR 0.0331939 per share and have been fully paid up.

In 2012 and 2011 there were no changes in the Parent Company's share capital and share premium account.

The parent company of Asseco Central Europe, a. s. is Asseco Poland SA (the higher-level parent company). As at 31 December 2012, Asseco Poland SA held a 93.51% stake in the share capital of Asseco Central Europe, a. s. Asseco Poland SA increased share as a result a public offering based on a prospectus published on 12 November 2012 for a swap of shares of Asseco Central Europe, a. s. for shares of Asseco Poland SA.

Foreign currency translation reserve

The balance of the foreign currency translation reserve is subject to adjustments by foreign currency differences resulting from translation of the financial statements of the Group's foreign subsidiaries and jointly controlled companies.

Non-controlling interest

	31 Dec 2012 (audited)	31 Dec 2011 (audited)
At the beginning of the period	**4,988**	**5,101**
Net profit attributable to non-controlling interests	188	848
Foreign exchange differences from translation	158	(338)
Dividends paid to non-controlling interests	(196)	(321)
Put option recognized/derecognized at Statlogics in 2010 (-/+)	-	877
Derecognition of non-controlling interest related to exercise of put option	-	(593)
Put option recognized/derecognized at Statlogics in 2011 (-/+)	-	(586)
Put option derecognized at Statlogics in 2012 (-/+)	(58)	-
GlobeNet non-controlling interest	(1.022)	-
At the end of the period	**4,058**	**4,988**

Dividends paid to non-controlling interrests

The Group paid in cash during the year 2012 dividends to non-controlling interest in amount EUR 546 thousand to its non-controlling shareholders in subsidiaries Slovanet, a.s. in amount EUR 196 thousand. Dividend paid to non-controlling interest in Statlogics Zrt in amount EUR 191 thousands and in Globenet in amount EUR 159 thousand that were included in calculation of acquisition of additional non-controlling interest in both companies.

Acquisition of non controlling interests Globenet Zrt.

Asseco Central Europe, a.s. /SK/ acquired 10% shares in Globenet by on 25 May 2012. for purchase price paid EUR 1 with EUR 261 thousand of non controlling interest derecognized in equity.
Asseco Central Europe, a.s. /SK/ acquired 30% shares in Globenet by on 2 August 2012. for purchase price paid EUR 1,231 thousand with EUR 58 thousand of non controlling interest derecognized in equity. Asseco Central Europe, a.s. /SK/ increased by this transaction its ownership interrest to 100% .

Acquisition of non controlling interests Statlogisc Zrt.

Asseco Central Europe, a.s. /SK/ acquired 14.98% shares in Statlogics on 15 May 2012 for purchase price paid EUR 2,539 thousand with EUR 1,022 thousands of non controlling interest derecognized in equity. Asseco Central Europe, a.s. /SK/ increased its ownership interest in Statlogics to 100% by excersise of remaining put option.

In line with the Group accounting policies, the Group accounts for a put option related to non-controlling interests ("NCI") as a financial liability and adjusts NCI in equity for the corresponding amount.

In 2011, non-controlling shareholders in Statlogics exercised one of two put options which entitle holders to sell a 14.98% interest in the company. Owing to that, the Group derecognized NCI in the amount of EUR 593 thousand. The transaction resulted in the Parent Company's holding of a 85.02% ownership interest in Statlogics (70.04% as at 31 December 2010).

As at 31 December 2011, the Group reported the fair value of the unexercised put option for sale of the remaining 14.98% interest in the company in current financial liabilities. The account balance of financial liabilities from the put option decreased from EUR 3,337 thousand as at 31 December 2010 to EUR 2,551 thousand as at 31 December 2011.

22. Non-current and current financial liabilities

Non-current	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Liabilities due to acquisition of shares	409	-
Finance lease commitments	534	534
	943	**534**

Liabiliteis due to acquisition of shares includes non-current part of contingent consideration in amount EUR 409 thousand in subsidiary Slovanet due to acquisition of company MadNet.

Current	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Liability due to dividend payment	13	160
Finance lease commitments	630	1,110
Liabilities due to acquisition of shares	863	1,803
Liabilities due to acquisition of shares in Statlogics (put options)	-	2,551
	1,506	**5,624**

The change in valuation of liabilities related to put options in financial year 2012 is connected to both (i) execution of the put option by owners of non-controlling interests at Statlogics and (ii) revaluation of fair value of the remaining put option issued by the Group at the acquisition. For more detail, refer to the Note 21.

23. Financial lease

Leasing of cars and equipment

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

	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Minimum lease payments		
in the period shorter than 1 year	672	1,171
in the period from 1 to 5 years	552	555
in the period longer than 5 years	-	-
Future minimum lease payments	**1,224**	**1,726**
Future interest expense	(60)	(82)
Present value of finance lease commitment	**1,164**	**1,644**
in the period shorter than 1 year	630	1,110
in the period from 1 to 5 years	534	534
in the period longer than 5 years	-	-

As at 31 December 2012, the effective interest rate on the above financial leasing of vehicles equalled 7.7% and IT equipment 11.5%.

24. Interest-bearing bank credits and debt securities issued

Short-term credit facilities	Name of entity	Effective interest rate %	Currency	Date of maturity	31 Dec 2012	31 Dec 2011	Maximum debt as at 31 Dec 2012
Loan	Globenet	BUBOR + 2.5%	HUF	31.3.2013	82	207	257
Overdraft facility	Slovanet	1M ERIBOR + 3,5% p.a.	EUR	30.12.2013	198	4	200
Overdraft facility	Slovanet	1M Euribor + 0,9%p.a.	EUR	7.11.2013	2,970	772	3,000
Overdraft facility	Slovanet	1M Euribor + 1,85%	EUR	31.10.2012	0	1,650	-
Overdraft facility	Slovanet	1M Euribor + 10% p.a.	EUR	20.9.2012	0	47	-
					3,250	**2,680**	

Other short-term credits	Name of entity	Effective interest rate %	Currency	Date of maturity	Current		Non-current	
					31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Loan	Slovanet	1M Euribor + 1,9%	EUR	30.8.2017	840	0	3160	0
Loan	Slovanet	3M ERIBOR + 3,5% p.a.	EUR	20.10.2016	172	0	488	0
Acquisition loan	Slovanet	1M Euribor + 1,1%	EUR	28.6.2013	0	217	0	163
Acquisition loan	Slovanet	1M Euribor + 1,1%	EUR	28.6.2013	0	272	0	136
Acquisition loan	Slovanet	1M Euribor + 1,1%	EUR	28.6.2013	0	404	0	202
Acquisition loan	Slovanet	1M Euribor + 1,1%	EUR	28.6.2013	0	95	0	71
Acquisition loan	Slovanet	1M Euribor + 1,7%	EUR	28.6.2013	0	437	0	219
Acquisition loan	Slovanet	1M Euribor + 2,8%	EUR	28.6.2013	0	567	0	283
Acquisition loan	Slovanet	1M Euribor + 2,4%	EUR	31.12.2014	0	286	0	571
Loan	Slovanet	3M Euribor + 1,25%	EUR	31.12.2012	0	561	0	0
Loan HP	Slovanet	6,7% p.a.	EUR	15.7.2012	0	19	0	0
Loan HP	Slovanet	6,7% p.a.	EUR	15.9.2012	0	22	0	0
Loan HP	Slovanet	6,7% p.a.	EUR	15.12.2012	0	17	0	0
Loan HP	Slovanet	6,7% p.a.	EUR	15.2.2013	8	40	0	8
Unicredit Lasing	Slovanet	4,991% p.a.	EUR	04.2015	251	0	410	0
SGF	Slovanet	4,91% p.a.	EUR	01.2015	136	0	156	0
Loan	Globenet	EURIBOR + 1%	EUR	31.12.2012	100	0	0	469
Loan	Slovanet	0%	EUR	31.12.2016	0	0	255	0
Loan	Asseco Solutions (SK)	1%	EUR	28.2.2012	0	45	0	0
					1,507	**2,982**	**4,469**	**2,122**

In 2012 subsidiary Slovanet restructuralised they bank loans and have paid they loans in Tatra Banka, a. s. by a new refinancing and ovwerdaft loans from Všeobecná Úverová Banka, a. s.

As at 31 December 2012, total funds available to the Group under overdraft facilities were EUR 3,457 thousand (vs. EUR 3,303 thousand as at the end of 2011). As at the end of the reporting period, the Group had a total credit exposure of EUR 9,226 thousand (vs. EUR 7,784 thousand as at the end of the prior year) due to bank institutions and other creditors.

Acquisition loans in Slovanet were used for financing the acquisition of shares in Slovanet and its subsidiaries. Hewlett-Packard loans in Slovanet were used for financing investments in hardware and software equipment.

Security for credits and loans	**Net book value used as security**		**Loan used**	
	31 Dec 2012	**31 Dec 2011**	**31 Dec 2012**	**31 Dec 2011**
Property, plant and equipment	-	-	-	-
Intangible assets	400	400	961	106
Shares in subsidiary (Slovanet)	3,645	3,645	-	4,484
Receivables (current and future)	3,200	3,000	3,168	2,422
	7,245	**7,045**	**8,129**	**7,012**

Slovanet a.s. (subsidiary) was granted a guarantee for EUR 4,000 thousand to back up its liabilities towards Všeobecná úverová banka under a framework crediting agreement.

25. Non-current and current provisions

	Provision for warranty repairs	Costs related to ongoing court proceedings	Other provisions	Total
As at 1 January 2012	**1,396**	**20**	**3,450**	**4,866**
Provisions created in financial year	1,486	-	789	**2,275**
Provisions utilised	(2,138)	-	(129)	**(2,267)**
Provisions reversed		(21)	(766)	**(787)**
Foreign currency differences on translation of foreign subsidiaries	13	1	51	**65**
Changes in presentation	1,181	-	(1,181)	**-**
As at 31 December 2012 (audited)	**1,938**	**-**	**2,214**	**4,152**
Current as at 31 December 2012	1,624	-	1,237	**2,861**
Non-current as at 31 December 2012	314	-	977	**1,291**
As at 31 December 2011 (audited)	**1,396**	**20**	**3,450**	**4,866**
Current as at 31 December 2011	1,066	20	1,880	**2,966**
Non-current as at 31 December 2011	330	-	1,570	**1,900**

In 2012 the Group created additional provisions related to non-cancellable office lease contractin a total amount of EUR 789 thousand. For more details about reversed other provisions, refer to Note 3.

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 of the guarantee maintenance services provided by the producers of hardware that was delivered to the Group's customers.

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

Current trade accounts payable	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Accounts payable to related companies	465	37
Accounts payable to other companies	14,236	17,976
	14,701	**18,013**

Trade accounts payable are not interest-bearing.

Liabilities due to taxes, import tariffs, social security and other regulatory benefits payable	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Social Insurance Institution	1,173	1,002
Personal income tax (withheld from employees' salary)	834	410
Corporate income tax (CIT)	25	1,599
Value added tax (VAT)	1,692	2,012
Other liabilities	147	11
	3,871	**5,034**

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

Other current liabilities	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Liabilities and provisions relating to valuation of IT contracts (Note 18)	1,570	2,834
Liabilities due to non-invoiced deliveries	563	1,904
Trade prepayments received	216	80
Liabilities from purchase of non-current assets	-	5,313
Employee related liabilities	3,646	1,882
Other	406	204
	6,401	**12,217**

Employee related liabilities increased due to bonuses paid to employees with December's salaries, in prior years usually paid in February-March.

In 2011 due to Asseco Poland S.A. from the acquisition of licenses def 3000/CB in the amount of EUR 5,200 thousand was presented under the line: liabilities from purchase of non-current assets.

Other non-current liabilities	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Liabilities from purchase of non-current assets	-	133
Trade liabilities	33	-
Other liabilities	5	42
	38	**175**

Other liabilities are not interest-bearing.

Current accrued expenses	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Accrual for unutilized vacation	1,302	1,191
Accrual for employee bonuses	1,064	3,297
Other accruals	1,246	272
Audit	75	66
	3,687	**4,826**

Accrued expenses mainly consist of accrual for unutilized vacation, accrual for salaries and wages of the current period to be disbursed in future periods, which result from the bonus schemes applied by the Group.

Other accruals included accrued payments for energy, rent, dealers commission, telecommunication costs and other paymenst.

Non-current deferred income	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Maintenance services	838	823
Other	-	30
	838	**853**

Current deferred income	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Maintenance services	5,352	7,810
Prepayments received	-	50
Subsidies	141	77
Other	8	18
	5,501	**7,955**

The balance of deferred income mainly relates to prepayments for the provision of services such as maintenance and IT support. The subsidies received are related primarily to the software development projects implemented by the Group. Once a development project is completed, the amount of subsidy received will be recognized in the profit and loss account (as a reduction of amortization expense) over the period equivalent to the period of amortization of the development work.

27. Information on the results of related entities

According to information available to Asseco Central Europe, a.s., as at 31 December 2012 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 at EUR 462 thousand.

As at 31 December 2011, 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 at EUR 471 thousand.

As at 31 December 2012 and 31 December 2011, there were no outstanding receivables due to transactions conducted with companies related to the Key Management Personnel (management boards and supervisory boards of the Group companies) or with the Key Management Personnel.

According to the accounting books of the Parent Company, during 12 months periods ended 31 December 2012 and 31 December 2011, the net value of transactions conducted with companies related to the Key Management Personnel or with the Key Management Personnel amounted to nil.

Related-party transactions	Related-party		Related-party	
	Sales in 12 months ended 31 Dec 2012 (audited)	Purchases in 12 months ended 31 Dec 2012 (audited)	Receivables as at 12 months ended 31 Dec 2012 (audited)	Payables as at 12 months ended 31 Dec 2012 (audited)
Transactions with parent company	**2**	**68**	**0**	**31**
Asseco Poland S.A.	2	68	0	31
Transactions with related companies	**21**	**36**	**8**	**16**
Asseco SEE d.o.o. (CROATIA)	-	20	-	3
Asseco Germany AG	-	16	-	5
Asseco SEE S.R.L. (ROMANIA)	10	-	-	
Matrix42 AG	11	-	8	8
TOTAL	**23**	**104**	**8**	**47**

28. 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 2012 (audited)	12 months ended 31 Dec 2011 (audited)
Change in inventories	(370)	(18)
Change in receivables	12,401	(5,397)
Change in liabilities	(13,642)	9,236
Change in deferred and accrued expenses	(4,085)	1,942
Change in provisions	(714)	1,681
	(6,410)	**7,444**

29. Commitments and contingent liabilities

The Parent Company's Board of Directors is not aware of the presence of any commitments or contingent liabilities of the Group as at 31 December 2012, with the exception of guarantees provided by the Parent Company to third parties to back up bank credits of its subsidiaries:

- Asseco Central Europe, (SK) granted a guarantee to subsidiary Slovanet in amount EUR 4,000 thousand to back up its liabilities towards Všeobecná úverová banka under a framework crediting agreement. At the 31 December 2012 this guarantee was not used for any credits in Slovanet.

As at 31 December 2011, guarantees issued by and for the companies of the Group were as follows:

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

Within its commercial activities the Group uses bank guarantees, letters of credit, contract performance guarantees as well as tender deposits as forms of securing its business transactions with miscellaneous organizations, companies and administration bodies. As at 31 December 2012, the related contingent liabilities equalled EUR 29 thousand, while as at 31 December 2011 they amounted to EUR 79 thousand.

Additionally, as at 31 December 2012 and 31 December 2011, the Group was party to a number of leasing and tenancy contracts or other contracts of similar nature, resulting in the following future liabilities:

Future lease payments under lease of space	**31 Dec 2012 (audited)**	**31 Dec 2011 (audited)**
In the period up to 1 year	3,856	3,546
In the period from 1 to 5 years	10,978	11,488
In the period over 5 years	-	937
	14,834	**15,971**

Future lease payments under operating lease of property, plant and equipment	**31 Dec 2012 (audited)**	**31 Dec 2011 (audited)**
In the period up to 1 year	878	896
In the period from 1 to 5 years	1,451	1,848
In the period over 5 years	0	-
	2,329	**2,744**

30. Employment

Average Group workforce in the reporting period	12 months ended 31 Dec 2012 (audited)	12 months ended 31 Dec 2011 (audited)
Management Board of the Parent Company	5	4
Management Boards of the Group companies	28	28
Production departments	1,241	1,208
Sales departments	145	139
Administration departments	131	117
Other	6	19
Total	**1,556**	**1,515**

Group workforce as at	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Management Board of the Parent Company	5	5
Management Boards of the Group companies	27	25
Production departments	1,280	1,229
Sales departments	143	140
Administration departments	136	122
Other	6	20
Total	**1,597**	**1,541**

Numbers of employees in Group companies as at	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Asseco Central Europe, a.s. (SK)	372	342
Slovanet Group	195	192
Asseco Solutions Group (SK)	170	157
DanubePay	5	-
Asseco Solutions Group (CZ)	322	280
Asseco Central Europe, a.s. (CZ)	389	414
Statlogics	70	68
GlobeNet	52	65
Asseco Berit AG	5	6
Asseco Berit GmbH	17	17
	1,597	**1,541**

31. Objectives and principles of financial risk management

The Asseco Central Europe Group is exposed to a number of risks arising either from the macroeconomic situation of the countries the Group companies operate in as well as from the microeconomic situation in individual companies. The main external factors that may have an adverse impact on the Group's financial performance are: (i) fluctuations in foreign currency exchange rates versus the EUR, 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 Group's performance include: (i) risk related to the increasing cost of work, (ii) risk arising from underestimation of project costs when entering into contracts, and (iii) risk of concluding a contract with a dishonest customer.

Foreign currency exposure risk

The Group's presentation currency is the Euro; however, some contracts are denominated in foreign currencies. With regard to the above, the Group 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. Furthermore, the functional currencies of foreign subsidiaries of the Asseco Central Europe Group are the currencies of the countries in which these entities are legally registered. Consequently, the assets and financial results of such subsidiaries need to be converted to the euro and their values as presented in the Group financial statements remain under the influence of foreign currency exchange rates.

Identification: According to the Group'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 Group or its subsidiary, 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 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 Group'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 Group companies are prone to changes in their exposure to foreign exchange risk. Therefore, the companies dynamically transfer their existing hedging instruments or conclude 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 signature date (spot rate and swap points), while transferring or concluding 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 Group's financial result will be potentially exposed to the foreign currency risk.

Interest rate risk

Changes in the market interest rates may have a negative influence on the financial results of the Group. The Group 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 to the Group companies, 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 by individual companies of the Group 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 Group companies, hence the knowledge of that issue is complete and acquired directly.

Measurement: The Group companies measure their 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 risk is to eliminate the incurrence of higher expenses due to concluded financial instruments based on a variable interest rate.

Measures: In order to reduce its interest rate risk, the Group companies 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 Group gathers and analyzes the current market information concerning its present exposure to the interest rate risk. For the time being, the Group companies do not hedge against changes in interest rates due to a high degree of unpredictability of their credit repayment schedules.

Credit risk

The Group 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 Group companies provide their 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 knowledge of the complaints or pending judicial proceedings against a client at the time of signing an agreement. Every two weeks the companies are 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 Group operates primarily in the banking and financial sector, its customers are concerned about their good reputation. Here the engagement risk control is usually limited 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 earlier experiences of the Group itself and of its competitors. The Group companies conclude 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 Group 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 anticipated cash flows from operating activities.

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

The following table shows the Group's trade accounts payable as at 31 December 2012 and 31 December 2011, by maturity period, based on the contractual undiscounted payments.

	as at 31 Dec 2012 (audited)		as at 31 Dec 2011 (audited)	
Ageing structure of trade accounts payable	**amount**	**structure**	**amount**	**Structure**
Overdue liabilities	2,188	15%	3,023	17%
Current and future up to 3 months payables	12,504	85%	12,945	72%
Future payables between 3 and 6 months	5	0%	599	3%
Future payables over 6 months	4	0%	1,446	8%
	14,701	**100%**	**18,013**	**100%**

The tables below present the ageing structure of other financial liabilities as at 31 December 2012 and 31 December 2011.

As at 31 December 2012 (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**
Current account credit facilities	3,250	-	-	-	**3,250**
Investment credits	210	802	3,648	-	**4,660**
Loans	195	460	1,615	-	**2,270**
Finance lease commitments	171	501	**552**	**-**	**1,224**
Total	**3,826**	**1,763**	**5,815**	**-**	**11,404**

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**
Current account credit facilities	211	2,469	-	-	**2,680**
Investment credits	708	2,131	1,645	-	**4,484**
Loans	45	98	477	-	**620**
Finance lease commitments	493	617	534	-	**1,644**
Total	**1,457**	**5,315**	**2,656**	**-**	**9,428**

Effects of reducing foreign currency risk

The Group companies try to conclude contracts with their clients in the primary currencies of the countries in which they operate in order to avoid exposure to the risk arising from fluctuations in foreign currency exchange rates versus their own functional currencies.

The analysis of sensitivity of valuation and settlement of the embedded and concluded derivatives to fluctuations in foreign currency exchange rates versus EUR (such assets are only significant in the case of the Parent Company) shows a potential positive impact of EUR 20 thousand on the Group's financial results in the event of the assumed 10% appreciation of EUR versus HUF.

On the other hand, the analysis of sensitivity conducted assuming EUR currency depreciates versus foreign currencies indicates a potential loss to be achieved by the Group on settlement and valuation of the financial derivatives held. If EUR depreciates by 10% against HUF, the Group will achieve an additional loss of EUR 20 thousand.

As at 31 December 2012 (audited)	**Amount exposed to risk**	**Impact on financial results of the Company**

EUR		-10%	+10%
Financial assets			
Current forward contracts for sale of foreign currencies	200	-20	20
Financial liabilities			
Balance	**200**	**-20**	**20**

As at 31 December 2011 (audited) CZK	Amount exposed to risk	Impact on financial results of the Company -10%	+10%
Financial assets			
Current forward contracts for sale of foreign currencies	228	(22)	22
Financial liabilities	-	-	-
Balance	**228**	**(22)**	**22**

The analysis of sensitivity of trade accounts payable and receivable to fluctuations in the exchange rates of EUR against the functional currencies of the Group companies indicates the following net impact on the Group's financial results:

Trade accounts receivable and payable as at 31 December 2012 (audited)	Amount exposed to risk	Impact on financial results of the Group -10%	10%
CZK:			
Trade accounts receivable	10,979	(1,098)	1,098
Trade accounts payable	4,802	480	(480)
Balance		**(618)**	**618**
CHF:			
Trade accounts receivable	340	(34)	34
Trade accounts payable	28	3	(3)
Balance		**(31)**	**31**
HUF:			
Trade accounts receivable	495	(49)	49
Trade accounts payable	41	4	(4)
Balance		**(45)**	**45**

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	11,661	(1,166)	1,166
Trade accounts payable	6,279	628	(628)
Balance		**(538)**	**538**
CHF:			
Trade accounts receivable	564	(56)	56
Trade accounts payable	22	2	(2)
Balance		**(54)**	**54**
HUF:			
Trade accounts receivable	835	(84)	84
Trade accounts payable	270	27	(27)
Balance		**(57)**	**57**

Effects of reducing interest rate risk

The analysis of sensitivity related to fluctuations in interest rates charged on bank credits drawn by the Group companies indicates the following net impact on the Group's financial results:

Bank credits based on variable interest rates as at 31 December 2012 (audited)	Amount exposed to risk	Impact on financial results of the Group	
Bank credits based on EURIBOR variable interest rate	7,928	1	(1)
Bank credits based on BUBOR variable interest rate	82	1	(1)
	8,010	**2**	**(2)**

Bank credits based on variable interest rates as at 31 December 2011 (audited)	Amount exposed to risk	Impact on financial results of the Group	
		-15%	+15%
Bank credits based on EURIBOR variable interest rate	6,861	11	(11)
Bank credits based on BUBOR variable interest rate	207	2	(2)
	7,068	**213**	**(13)**

Other types of risk

Other risks are not analyzed for sensitivity, due to their nature and the 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 the Group's 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. The sensitivity of interest rate exposure was analyzed using the percentage deviations of +/- 15%.

Fair value

As at 31 December 2012, the Group held the following financial assets measured at fair value:

	Book value	Level 1 i)	Level 2 ii)	Level 3 iii)
Financial assets valued at fair value through profit or loss				
Currency forward contracts	0	-	0	-
Embedded currency derivatives	-	-	-	-
Other				
	0	**-**	**0**	**-**

i. fair value determined on the basis of quoted prices offered in active markets for identical assets;
ii. fair value determined using calculation models based on inputs that are, either directly or indirectly, observable in active markets;
iii. fair value determined using calculation models based on inputs that are not, directly or indirectly, observable in active markets.

32. Remuneration due to 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, spol. s r. o. paid or payable for the years ended 31 December 2012 and 31 December 2011, in breakdown by type of service:

Type of service	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Obligatory audit of the annual financial statements	35	39
Total	**35**	**39**

33. Equity management

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

The Group manages its equity structure which is altered in response to changing economic conditions. In order to maintain or adjust its equity structure, the Group may change its dividend payment policy, return some capital to its shareholders or issue new shares. In 2012, as in the year ended 31 December 2011, the Group did not introduce any changes to its objectives, principles and processes adopted in this area.

The Group consistently monitors the balances of its capital funds using the leverage ratio, which is calculated as a relation of net liabilities to total capital (sum of equity and net liabilities). It is the Group'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. The equity comprises convertible preferred shares, own equity attributable to shareholders of the Parent Company, decreased by capital reserves from unrealized net profits.

Equity management	31 Dec 2012 (audited)	31 Dec 2011 (audited)
Interest-bearing credits and loans	9,226	7,784
Trade accounts payable and other liabilities	42,641	60,878
Cash and cash equivalents	(26,401)	(41,024)
Net liabilities	**25,466**	**27,638**
Shareholders' equity	104,188	101,969
Capital reserve from unrealized net profits		
Total equity	104,188	101,969
Equity plus net liabilities	**129,654**	**129,607**
Leverage ratio	**20%**	**21%**

34. Seasonal and cyclical nature of business

The Group's activities are subject to seasonality in terms of uneven distribution of turnover in individual quarters of the year. Because 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 the implementation of IT projects and usually perform investment purchases of hardware and licences in the last quarter.

35. Capital expenditures

In 2012, the Group incurred capital expenditures of EUR 7,902 thousand, of which EUR 6,466 thousand was spent on property, plant and equipment investments.

In 2011, the Group incurred capital expenditures of EUR 5,462 thousand, of which EUR 4,564 thousand was spent on property, plant and equipment investments.

36. Significant events after the balance sheet date

Up to the date of preparing these consolidated financial statements for the 12 months period ended 31 December 2012, being 1 March 2013, no significant events occurred that might have an impact on these financial statements.

37. Significant events related to prior years

Up to the date of preparing these consolidated financial statements, being 1 March 2013, no significant events related to prior years occurred that might have an impact on these financial statements.