solutions for demanding business

ASSECO GROUP

Quarterly Report
for the period of 9 months
ended 30 September 2015

Present in more than

40

countries

5,060 mPLN

in sales revenues

20,506

highly committed employees

240 mPLN

in net profit

6,849 mPLN

in order backlog for 2015

6th

largest software vendor in Europe

QUARTERLY REPORT OF ASSECO GROUP
For the period of 9 months ended 30 September 2015

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FINANCIAL HIGHLIGHTS OF ASSECO GROUP

for the period of 9 months ended 30 September 2015

FINANCIAL HIGHLIGHTS OF ASSECO GROUP

Financial highlights of Asseco Group are presented in the following table.

	9 months ended 30 Sept. 2015 PLN millions	9 months ended 30 Sept. 2014 PLN millions	9 months ended 30 Sept. 2015 EUR millions	9 months ended 30 Sept. 2014 EUR millions
Sales revenues	5,060.2	4,399.3	1,216.8	1,052.4
Operating profit	533.7	459.2	128.3	109.8
Profit before tax and share of profits of associates	505.2	469.1	121.5	112.2
Net profit	387.1	384.0	93.1	91.9
Net profit attributable to Shareholders of the Parent Company	**239.6**	**268.5**	**57.6**	**64.2**
Net cash provided by (used in) operating activities	497.3	398.8	119.6	95.4
Net cash provided by (used in) investing activities	(260.2)	(286.9)	(62.6)	(68.6)
Net cash provided by (used in) financing activities	(330.2)	(116.6)	(79.4)	(27.9)
Cash and short-term deposits as at 30 September	1,225.5	1,006.1	289.1	241.0
Basic earnings per ordinary share attributable to Shareholders of the Parent Company (in PLN/EUR)	2.89	3.23	0.69	0.77
Diluted earnings per ordinary share attributable to Shareholders of the Parent Company (in PLN/EUR)	2.89	3.23	0.69	0.77

The financial highlights disclosed in these interim condensed consolidated financial statements were translated into euros (EUR) in the following way:

- Items of the interim condensed consolidated income statement and statement of cash flows have been translated into EUR at the arithmetic average of mid exchange rates as published by the National Bank of Poland and in effect on the last day of each month. These exchange rates were respectively:
  - for the period from 1 January 2015 to 30 September 2015: EUR 1 = PLN 4.1585
  - for the period from 1 January 2014 to 30 September 2014: EUR 1 = PLN 4.1803
- The Group’s cash and cash equivalents as at the end of the reporting period and the comparable period of the previous year have been translated into EUR at daily mid exchange rates as published by the National Bank of Poland. These exchange rates were respectively:
  - exchange rate effective on 30 September 2015: EUR 1 = PLN 4.2386
  - exchange rate effective on 30 September 2014: EUR 1 = PLN 4.1755

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF ASSECO GROUP

for the period of 9 months ended 30 September 2015
prepared in conformity with the International
Accounting Standard 34 *Interim Financial Reporting*
as endorsed by the European Union

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

of Asseco Group for the period of 9 months ended 30 September 2015

These interim condensed consolidated financial statements have been approved for publication by the Management Board of Asseco Poland S.A. on 13 November 2015.

Management Board:

Adam Góral	President of the Management Board
Przemysław Borzestowski	Vice President of the Management Board
Andrzej Dopierała	Vice President of the Management Board
Tadeusz Dyrga	Vice President of the Management Board
Rafał Kozłowski	Vice President of the Management Board
Marek Panek	Vice President of the Management Board
Paweł Piwowar	Vice President of the Management Board
Zbigniew Pomianek	Vice President of the Management Board
Włodzimierz Serwiński	Vice President of the Management Board
Przemysław Sęczkowski	Vice President of the Management Board
Robert Smułkowski	Vice President of the Management Board

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

ASSECO GROUP

	Note	3 months ended 30 Sept. 2015 (unaudited) PLN millions	9 months ended 30 Sept. 2015 (unaudited) PLN millions	3 months ended 30 Sept. 2014 (unaudited) PLN millions	9 months ended 30 Sept. 2014 (unaudited) PLN millions
Continuing operations					
Sales revenues	1	1,755.1	5,060.2	1,486.3	4,399.3
Cost of sales	1	(1,315.5)	(3,816.9)	(1,110.8)	(3,315.6)
Gross profit on sales		**439.6**	**1,243.3**	**375.5**	**1,083.7**
Selling costs	1	(111.3)	(324.7)	(95.4)	(276.0)
General and administrative expenses	1	(129.4)	(376.8)	(118.3)	(348.0)
Net profit on sales		**198.9**	**541.8**	**161.8**	**459.7**
Other operating income		9.2	26.9	9.2	24.8
Other operating expenses		(8.0)	(35.0)	(7.1)	(25.3)
Operating profit		**200.1**	**533.7**	**163.9**	**459.2**
Financial income	2	15.6	34.7	15.6	59.0
Financial expenses	2	(18.7)	(63.2)	(17.3)	(49.1)
Profit before tax and share of profits of associates from continuing operations		**197.0**	**505.2**	**162.2**	**469.1**
Corporate income tax *(current and deferred tax expense)*	3	(42.6)	(118.7)	(30.6)	(96.5)
Share of profits of associates		0.8	0.6	0.3	1.8
Profit from continuing operations for the reporting period		**155.2**	**387.1**	**131.9**	**374.4**
Discontinued operations					
Profit from discontinued operations for the reporting period	4	-	-	-	9.6
Net profit for the reporting period		**155.2**	**387.1**	**131.9**	**384.0**
Attributable to:					
Shareholders of the Parent Company		**101.6**	**239.6**	**85.3**	**268.5**
Non-controlling interests	10	53.6	147.5	46.6	115.5
Basic consolidated earnings per share from continuing operations for the reporting period (in PLN)	5	1.22	2.89	1.03	3.13
Basic consolidated earnings per share for the reporting period (in PLN)	5	1.22	2.89	1.03	3.23

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ASSECO GROUP

	3 months ended 30 Sept. 2015 (unaudited) PLN millions	9 months ended 30 Sept. 2015 (unaudited) PLN millions	3 months ended 30 Sept. 2014 (unaudited) PLN millions	9 months ended 30 Sept. 2014 (unaudited) PLN millions
Net profit for the reporting period	**155.2**	**387.1**	**131.9**	**384.0**
Other comprehensive income:				
Components that may be reclassified to profit or loss				
Net gain/(loss) on valuation of financial assets available for sale	-	0.3	(0.4)	(1.0)
Exchange differences on translation of foreign operations	(64.2)	145.5	82.6	100.3
Components that will not be reclassified to profit or loss				
Amortization of intangible assets recognized directly in equity	(0.2)	(0.6)	(0.2)	(0.6)
Actuarial gains/(losses)	(6.1)	(0.5)	0.9	(1.3)
Income tax relating to components of other comprehensive income	1.5	0.1	(0.1)	0.4
Total other comprehensive income	**(69.0)**	**144.8**	**82.8**	**97.8**
TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD	**86.2**	**531.9**	**214.7**	**481.8**
Attributable to:				
Shareholders of the Parent Company	*144.7*	*238.1*	*35.6*	*229.0*
Non-controlling interests	*(58.5)*	*293.8*	*179.1*	*252.8*

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
ASSECO GROUP

ASSETS	Note	30 Sept. 2015 (unaudited) PLN millions	31 Dec. 2014 (audited, restated) PLN millions	30 Sept. 2014 (unaudited, restated) PLN millions
Non-current assets				
Property, plant and equipment	7	773.3	724.1	727.2
Intangible assets	8	1,005.8	954.5	960.8
Investment property		27.0	27.0	30.4
Goodwill	9	5,495.0	5,210.7	5,139.6
Investments in associates accounted for using the equity method		13.1	17.6	16.6
Long-term receivables	13	49.2	33.3	33.5
Deferred tax assets		86.7	77.2	80.8
Long-term financial assets	11	157.9	165.6	138.2
Long-term prepayments and accrued income	12	34.5	32.4	31.1
		7,642.5	**7,242.4**	**7,158.2**
Current assets				
Inventories		112.7	59.8	70.9
Prepayments and accrued income	12	119.4	105.4	91.7
Trade receivables	13	1,815.1	1,767.3	1,517.9
Corporate income tax receivable	13	59.3	61.0	54.0
Receivables from the state and local budgets	13	34.1	28.1	25.6
Other receivables	13	129.4	36.3	42.4
Other non-financial assets		16.3	3.5	8.3
Financial assets	11	146.8	142.9	149.0
Cash and short-term deposits	14	1,225.5	1,223.8	1,006.1
Non-current assets classified as held for sale		6.7	13.2	15.0
		3,665.3	**3,441.3**	**2,980.9**
TOTAL ASSETS		**11,307.8**	**10,683.7**	**10,139.1**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ASSECO GROUP

EQUITY AND LIABILITIES	Note	30 Sept. 2015 (unaudited) PLN millions	31 Dec. 2014 (audited, restated) PLN millions	30 Sept. 2014 (unaudited, restated) PLN millions
Equity (attributable to shareholders of the Parent Company)				
Share capital		83.0	83.0	83.0
Share premium		4,180.1	4,180.1	4,180.1
Transactions with non-controlling interests		(97.2)	(32.7)	(85.7)
Exchange differences on translation of foreign operations		(88.1)	(87.1)	(1.3)
Retained earnings		898.4	781.2	781.9
Net profit for the reporting period attributable to shareholders of the Parent Company		239.6	358.4	268.5
		5,215.8	**5,282.9**	**5,226.5**
Non-controlling interests		**2,868.9**	**2,690.5**	**2,552.4**
Total equity		**8,084.7**	**7,973.4**	**7,778.9**
Non-current liabilities				
Interest-bearing bank loans, borrowings and debt securities	15	678.0	514.7	518.9
Long-term finance lease liabilities		98.1	110.1	112.5
Long-term financial liabilities	16	235.8	103.5	105.5
Deferred tax liabilities		160.2	135.2	133.8
Long-term provisions		62.5	49.4	46.0
Long-term deferred income	18	58.0	65.6	58.1
Other long-term liabilities	17	17.4	12.6	8.1
		1,310.0	**991.1**	**982.9**
Current liabilities				
Interest-bearing bank loans, borrowings and debt securities	15	375.0	211.8	158.8
Finance lease liabilities		23.9	21.4	20.9
Financial liabilities	16	76.1	64.8	76.2
Trade payables	17	590.6	583.4	422.9
Corporate income tax payable	17	34.0	29.0	21.6
Liabilities to the state and local budgets	17	95.6	130.4	98.2
Other liabilities	17	199.6	161.5	163.8
Provisions		60.3	39.4	29.0
Deferred income	18	247.9	261.3	220.0
Accruals	18	210.1	216.2	165.9
		1,913.1	**1,719.2**	**1,377.3**
TOTAL LIABILITIES		**3,223.1**	**2,710.3**	**2,360.2**
TOTAL EQUITY AND LIABILITIES		**11,307.8**	**10,683.7**	**10,139.1**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ASSECO GROUP

	Share capital	Share premium	Transactions with non-controlling interests	Exchange differences on translation of foreign operations	Retained earnings and current net profit	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions
As at 1 January 2015 **(audited, restated)**	**83.0**	**4,180.1**	**(32.7)**	**(87.1)**	**1,139.6**	**5,282.9**	**2,690.5**	**7,973.4**
Net profit for the reporting period	-	-	-	-	239.6	**239.6**	147.5	**387.1**
Total other comprehensive income for the reporting period			-	(1.0)	(0.5)	**(1.5)**	146.3	**144.8**
Dividend for the year 2014	-	-	-	-	(240.7)	**(240.7)**	(118.3)	**(359.0)**
Share-based payment transactions with employees	-	-	-	-	-	**-**	13.1	**13.1**
Transactions with non-controlling interests (including settlement of contingent financial liabilities to non-controlling interests (put options)	-	-	(64.5)	-	-	**(64.5)**	(47.1)	**(111.6)**
Obtaining control over subsidiaries	-	-	-	-	-	**-**	36.9	**36.9**
As at 30 September 2015 **(unaudited)**	**83.0**	**4,180.1**	**(97.2)**	**(88.1)**	**1,138.0**	**5,215.8**	**2,868.9**	**8,084.7**
As at 1 January 2014 **(audited)**	**83.0**	**4,180.1**	**(51.5)**	**37.3**	**998.6**	**5,247.5**	**2,177.1**	**7,424.6**
Net profit for the reporting period	-	-	-	-	268.5	**268.5**	115.5	384
Total other comprehensive income for the reporting period			-	(38.6)	(0.9)	**(39.5)**	137.3	**97.8**
Dividend for the year 2013	-	-	-	-	(215.8)	**(215.8)**	(80.3)	**(296.1)**
Share-based payment transactions with employees	-	-	-	-	-	**-**	17.1	**17.1**
Transactions with non-controlling interests (including settlement of contingent financial liabilities to non-controlling interests (put options)	-	-	(34.2)	-	-	**(34.2)**	198.2	**164.0**
Loss of control over subsidiaries	-	-	-	-	-	**-**	(18.2)	**(18.2)**
Obtaining control over subsidiaries	-	-	-	-	-	**-**	5.7	**5.7**
As at 30 September 2014 **(unaudited, restated)**	**83.0**	**4,180.1**	**(85.7)**	**(1.3)**	**1,050.4**	**5,226.5**	**2,552.4**	**7,778.9**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ASSECO GROUP (continued)

	Share capital	Share premium	Transactions with non-controlling interests	Exchange differences on translation of foreign operations	Retained earnings and current net profit	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions
As at 1 January 2014 **(audited)**	**83.0**	**4,180.1**	**(51.5)**	**37.3**	**998.6**	**5,247.5**	**2,177.1**	**7,424.6**
Net profit for the reporting period	-	-	-	-	358.4	**358.4**	170.1	**528.5**
Total other comprehensive income for the reporting period			-	(124.4)	(1.6)	**(126.0)**	221.8	**95.8**
Dividend for the year 2013	-	-	-	-	(215.8)	**(215.8)**	(102.3)	**(318.1)**
Share-based payment transactions with employees	-	-	-	-	-	**-**	21.9	**21.9**
Transactions with non-controlling interests (including settlement of contingent financial liabilities to non-controlling interests (put options)	-	-	18.8	-	-	**18.8**	216.9	**235.7**
Loss of control over subsidiaries	-	-	-	-	-	**-**	(18.6)	**(18.6)**
Obtaining control over subsidiaries	-	-	-	-	-	**-**	3.6	**3.6**
As at 31 December 2014 **(audited, restated)**	**83.0**	**4,180.1**	**(32.7)**	**(87.1)**	**1,139.6**	**5,282.9**	**2,690.5**	**7,973.4**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

ASSECO GROUP

	Note	9 months ended 30 Sept. 2015 (unaudited) PLN millions	9 months ended 30 Sept. 2014 (unaudited, restated) PLN millions
Cash flows – operating activities			
Profit before tax and share of profits of associates from continuing operations		505.2	469.1
Profit before tax from discontinued operations for the reporting period	4	-	15.2
Total adjustments:		**115.8**	**18.6**
Depreciation and amortization	1	200.0	200.3
Changes in working capital	20	(116.0)	(152.3)
Interest income/expenses		18.4	10.8
Gain/loss on foreign exchange differences		2.4	(15.3)
Gain/loss on financial assets (valuation, disposal, impairment, etc.)		(4.5)	(25.1)
Other financial income/expenses		2.6	(3.9)
Gain/loss on disposal of property, plant and equipment and intangible assets		2.8	(3.3)
Gain on disposal of discontinued operations	4	-	(9.6)
Costs of share-based payment transactions with employees	1	11.5	17.1
Other adjustments to profit before tax		(1.4)	(0.1)
Cash provided by (used in) operating activities		**621.0**	**502.9**
Corporate income tax paid		(123.7)	(104.1)
Net cash provided by (used in) operating activities		**497.3**	**398.8**
Cash flows – investing activities			
Disposal of property, plant and equipment and intangible assets		8.5	4.1
Disposal of assets classified as held for sale		6.4	4.9
Acquisition of property, plant and equipment and intangible assets	20	(138.6)	(146.7)
Acquisition of subsidiaries and associates	20	(181.1)	(62.9)
Cash and cash equivalents in subsidiaries acquired	20	16.1	2.8
Disposal of shares in related companies		4.5	46.0
Cash and cash equivalents in subsidiaries disposed of (discontinued operations)	4	-	3.9
Disposal/settlement of financial assets carried at fair value through profit or loss		11.7	2.4
Acquisition/settlement of financial assets carried at fair value through profit or loss		(9.6)	(1.7)
Disposal of financial assets available for sale		4.3	4.9
Acquisition of financial assets available for sale	11	(30.2)	(136.9)
Loans granted	20	(42.9)	(46.4)
Loans collected	20	75.3	21.7
Interest received		12.6	12.9
Dividends received		2.8	4.1
Net cash provided by (used in) investing activities		**(260.2)**	**(286.9)**

(continued)	Note	9 months ended 30 Sept. 2015 (unaudited) PLN millions	9 months ended 30 Sept. 2014 (unaudited, restated) PLN millions
Cash flows – financing activities			
Proceeds from transactions with non-controlling interests	20	6.0	174.9
Expenditures for the acquisition of non-controlling interests	20	(26.0)	(63.8)
Proceeds from bank loans and borrowings	20	68.4	284.8
Proceeds from issuance of debt securities	20	121.7	-
Repayment of bank loans and borrowings		(90.0)	(157.2)
Finance lease liabilities paid		(17.3)	(17.0)
Interest paid		(32.3)	(31.7)
Dividends paid out by the Parent Company		(240.7)	(215.8)
Dividends paid out to non-controlling shareholders	10	(120.9)	(91.1)
Grants received for purchases of property, plant and equipment and/or development projects		-	0.2
Other cash flows from financing activities		0.9	0.1
Net cash provided by (used in) financing activities		**(330.2)**	**(116.6)**
Net increase (decrease) in cash and cash equivalents		**(93.1)**	**(4.7)**
Net foreign exchange differences		26.5	33.8
Net cash and cash equivalents as at 1 January		1,220.7	956.4
Net cash and cash equivalents as at 30 September	14	**1,154.1**	**985.5**

SUPPLEMENTARY INFORMATION TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

I. GENERAL INFORMATION

Asseco Group ("Asseco Group", the "Group") is a group of companies, whose Parent Company is Asseco Poland S.A. (the "Parent Company", "Company", "Issuer") with registered office at 14 Olchowa St., Rzeszów, Poland.

The Company was established on 18 January 1989 as a limited liability company and subsequently, under notary deed of 31 August 1993, it was transformed into and since then has operated as a joint-stock company with registered office at 72a, 17 Stycznia St., Warsaw, Poland. The Company is entered in the Register of Entrepreneurs of the National Court Register under the number KRS 0000033391 (previously it was entered in the Commercial Register maintained by the District Court of the Capital City of Warsaw, Commercial Court, XVI Commercial and Registration Department, under the number RHB 17220).

On 4 January 2007, the Issuer changed its name from Softbank S.A. to Asseco Poland S.A., and moved its registered office from 72a, 17 Stycznia St., Warsaw to 80 Armii Krajowej Av., Rzeszów. On 8 March 2010, the Issuer moved its registered office from 80 Armii Krajowej Av., Rzeszów to 14 Olchowa St., Rzeszów.

Since 1998, the Company's shares have been listed on the main market of the Warsaw Stock Exchange S.A. The Company has been assigned the statistical ID number REGON 010334578.

The period of the Company's operations is indefinite.

Asseco Poland S.A. is the largest IT company listed on the Warsaw Stock Exchange. The Company is also a major player in the European software producers market.

As a leader of the Group, Asseco Poland S.A. is actively engaged in business acquisitions both in the domestic and foreign markets, seeking to strengthen its position across Europe and worldwide. Now the Company is expanding its investment spectrum for software houses, with an eye to gain insight into their local markets and customers, as well as access to innovative and unique IT solutions.

Our comprehensive offering includes products dedicated for the sectors of banking and finance, public institutions, as well as industry, trade, and services. The Group has got a wide-range portfolio of proprietary products, unique competence and experience in the execution of complex IT projects, and a broad customer base, including the largest financial institutions, major industrial enterprises as well as public administration bodies.

II. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS AND ACCOUNTING POLICIES APPLIED

1. Basis for preparation

These interim condensed consolidated financial statements were prepared in accordance with the historical cost convention, except for financial assets carried at fair value through profit or loss, financial assets available for sale, and investment property which are also measured at fair value.

The presentation currency of these interim condensed consolidated financial statements is the Polish zloty (PLN), and all figures are presented in PLN millions, unless stated otherwise.

These interim condensed consolidated financial statements were prepared on a going-concern basis, assuming the Group will continue its business operations over a period not shorter than 12 months from 30 September 2015. Till the date of approving these interim condensed consolidated financial statements, we have not observed any circumstances that would threaten the Group companies' ability to continue as going concerns.

These interim condensed consolidated financial statements do not include all the information and disclosures required for annual consolidated financial statements, and therefore they should be read together with the Group's consolidated financial statements for the year ended 31 December 2014, which were published on 13 March 2015.

2. Compliance statement

These interim condensed consolidated financial statements have been prepared in conformity with the International Accounting Standard 34 Interim Financial Reporting as endorsed by the European Union ("IAS 34").

As at the date of approving publication of these financial statements, given the ongoing process of implementing IFRS in the European Union as well as the Group's operations, in the scope of accounting policies applied by the Group there is no difference between IFRS that came into force and IFRS endorsed by the EU.

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

Some of the Group companies maintain their accounting books in accordance with the accounting policies set forth in their respective local regulations. The consolidated financial statements include adjustments not disclosed in the accounting books of the Group's entities, which were introduced to adjust the financial statements of those entities to IFRS.

3. Estimates

In the period of 9 months ended 30 September 2015, our approach to making estimates was not subject to any substantial change.

4. Professional judgement

Preparation of consolidated financial statements in accordance with IFRS requires making estimates and assumptions which have an impact on the data disclosed in such financial statements. Despite the estimates and assumptions have been adopted based on the Group's management best knowledge on the current activities and occurrences, the actual results may differ from those anticipated.

Presented below are the main areas which in the process of applying our accounting policies were subject not only to accounting estimates, but also to the management's professional judgement. Therefore, a change in estimates made for the following areas might have a significant impact on the Group's future results.

i. Consolidation of entities in which the Group holds less than 50% of voting rights

The Group has concluded that despite the lack of an absolute majority of voting rights at the general meeting of shareholders of Sapiens International Corporation N.V. (hereinafter "Sapiens"), Magic Software Enterprises Ltd (hereinafter "Magic"), Formula Systems (1985) Ltd (hereinafter "Formula"), Asseco Resovia S.A. as well as Gdyński Klub Koszykówki Arka S.A., in accordance with IFRS 10, these companies are still controlled by the Group.

In the case of Sapiens, the conclusion regarding the existence of control in line with IFRS 10 was made considering the following factors:

1. Governing bodies of Sapiens:

- decisions of the general meeting are taken by a simple majority of votes represented at the general meeting;
- the annual (ordinary) general meeting adopts resolutions to appoint individual directors, choose the company's financial auditors for the next year, as well as to approve the company's financial statements and the management's report on operations;
- in accordance with the company's articles of association, the board of directors of Sapiens is responsible for managing the company's current business operations and is authorized to take substantially all decisions which are not specifically reserved to shareholders by the articles of association, including the decision to pay out dividends;
- the company's board of directors is composed of 7 members, 5 of whom are independent directors. For the last 7 years, Formula Systems has consistently reappointed the same members of the board of directors.

2. Shareholder structure of Sapiens:

- the company's shareholder structure is dispersed because no shareholder other than Formula holds more than 5% of voting rights (the next major shareholder holds less than 4.5% of voting rights);
- there is no evidence that any shareholders have or had any agreement for common voting at the general meeting;
- over the recent years from 2012 to 2015, the company's general meetings were attended by shareholders representing in total between 70% and 72% of total voting rights. This means that the level of activity of the company's shareholders is relatively moderate or low. Bearing in mind that Formula presently holds approx. 49% of total voting rights, the attendance from shareholders would have to be higher than 96% in order to deprive Formula of an absolute majority of votes at the general meeting. The Management believes that achieving such high attendance seems unlikely.

With regard to the above, the Group has determined that Formula Systems, despite the lack of an absolute majority of shares in Sapiens, is still able to influence the appointment of directors at Sapiens, and therefore may affect the directions of development as well as current business operations of that company.

In the case of Magic, the conclusion regarding the existence of control in line with IFRS 10 was made considering the following factors:

1. Governing bodies of Magic:

- decisions of the general meeting are taken by a simple majority of votes represented at the general meeting;
- the annual (ordinary) general meeting adopts resolutions to appoint individual directors, choose the company's financial auditors for the next year, as well as to approve the company's financial statements and the management's report on operations;
- in accordance with the company's articles of association, the board of directors of Magic is responsible for managing the company's current business operations and is authorized to take substantially all decisions which are not specifically reserved to shareholders by the articles of association, including the decision to pay out dividends;
- the company's board of directors is composed of 5 members, 3 of whom are independent directors. In recent years, Formula Systems has consistently reappointed the same members of the board of directors.

2. Shareholder structure of Magic:

- the Magic's shareholder structure may be considered as dispersed because, apart from Formula, just one shareholder holds approx. 5% of voting rights, and the next major shareholder holds approx. 3.3% of voting rights;
- there is no evidence that any shareholders have or had any agreement for common voting at the general meeting;
- over the past four years, i.e. from 2011 to 2014, the company's general meetings were attended by shareholders representing not more than 70% of total voting rights. This means that the level of activity of the company's shareholders is relatively moderate or low. Bearing in mind that Formula presently

holds approx. 46% of total voting rights, the attendance from shareholders would have to be higher than 85% in order to deprive Formula of an absolute majority of votes at the general meeting. The Management believes that achieving such high attendance seems unlikely.

With regard to the above, the Group has determined that Formula Systems, despite the lack of an absolute majority of shares in Magic, is still able to influence the appointment of directors at Magic, and therefore may affect the directions of development as well as current business operations of that company.

The Parent Company maintains control over Formula Systems (1985) Ltd despite holding less than 50% of its shares due to the specific stock option plan provisions pertaining to voting rights attached to shares awarded to the CEO of Formula Systems under the employee stock option plan. These provisions have been described in detail in explanatory note 1 to these interim condensed consolidated financial statements.

The Parent Company maintains control over Asseco Business Solutions S.A. despite holding less than 50% of its shares, because, according to the articles of association of Asseco Business Solutions S.A., 3 out of the total 5 members of the supervisory board of that subsidiary are appointed by Asseco Poland S.A.

Moreover, the Group has analyzed its relationships with entities related through the key management personnel and concluded that, in accordance with IFRS 10, it maintains control over Asseco Resovia S.A. and Gdyński Klub Koszykówki Arka S.A. Such decision resulted from the following factors:

- the management boards and supervisory boards of both those companies are mostly composed of the key management personnel of Asseco Poland S.A.;
- both those companies are to a large extent dependent on financing obtained from Asseco Poland S.A.

Hence, in these interim condensed consolidated financial statements, the results of Sapiens, Magic, Asseco Resovia and Arka Gdynia, Formula Systems and Asseco Business Solutions have been accounted for using the acquisition method.

ii. Valuation of IT contracts and measurement of their completion

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

Assumed future operating cash flows are not always consistent with the agreements with customers or suppliers due to modifications of IT projects implementation schedules.

iii. Rates of depreciation and amortization

The level of depreciation and amortization rates is determined on the basis of anticipated period of useful economic life of the components of tangible and intangible assets. The Group verifies the adopted periods of useful life on an annual basis, taking into account the current estimates. In 2015 the rates of depreciation and amortization applied by the Group were not subject to any substantial modifications.

iv. Goodwill and intangible assets with indefinite useful life – impairment testing

In line with the Group's policy, every year as at 31 December, the Management Board of the Parent Company performs an annual impairment test on cash-generating units to which goodwill as well as intangible assets with an indefinite period of useful life have been allocated. Whereas, as at each interim balance sheet date, the Management Board of the Parent Company performs a review of possible indications of impairment of cash-generating units to which goodwill and/or intangible assets with indefinite useful life have been allocated. In the event such indications are identified, an impairment test should be carried out as at the interim balance sheet date.

Each impairment test requires making estimates of the value in use of cash-generating units or groups of cash-generating units to which goodwill and/or intangible assets with indefinite useful life have been allocated. The value in use is estimated by determining both the future cash flows expected to be achieved from the cash-generating unit or units and a discount rate to be subsequently used in order to calculate the net present value of those cash flows.

v. Liabilities under put options granted to non-controlling shareholders

As at 30 September 2015, the Group recognized liabilities resulting from future payments to non-controlling shareholders. Determination of the amounts payable under such liabilities required making estimates of future financial results of our subsidiaries. As at 30 September 2015, such liabilities amounted to PLN 225.5 million (see explanatory note 16 to these interim condensed consolidated financial statements).

vi. Liabilities for deferred and contingent payments for controlling interests in subsidiaries

As at 30 September 2015, the Group recognized liabilities for deferred and contingent payments for controlling interests in subsidiaries in the amount of PLN 70.1 million. Determination of the amounts payable under such liabilities required making estimates of future financial results of our subsidiaries (see explanatory note 16 to these interim condensed consolidated financial statements).

vii. Classification of lease agreements (the Group as a lessee)

The Group classifies its lease contracts as operating or financial depending on whether substantially all the risks and rewards incidental to ownership of leased assets are retained by the lessor or transferred to the lessee. Such assessment is based on the economic substance of each leasing transaction.

viii. Classification of lease agreements (the Group as a lessor)

The Group generates revenues, among others, from lease agreements whereby the Group's assets are leased to clients for a fee.

The analysis of such agreements showed that the lease terms are shorter than the estimated useful lives of leased assets, and that significant risks and rewards incidental to ownership of leased assets have not been transferred to the Group's clients. Hence, the Group concluded that these agreements shall be treated as operating leases.

ix. Internally generated intangible assets

The costs of internally generated intangible assets are measured and capitalized in line with the Group's accounting policy. The determination of when to begin the capitalization of such costs is subject to the management's professional judgement as to the technological and economic feasibility of completing the development project. This moment is determined by reaching a stage (milestone) of the project, at which the Group is reasonably certain of being able to complete the intangible asset so that it will be available for use or sale, and that future economic benefits to be obtained from use or sale of such intangible asset will exceed its production cost.

Thus, when determining the amount of capitalizable expenditures, the Management Board needs to estimate the present value of future cash flows to be generated by the intangible asset.

In the period of 9 months ended 30 September 2015, the Group capitalized PLN 59.6 million of project development costs (of which PLN 20.9 million in the period of 3 months ended 30 September 2015). The related information has been presented in detail in explanatory note 8 to these interim condensed financial statements.

5. Accounting policies applied

The significant accounting policies adopted by the Parent Company have been described in its consolidated financial statements for the year ended 31 December 2014 which were published on 13 March 2015.

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed when preparing the Group's annual consolidated financial statements for the year ended 31 December 2014.

The Group did not decide on early adoption of any standard, interpretation or amendment which has been published but has not yet become effective.

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

The following standards and interpretations were issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC), but have not yet come into force:

- IFRS 9 *Financial Instruments* – effective for annual periods beginning on or after 1 January 2018 – not yet endorsed by the EU till the date of approval of these financial statements;
- Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions* (issued on 21 November 2013) – effective for annual periods beginning on or after 1 July 2014 – to be applied in the EU at the latest for annual periods beginning on or after 1 February 2015;
- Annual Improvements to IFRSs: 2010-2012 Cycle (issued on 12 December 2013) – some amendments are effective for annual periods beginning on or after 1 July 2014, and some prospectively for transactions occurring on or after 1 July 2014 – to be applied in the EU at the latest for annual periods beginning on or after 1 February 2015;
- IFRS 14 *Regulatory Deferral Accounts* – effective for annual periods beginning on or after 1 January 2016, however it has not yet been decided when EFRAG shall perform specific steps for the endorsement of this standard – not yet endorsed by the EU till the date of approval of these financial statements;
- Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations* – effective for annual periods beginning on or after 1 January 2016 – not yet endorsed by the EU till the date of approval of these financial statements;
- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortization* – effective for annual periods beginning on or after 1 January 2016 – not yet endorsed by the EU till the date of approval of these financial statements;
- IFRS 15 *Revenue from Contracts with Customers* – effective for annual periods beginning on or after 1 January 2018 – not yet endorsed by the EU till the date of approval of these financial statements;
- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants* – effective for annual periods beginning on or after 1 January 2016 – not yet endorsed by the EU till the date of approval of these financial statements;
- Amendments to IAS 27 *Equity Method in Separate Financial Statements* – effective for annual periods beginning on or after 1 January 2016 – not yet endorsed by the EU till the date of approval of these financial statements;
- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – effective for annual periods beginning on or after 1 January 2016, however this deadline has been initially postponed by IASB and it has not yet been decided when EFRAG shall perform specific steps for the endorsement of these amendments – not yet endorsed by the EU till the date of approval of these financial statements;
- Annual Improvements to IFRSs: 2012-2014 Cycle – effective for annual periods beginning on or after 1 July 2016 – not yet endorsed by the EU till the date of approval of these financial statements;
- Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception* – effective for annual periods beginning on or after 1 January 2016 – not yet endorsed by the EU till the date of approval of these financial statements;

- Amendments to IAS 1 *Disclosure Initiative* – effective for annual periods beginning on or after 1 January 2016 – not yet endorsed by the EU till the date of approval of these financial statements.

The Group is currently conducting an analysis of how the above-mentioned amendments are going to impact its financial statements.

7. Changes in the presentation methods applied

As of 1 January 2015, the Group has changed the method of classification of certain receivables and liabilities, and in particular the way of recognizing receivables/liabilities as related to trade or other activities. Starting from 1 January 2015, the Group decided that all receivables resulting in the recognition of sales revenues shall be presented trade receivables. Hence, as of 1 January 2015, trade receivables include the following categories:

- receivables from issued invoices,
- receivables from uninvoiced deliveries,
- receivables from valuation of IT contracts.

Until 31 December 2014, the two last-mentioned categories used to be presented by the Group in "other receivables".

Changes in the presentation of receivables resulted in the necessity of introducing analogous changes in the methods of presentation of liabilities. This involved in particular the following reclassifications:

- liabilities arising from valuation of IT contracts as well as liabilities for uninvoiced deliveries have been, as of 1 January 2015, classified as trade payables;
- provisions for losses on IT contracts have been reclassified as "provisions".

8. Corrections of material errors

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

9. Changes in comparable data

In these interim condensed consolidated financial statements, the comparable data have been subject to the following restatements:

a. Changes resulting from the application of new presentation methods

The comparable data contained in these interim condensed consolidated financial statements have been restated as a result of changes in the applied presentation methods as described in item 7 above.

b. Changes resulting from the completion of purchase price allocation

In September 2015, the Group completed the process of allocation of the purchase price of Silverback MDM Pty Ltd that was acquired by Matrix42 AG. This necessitated a restatement of certain items of assets and liabilities reported as at 30 September 2014 and 31 December 2014.

Furthermore, the completion of allocation of the purchase price of Park Wodny Sopot Sp. z o.o. necessitated a restatement of certain items of assets and liabilities reported as at 30 September 2014.

c. Changes related to operating segments

Bearing in mind that, starting from 1 January 2015, the financial results of Sintagma UAB have been reviewed by the Management Board of Asseco Poland as part of the Western European market, the financial results of this company for the period of 9 months ended 30 September 2015 as well as for the comparable period have been presented in that segment. This is a change in relation to the financial statements published for the period of 9 months ended 30 September 2014 when Sintagma UAB was included in the Eastern European market.

The tables below present the impact of the above-mentioned changes on the comparable data of the statement of financial position as at 31 December 2014 and 30 September 2014.

Restatement of comparable data as at 31 December 2014	Statement of financial position as at 31 Dec. 2014 (audited) PLN millions	Changes in presentation methods PLN millions	Changes resulting from purchase price allocation PLN millions	Restated statement of financial position as at 31 Dec. 2014 (audited, restated) PLN millions
Non-current assets	**7,238.3**	**-**	**4.1**	**7,242.4**
Property, plant and equipment	724.1	-	-	724.1
Intangible assets	954.5	-	-	954.5
Investment property	27.0	-	-	27.0
Goodwill	5,206.6	-	4.1	5,210.7
Investments in associates	17.6	-	-	17.6
Long-term receivables	33.3	-	-	33.3
Deferred tax assets	77.2	-	-	77.2
Financial assets	165.6	-	-	165.6
Prepayments and accrued income	32.4	-	-	32.4
Current assets	**3,441.3**	**-**	**-**	**3,441.3**
Inventories	59.8	-	-	59.8
Prepayments and accrued income	105.4	-	-	105.4
Trade receivables	1,326.7	440.6	-	1,767.3
Corporate income tax receivable	61.0	-	-	61.0
Receivables from the state and local budgets	28.1	-	-	28.1
Other receivables	476.9	(440.6)	-	36.3
Other non-financial assets	3.5	-	-	3.5
Financial assets	142.9	-	-	142.9
Cash and cash equivalents	1,223.8	-	-	1,223.8
Assets held for sale	13.2	-	-	13.2
TOTAL ASSETS	**10,679.6**	**-**	**4.1**	**10,683.7**

Restatement of comparable data as at 31 December 2014	Statement of financial position as at 31 Dec. 2014 (audited) PLN millions	Changes in presentation methods PLN millions	Changes resulting from purchase price allocation PLN millions	Restated statement of financial position as at 31 Dec. 2014 (audited, restated) PLN millions
Total equity	**7,973.4**	**-**	**-**	**7,973.4**
Equity (Parent Company)	5,282.9	-	-	5,282.9
Non-controlling interests	2,690.5	-	-	2,690.5
Non-current liabilities	**988.3**	**-**	**2.8**	**991.1**
Interest-bearing bank loans and borrowings	514.7	-	-	514.7
Finance lease liabilities	110.1	-	-	110.1
Financial liabilities	100.7	-	2.8	103.5
Deferred tax liabilities	135.2	-	-	135.2
Provisions	48.6	0.8	-	49.4
Deferred income	65.6	-	-	65.6
Other liabilities	13.4	(0.8)	-	12.6
Current liabilities	**1,717.9**	**-**	**1.3**	**1,719.2**
Interest-bearing bank loans and borrowings	211.8	-	-	211.8
Finance lease liabilities	21.4	-	-	21.4
Financial liabilities	64.8	-	-	64.8
Trade payables	416.7	165.4	1.3	583.4
Corporate income tax payable	29.0	-	-	29.0
Liabilities to the state and local budgets	130.4	-	-	130.4
Other liabilities	233.9	(72.4)	-	161.5
Provisions	29.3	10.1	-	39.4
Deferred income	261.3	-	-	261.3
Accruals	319.3	(103.1)	-	216.2
TOTAL LIABILITIES	**2,706.2**	**-**	**4.1**	**2,710.3**
TOTAL EQUITY AND LIABILITIES	**10,679.6**	**-**	**4.1**	**10,683.7**

Restatement of comparable data as at 31 September 2014	Statement of financial position as at 30 Sept. 2014 (unaudited) PLN millions	Changes in presentation methods PLN millions	Changes resulting from purchase price allocation PLN millions	Restated statement of financial position as at 30 Sept. 2014 (unaudited, restated) PLN millions
Non-current assets	**7,150.5**	**-**	**7.7**	**7,158.2**
Property, plant and equipment	724.6	-	2.6	727.2
Intangible assets	960.8	-	-	960.8
Investment property	30.4	-	-	30.4
Goodwill	5,134.5	-	5.1	5,139.6
Investments in associates	16.6	-	-	16.6
Long-term receivables	33.5	-	-	33.5
Deferred tax assets	80.8	-	-	80.8
Financial assets	138.2	-	-	138.2
Prepayments and accrued income	31.1	-	-	31.1
Current assets	**2,980.9**	**-**	**-**	**2,980.9**
Inventories	70.9	-	-	70.9
Prepayments and accrued income	91.7	-	-	91.7
Trade receivables	1,043.7	474.2	-	1,517.9
Corporate income tax receivable	54.0	-	-	54.0
Receivables from the state and local budgets	25.6	-	-	25.6
Other receivables	516.6	(474.2)	-	42.4
Other non-financial assets	8.3	-	-	8.3
Financial assets	149.0	-	-	149.0
Cash and cash equivalents	1,006.1	-	-	1,006.1
Assets held for sale	15.0	-	-	15.0
TOTAL ASSETS	**10,131.4**	**-**	**7.7**	**10,139.1**

Restatement of comparable data as at 31 September 2014	Statement of financial position as at 30 Sept. 2014 (unaudited) PLN millions	Changes in presentation methods PLN millions	Changes resulting from purchase price allocation PLN millions	Restated statement of financial position as at 30 Sept. 2014 (unaudited, restated) PLN millions
Total equity	**7,776.0**	**-**	**2.9**	**7,778.9**
Equity (Parent Company)	5,226.5	-	-	5,226.5
Non-controlling interests	2,549.5	-	2.9	2,552.4
Non-current liabilities	**979.2**	**-**	**3.7**	**982.9**
Interest-bearing bank loans and borrowings	518.9	-	-	518.9
Finance lease liabilities	112.5	-	-	112.5
Financial liabilities	102.3	-	3.2	105.5
Deferred tax liabilities	133.3	-	0.5	133.8
Provisions	45.2	0.8	-	46.0
Deferred income	58.1	-	-	58.1
Other liabilities	8.9	(0.8)	-	8.1
Current liabilities	**1,376.2**	**-**	**1.1**	**1,377.3**
Interest-bearing bank loans and borrowings	158.8	-	-	158.8
Finance lease liabilities	20.9	-	-	20.9
Financial liabilities	76.2	-	-	76.2
Trade payables	253.1	168.5	1.3	422.9
Corporate income tax payable	21.6	-	-	21.6
Liabilities to the state and local budgets	98.2	-	-	98.2
Other liabilities	222.3	(58.5)	-	163.8
Provisions	24.7	4.3	-	29.0
Deferred income	220.2	-	(0.2)	220.0
Accruals	280.2	(114.3)	-	165.9
TOTAL LIABILITIES	**2,355.4**	**-**	**4.8**	**2,360.2**
TOTAL EQUITY AND LIABILITIES	**10,131.4**	**-**	**7.7**	**10,139.1**

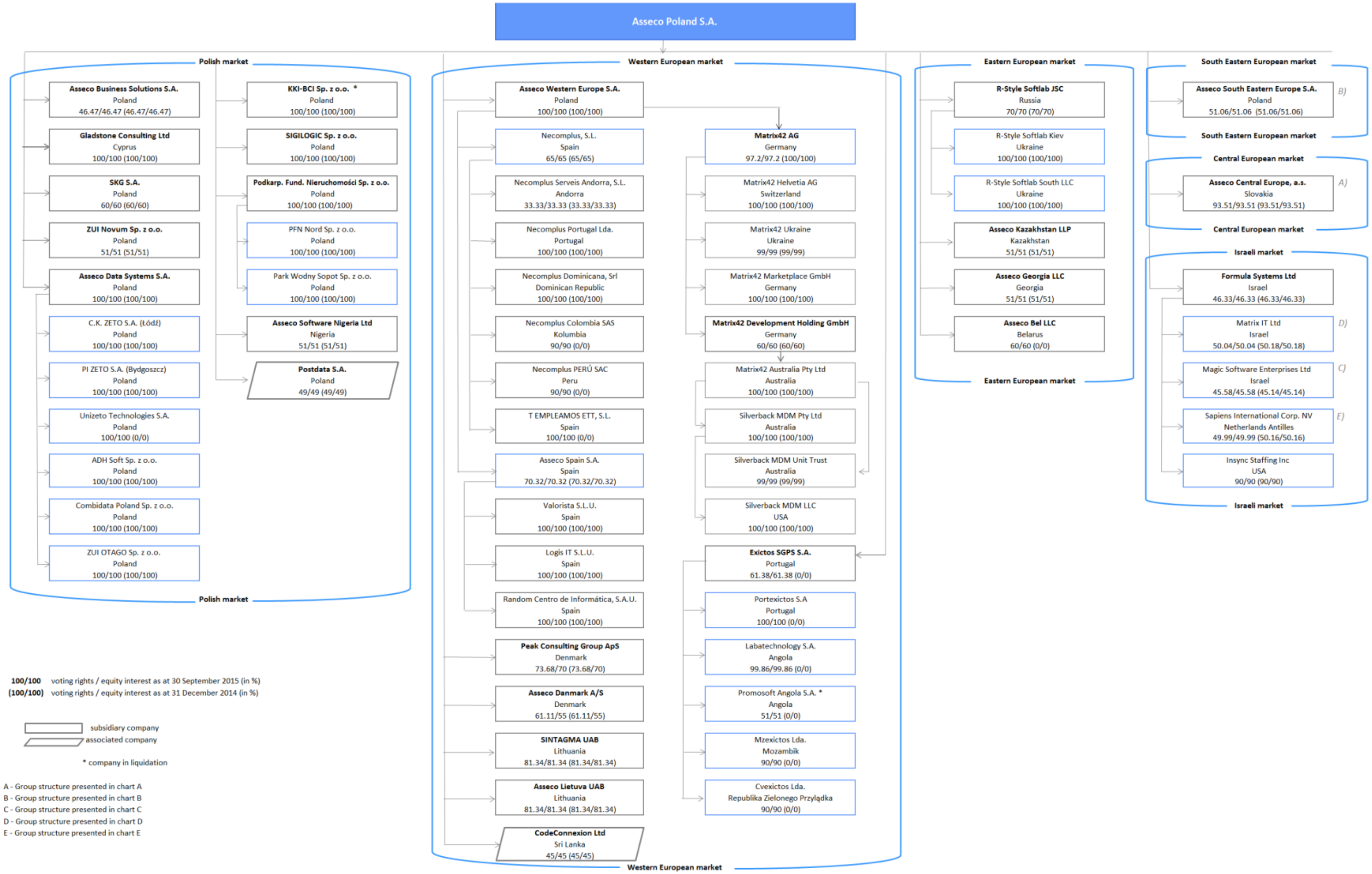
Changes in the presentation of operating segments:

Restatement of comparable data for the period of 9 months ended 30 September 2014	Western European market (unaudited) PLN millions	Changes in presentation methods PLN millions	Western European market (unaudited, restated) PLN millions
Sales to external customers	**326.1**	**25.4**	**351.5**
Inter-segment sales	*0.1*	-	*0.1*
Operating profit/(loss) of operating segment	**19.8**	**2.6**	**22.4**
Interest income	0.9	-	0.9
Interest expenses	(0.9)	-	(0.9)
Corporate income tax	**(4.9)**	**(0.4)**	**(5.3)**
Non-cash items:			
Depreciation and amortization (continuing operations)	(11.4)	(0.3)	(11.7)
Impairment write-downs on segment assets:	(0.2)	(0.3)	(0.5)
write-down on goodwill	-	-	-
net write-down on operating assets	*(0.2)*	-	*(0.2)*
Share of profits of associates and jointly controlled companies	-	-	-
Net profit/loss attributable to shareholders of the Parent Company	**11.3**	**1.7**	**13.0**
Cash provided by (used in) operating activities	**22.6**	**(2.9)**	**19.7**
Goodwill	**234.3**	**15.6**	**249.9**

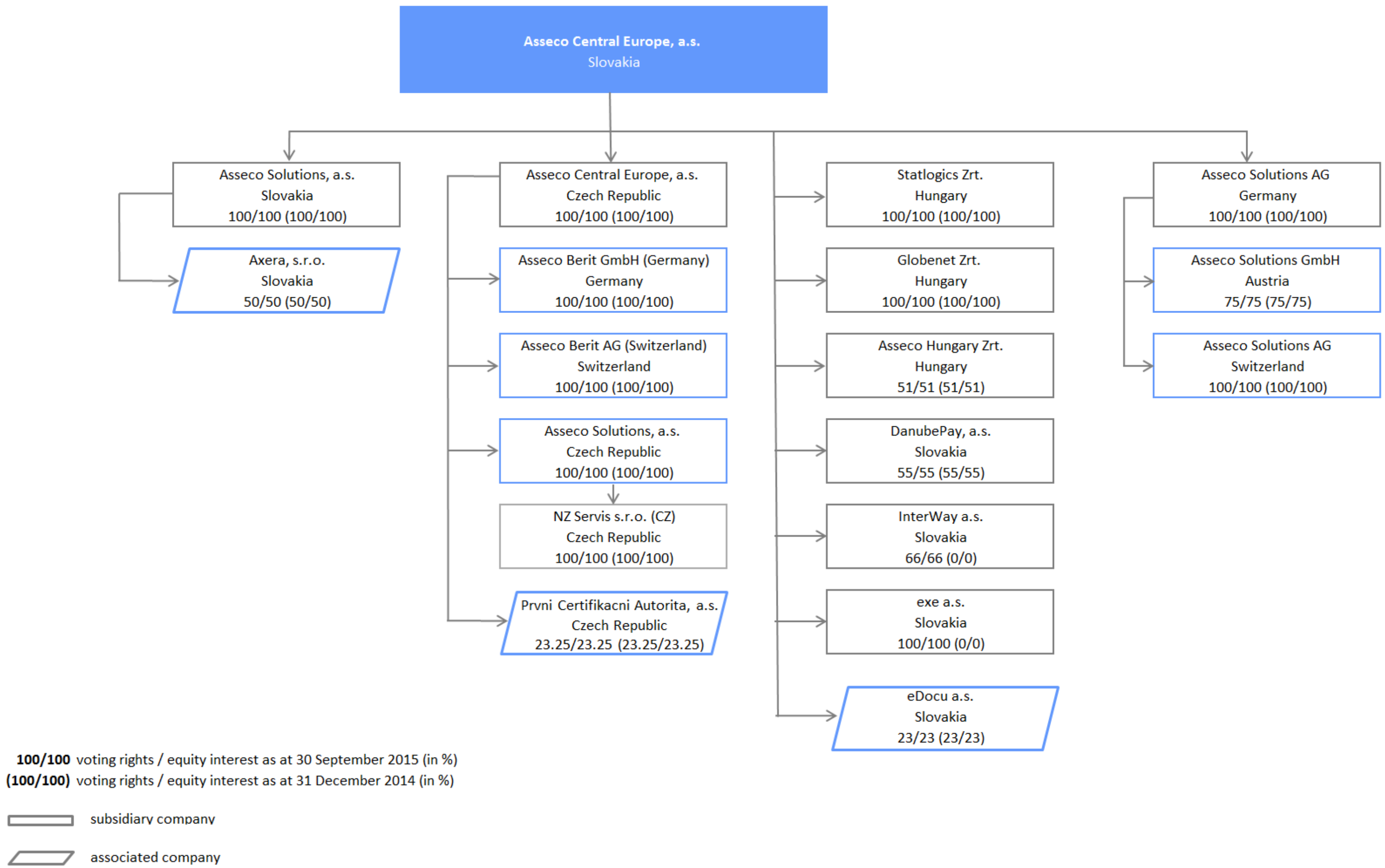
Restatement of comparable data for the period of 9 months ended 30 September 2014	Eastern European market (unaudited) PLN millions	Changes in presentation methods PLN millions	Eastern European market (unaudited, restated) PLN millions
Sales to external customers	**99.8**	**(25.4)**	**74.4**
Inter-segment sales	*0.1*	-	*0.1*
Operating profit/(loss) of operating segment	**4.5**	**(2.6)**	**1.9**
Interest income	0.3	-	0.3
Interest expenses	-	-	-
Corporate income tax	**(1.1)**	**0.4**	**(0.7)**
Non-cash items:			
Depreciation and amortization (continuing operations)	(6.5)	0.3	(6.2)
Impairment write-downs on segment assets:	(0.6)	0.3	(0.3)
write-down on goodwill	-	-	-
net write-down on operating assets	*(0.6)*	-	*(0.6)*
Share of profits of associates and jointly controlled companies	-	-	-
Net profit/loss attributable to shareholders of the Parent Company	**3.6**	**(1.7)**	**1.9**
Cash provided by (used in) operating activities	**3.4**	**2.9**	**6.3**
Goodwill	**19.9**	**(15.6)**	**4.3**

III. ORGANIZATION AND CHANGES IN THE STRUCTURE OF ASSECO GROUP, INCLUDING THE ENTITIES SUBJECT TO CONSOLIDATION

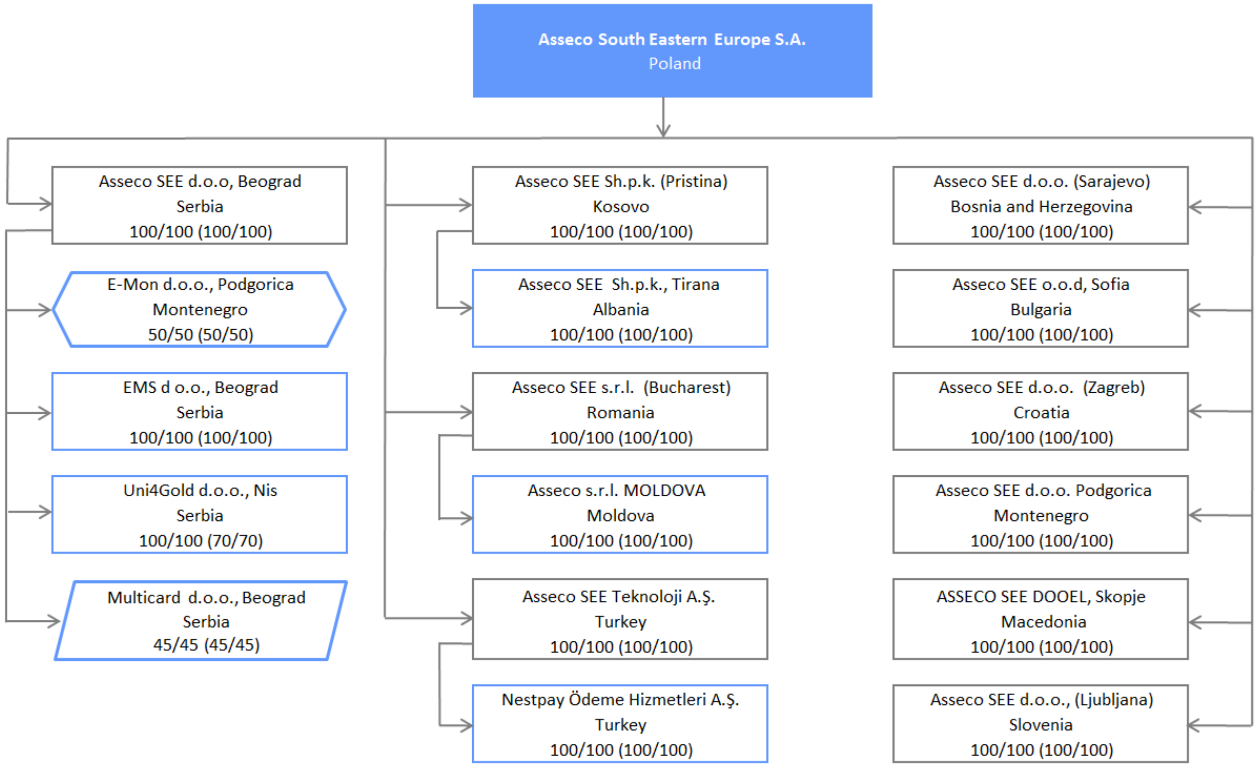
The chart below presents the organizational structure of Asseco Group as at 30 September 2015 and in the comparable period:



A. Organizational structure of Asseco Central Europe Group



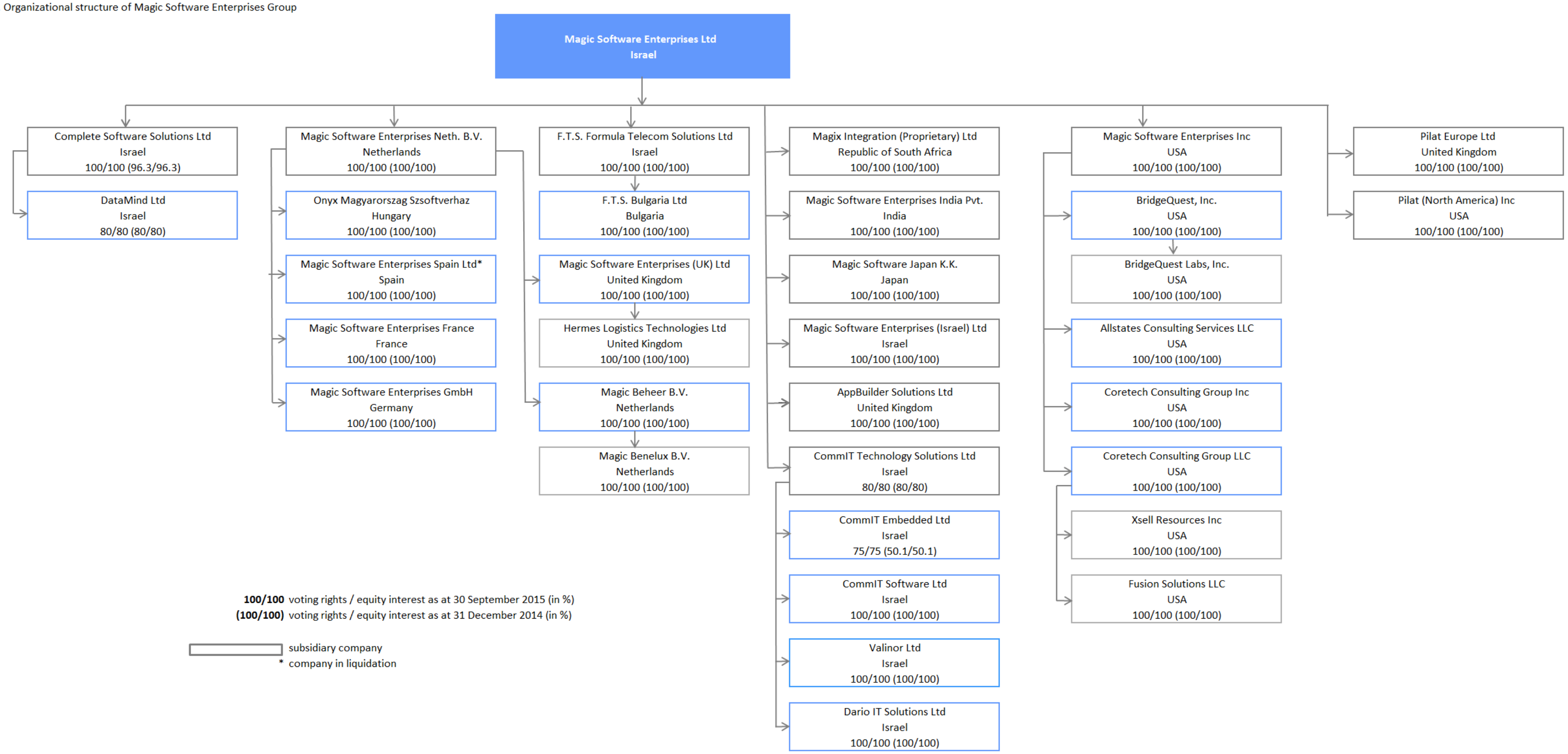
B. Organizational structure of Asseco South Eastern Europe Group



100/100 voting rights / equity interest as at 30 September 2015 (in %)
(100/100) voting rights / equity interest as at 31 December 2014 (in %)

subsidiary company
jointly controlled company
associated company

C. Organizational structure of Magic Software Enterprises Group



D. Organizational structure of Matrix IT Group

Matrix IT Ltd
Israel

Tikshuv Systems In Education (Shacham) Ltd Israel 100/100 (100/100)	Sibam Ltd Israel 100/100 (100/100)	Sigma Knowledge Inc. * USA 0/0 (51/51)	Matrix Consulting Ltd Israel 100/100 (100/100)	K.B.I.S Ltd Israel 51/51 (51/51)	2Bsecure USA Inc USA 100/100 (100/100)
Hi-Tech Colleage Technology Training Ltd*** Israel 0/0 (100/100)	Matrix J Rap Ltd Israel 100/100 (100/100)	Tact Computers & Systems Ltd Israel 100/100 (100/100)	Sivan.com Ltd** Israel 100/100 (100/100)	Matrix IT E.R.P Solutions Ltd Israel 100/100 (100/100)	2BNet Ltd Israel 100/100 (100/100)
Mediatech College John Bryce Ltd Israel 100/100 (100/100)	Matrix IT Solutions Ltd Israel 100/100 (100/100)	Blue IT Ltd Israel 100/100 (100/100)	Doby Ofier Industrial Design Ltd*** Israel 0/0 (100/100)	JBT Cyprus Cyprus 85/85 (85/85)	Cyber box Ltd Israel 70/70 (70/70)
Matrix IT System Management Ltd Israel 100/100 (100/100)	Matrix IT Advanced Inf. System Ltd Israel 100/100 (100/100)	Matrix IT Global Services Ltd Israel 100/100 (100/100)	Netwise Applications Ltd Israel 100/100 (100/100)	Highview Ltd Israel 100/100 (100/100)	Matrix Information Technology (Changzhou) Limited China 100/100 (100/100)
Aluna Information Technologies Ltd Israel 100/100 (100/100)	Matrix BI Ltd Israel 60/60 (60/60)	Comprise Tecnologies Lts Israel 100/100 (100/100)	Hoshva Ltd*** Israel 0/0 (100/100)	Beyond Information Technology Ltd Israel 100/100 (100/100)	Matrix IT Global Services Macedonia DOOEL Macedonia 100/100 (100/100)
Matrix IT Integration & Infrastructures Ltd Israel 100/100 (100/100)	Net-shore Ltd Israel 100/100 (100/100)	John Bryce Training Ltd Israel 100/100 (100/100)	Effect Advanced Solutions Ltd Israel 100/100 (100/100)	Tiltan Systems Engineering Ltd Israel 100/100 (36/36)	Supra Information Technology Ltd Israel 100/100 (100/100)
Periscope Enterpr. And Managment Ltd Israel 100/100 (100/100)	Matrix IT Training Ltd*** Israel 0/0 (100/100)	John Bryce Projects Ltd*** Israel 0/0 (100/100)	The Israel Management Center Israel 100/100 (100/100)	Matrix Exzac UK Ltd United Kingdom 100/100 (100/100)	Hoshen-Eliav System Engineering Ltd. Israel 100/100 (100/100)
A Soft Ltd Israel 100/100 (100/100)	IQ-SOFT John Bryce Ltd Hungary 100/100 (100/100)	Eight Three Hundred (8300) Ltd Israel 100/100 (100/100)	Matchpoint IT Ltd Israel 90/90 (90/90)	Exzac Inc USA 100/100 (100/100)	Infinity Labs R&D Ltd Israel 50.1/100 (50.1/100)
Matrix IT Software Products Ltd Israel 100/100 (100/100)	Tangram Soft Ltd Israel 100/100 (100/100)	Blue Education Ltd*** Israel 0/0 (100/100)	Babcom Centers Ltd Israel 50.1/50.1 (50.1/50.1)	Exzac HK Ltd* Hong Kong 0/0 (100/100)	Top Q (Aqua) Software Ltd Israel 100/100 (100/100)
Matrix IT Systems Ltd Israel 100/100 (100/100)	Tact System Testware Ltd Israel 100/100 (100/100)	Net Bryce Ltd*** Israel 0/0 (100/100)	Matrix IT Global Services Bulgaria Bulgaria 100/100 (100/100)	Matrix-Exzac Financial Risk Advisory LLC USA 70/70 (0/0)	Managware Ltd Israel 100/100 (100/100)
Hydus Inc. USA 100/100 (0/0)	Ono Apps Ltd. Israel 100/100 (0/0)	Elon Software Systems Ltd Israel 100/100 (100/100)	Xtivia Technologies Inc USA 100/100 (100/100)	2Bsecure Ltd Israel 100/100 (100/100)	SEEV Solutions Ltd Israel 75/75 (0/0)
			Xtivia Inc Israel 100/100 (100/100)		

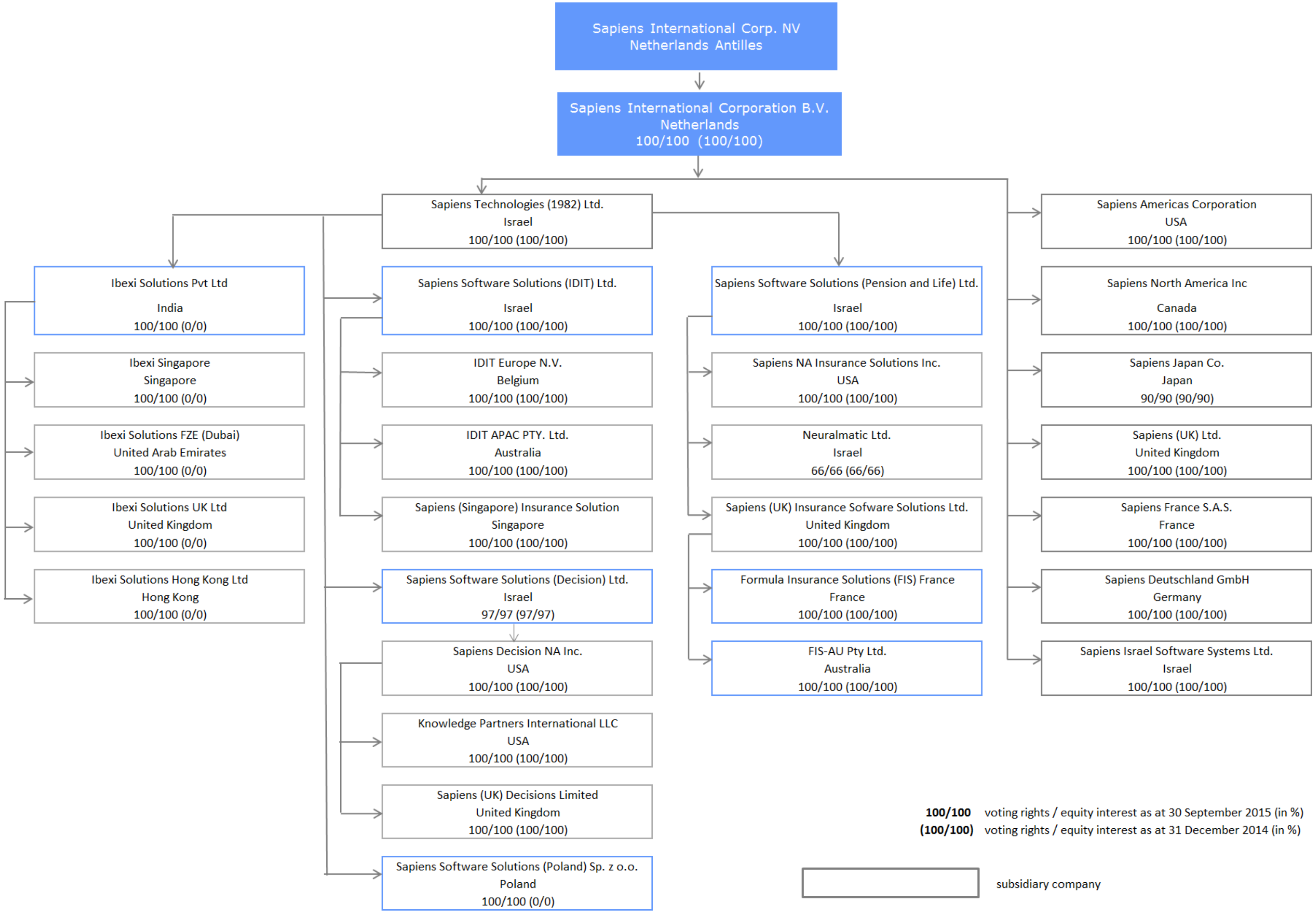
100/100 voting rights / equity interest as at 30 September 2015 (in %)
(100/100) voting rights / equity interest as at 31 December 2014 (in %)

subsidiary company
associated company

* liquidated company
** company in liquidation
*** company liquidated following a business combination within the Matrix group

All figures in PLN millions, unless stated otherwise

E. Organizational structure of Sapiens International Corp. Group



The Group holds shares in the companies of Bielpolsoft j.v. and Soft Technologies which have been excluded from these consolidated financial statements because Asseco Group has no influence on these entities whatsoever.

During the period of 9 months ended 30 September 2015, the Group's composition changed as follows:

Asseco Poland

❑ *Acquisition of shares in Szczecin-based Unizeto Technologies S.A. by Asseco Systems S.A.*

On 13 February 2015, Asseco Systems S.A. (presently Asseco Data Systems S.A.) signed an agreement to purchase 911,150 shares representing 81.35% of the share capital and voting rights at the general meeting of Unizeto Technologies S.A. (hereinafter referred to as "Unizeto"). The agreement was concluded between our subsidiary Asseco Systems S.A. and 45 individual shareholders of Unizeto, acting jointly as the sellers. This agreement was conditional because the Articles of Association of Unizeto provide the shareholders of Unizeto with pre-emptive rights for the acquisition of shares.

As the previous shareholders of Unizeto did not exercise their pre-emption rights, on 23 February 2015, within the deadline determined in the above-mentioned agreement, Asseco Systems S.A. effectively purchased 911,150 shares in Unizeto.

Subsequently, Asseco Systems S.A. concluded the next conditional agreements to purchase a total of 202,844 registered shares representing 18.11% of the share capital and voting rights at the general meeting of Unizeto.

On 18 May 2015, Asseco Systems S.A. concluded an agreement to acquire 6,006 registered shares in Unizeto, representing 0.54% of the share capital of that company. Following the above-described transaction, the equity interest and voting rights held by Asseco Systems S.A. in Unizeto increased to 100%.

All of the above-mentioned agreements for the acquisition of shares in Unizeto were concluded on the same terms and conditions.

❑ *Establishing of Insseco Sp. z o.o. and the sale of shares in Insseco Sp. z o.o. to Sapiens International Corporation*

On 16 January 2015, Asseco Poland S.A. established a company called Insseco Sp. z o.o. in order to build and develop a center of competence responsible for the provision of services and software for the commercial insurance industry.

On 27 July 2015, Asseco Poland S.A. and a subsidiary of Sapiens International Corporation signed an agreement under which the Company sold all the shares it held in its subsidiary Insseco Sp. z o.o., representing 100% of its share capital. The transaction was finalized by transferring the ownership of these shares on 18 August 2015.

The total consideration payable to Asseco Poland for the takeover of control and acquisition of 100% percent of shares in Insseco, transfer of property rights as well as selected projects amounted to PLN 34.3 million.

On 10 September 2015, the General Meeting of Insseco Sp. z o.o. passed a resolution to change the company's name to Sapiens Software Solutions (Poland) Sp. z o.o. Until the date of publication of this report, the said change has not yet been registered in court.

❑ *Acquisition of shares in Portugal-based Exictos SGPS by Asseco Poland S.A.*

On 3 September 2015, Asseco Poland S.A. acquired a 61.38% stake in Exictos Sociedade Gestora de Participações Sociais, S.A. ("Exictos"), an IT company based in Portugal. The total value of this transaction amounted to EUR 21.5 million (PLN 91.2 million).

Exictos is specialized in the production and implementation of software solutions for the banking industry. The company conducts its business operations in Portugal and, through its subsidiaries, also in African countries, such as Angola, Mozambique and the Republic of Cape Verde. Having acquired a majority stake in Exictos, Asseco will be able to strengthen its presence in the Iberian Peninsula as well as in Africa.

❑ *Increasing the share capital of Asseco Systems S.A. and changing its name to Asseco Data Systems S.A.*

On 17 July 2015, Asseco Systems S.A. and Asseco Poland S.A. signed an agreement on the acquisition of shares in exchange for a non-cash contribution of shares in three limited liability companies. On the same day, the Extraordinary General Meeting of Shareholders of Asseco Systems passed a resolution to increase the company's share capital by the amount of PLN 9,000,530 through the issuance of 900,053 shares with a par value of PLN 10 each, excluding pre-emptive rights.

These shares were offered by private subscription to Asseco Poland S.A., being the sole shareholder of Asseco Systems S.A. The issuance price equalled PLN 100 per new share, adding up to PLN 90,005,300 for the whole issuance. The newly issued shares were acquired by Asseco Poland S.A. pursuant to the said agreement and paid up with non-cash contributions in the form of shares in Zakład Usług Informatycznych Otago Sp. z o.o., shares in ADH Soft Sp. z o.o., shares in Combidata Poland Sp. z o.o., in each case representing 100% of the company's share capital.

Furthermore, on 5 August 2015, the company of Asseco Systems S.A. was renamed as Asseco Data Systems S.A. which was registered in court.

❑ *Establishing of Asseco Bel LLC*

On 18 June 2015, Asseco Poland S.A. established a company called Asseco Bel LLC and acquired 60% of its shares representing also 60% of voting rights at the company's general meeting of shareholders.

Asseco DACH

❑ *Conversion of receivables held by Matrix42 AG into shares of Asseco DACH S.A.*

On 8 January 2015, Matrix42 AG acquired 223,435,293 shares in Asseco DACH (the parent company of Matrix42 AG), representing 11.98% of the share capital and voting rights at the general meeting of Asseco DACH.

This transaction was carried out in connection with the settlement of receivables arising from a loan that was granted by Matrix42 AG to Matrix42 Inc in previous years. The key shareholder and manager of Matrix42 Inc, Mr. Herbert Uhl, was also a non-controlling shareholder in Asseco DACH where he held 223,435,293 shares, representing 11.98% of the share capital and voting rights at the general meeting of Asseco DACH S.A. All the shares held by Mr. Herbert Uhl served as collateral for liabilities of Marix42 Inc towards Matrix42 AG. The said liabilities of Matrix42 Inc became due at the end of 2013 and because they were not paid off, Matrix42 AG has satisfied its receivables from the provided collateral. As at the transaction date, the carrying value of the settled receivables amounted to PLN 23.8 million.

Subsequently, on 27 April 2015, Asseco Dach concluded an agreement to buy its own shares for treasury stock. The company purchased 55,858,824 shares with a par value of PLN 0.10 each for the total consideration of EUR 1.7 million.

On the same day, the companies of Matrix 42 AG and Asseco Dach S.A. conducted a transaction under which Asseco Dach acquired 223,425,293 shares with a par value of PLN 0.10 each that were held by Matrix42 AG. The consideration for this transaction was determined at EUR 6.9 million.

As a result of the above-mentioned transactions, voting rights held by Asseco Poland S.A. at the general meeting of Asseco DACH increased from 85% to approx. 99.9%.

This transaction was accounted for as an acquisition of non-controlling interests.

In addition, on 18 May 2015, Asseco Dach concluded an agreement with one of its minority shareholders to purchase shares in Matrix42 AG, a subsidiary of Asseco Dach. This transaction concerned 10,241 shares in Matrix42 AG, representing 2.8% of the share capital of that company. The selling price was established at EUR 1.1 million. Following this transaction, the equity interest and voting rights held by Asseco DACH S.A. in Matrix42 AG decreased from 100% to 97.2%.

❑ *Merger of Asseco South Western Europe S.A. and Asseco DACH S.A.*

On 24 August 2015, there was passed a resolution on the merger of Asseco South Western Europe S.A. (the taking-over company) and Asseco DACH S.A. (the acquired company) by transferring all the assets of Asseco DACH to Asseco South Western Europe in exchange for new shares to be issued by Asseco South Western Europe and allocated to shareholders of Asseco DACH. The merger was registered in court on 1 September 2015.

In addition, on 1 September 2015, Asseco South Western Europe S.A. changed its corporate name to Asseco Western Europe S.A.

Asseco Central Europe

During the period of 9 months ended 30 September 2015, Asseco Central Europe made the following acquisitions:

- in July, Asseco Central Europe acquired a 66% stake in the company InterWay a.s.
- in September, Asseco Central Europe acquired 100% of shares in the company called exe a.s.

Matrix IT Ltd.

❑ *Acquisition of SEEV Solutions Ltd.*

On 12 January 2015, a subsidiary of Matrix IT Ltd. acquired 75% of shares in the company SEEV Solutions Ltd. based in Israel (www.seev.co.il). SEEV Solutions is a provider of HR consultancy services in the area of sourcing and recruitment of hi-tech industry staff.

❑ *Acquisition of Tiltan Systems Engineering Ltd.*

On 1 April 2015, Matrix IT Ltd. acquired a 64% stake in Tiltan Systems Engineering Ltd. based in Israel (www.tiltan-se.co.il), increasing its shareholding in that company from 36% to 100%. This company is a leading provider of solutions for spatial visualization and 3D simulation.

❑ *Acquisition of Hydus Ltd.*

On 1 April 2015, Xtivia Inc., a subsidiary of Matrix IT Ltd., acquired 100% of shares in Hydus Ltd. based in the United States. The company is engaged in the provision of consulting services as well as EIM (Enterprise Information Management) software solutions.

❑ *Acquisition of Ono Apps Ltd.*

On 1 May 2015, a subsidiary of Matrix IT Ltd. acquired 100% of shares in the company Ono Apps Ltd. based in Israel. The company is a provider of apps for mobile devices.

Sapiens International Corp. N.V.

❑ *Acquisition of IBEXI Solutions Private Limited*

On 31 March 2015, Sapiens Technologies (1982) Ltd. signed an agreement to acquire IBEXI Solutions Private Limited based in India (www.ibexi.com). IBEXI is specialized in the provision of software solutions for the insurance industry in India, covering all the areas of insurance operations – from basic back-office and front-office applications to CRM and data warehouse upgrades, while it also develops and implements customer-tailored applications. This takeover was finalized on 6 May 2015.

The details concerning the allocation of the purchase price of the above-mentioned companies have been presented in explanatory note 9 to these interim condensed consolidated financial statements.

Magic Software Enterprises Ltd. (hereinafter “Magic”)

❑ *Acquisition of an IT company operating in Israel*

During the period of 9 months ended 30 September 2015, Magic acquired 70% of shares in an American company specialized in the provision of IT services for large corporate clients and government organizations. The acquired company has a broad base of blue chip customers and Magic expects this acquisition to bring significant synergies, especially in the area of AppBuilder solutions offered by Magic.

Formula Systems Ltd (hereinafter “Formula”)

❑ *Acquisition of minority interests in the companies of Magic and Sapiens*

During the period of 9 months ended 30 September 2015, Formula Systems purchased (on the stock market) minority stakes of shares in its subsidiaries, namely Magic and Sapiens, which resulted in increasing the equity interests and voting rights held by Formula Systems in these companies.

These transactions have been accounted for as transactions with non-controlling interests.

IV. 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.

Asseco Group has identified the following reportable segments (a reportable segment is an operating segment that is required for disclosure under IFRS 8):

Polish market – this segment groups our companies which generate revenues 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 Polish market segment comprises the following companies: Asseco Poland, Asseco Business Solutions, Combidata, ZUI Novum, ADH Soft, ZUI Otago, Asseco Data Systems, CK ZETO, SKG, PI ZETO Bydgoszcz, Podkarpacki Fundusz Nieruchomości, Insseco (until June 2015), and Gladstone Consulting. The aforementioned companies offer comprehensive IT services intended for a broad range of clients operating in the sectors of financial institutions, public institutions and general business.

South Eastern European market – this segment groups our companies which generate revenues mostly in the markets of Serbia, Romania, Croatia, Macedonia, and Turkey. Performance of these companies is assessed on a periodic basis by the Management Board of Asseco South Eastern Europe. This segment is identical with the composition of Asseco South Eastern Europe Group. The segment's performance as a whole is subject to regular verification by the Management Board of Asseco Poland. The aforementioned companies offer comprehensive IT services intended for a broad range of clients operating primarily in the sector of financial institutions.

Central European market – this segment groups our companies which generate revenues mostly in the markets of Slovakia, Czech Republic, and Hungary. Performance of these companies is assessed on a periodic basis by the Management Board of Asseco Central Europe. This segment is identical with the composition of Asseco Central Europe Group. The segment's performance as a whole is subject to regular verification by the Management Board of Asseco Poland. The aforementioned companies offer comprehensive IT services intended for a broad range of clients operating in the sectors of financial institutions, public administration and general business.

Israeli market – this segment includes our companies which generate revenues mostly in North America, Japan, and Europe, Middle East, and Africa (EMEA region). Performance of these companies is assessed on a periodic basis by the Management Board of Formula Systems; hence, the segment's composition corresponds to the structure of Formula Systems Group. The segment's performance as a whole is subject to regular verification by the Management Board of Asseco Poland.

Western European market – this segment includes our companies which generate revenues mostly in the countries of Western Europe, including Germany, Spain, Portugal, and Denmark. The segment's performance as a whole is subject to regular verification by the Management Board of Asseco Poland. This segment is comprised of the following companies: Matrix42, Asseco Spain Group, Necomplus Group, Exictos, Asseco Danmark, Peak Consulting, Sintagma, and Asseco Lietuva.

Eastern European market – this segment gathers our companies which generate revenues mostly in the countries of Eastern Europe. The segment's performance as a whole is subject to regular verification by the Management Board of Asseco Poland. This segment is comprised of the following companies: R-Style Softlab, Asseco Georgia, Asseco Kazakhstan, and Asseco Bel.

Revenues from none of our clients exceeded 10% of the Group's total sales in the period of 9 months ended 30 September 2015.

9 months ended 30 Sept. 2015 (unaudited)	**Polish market** PLN millions	**Central European market** PLN millions	**South Eastern European market** PLN millions	**Israeli market** PLN millions	**Western European market** PLN millions	**Eastern European market** PLN millions	**Eliminations** PLN millions	**Total** PLN millions
Sales to external customers	**1,154.4**	**391.4**	**346.8**	**2,668.9**	**418.6**	**80.1**		**5,060.2**
Inter-segment sales	*7.1*	*0.6*	*0.7*	*14.8*	*0.2*	-	*(23.4)*	-
Operating profit/(loss) of operating segment	**214.1**	**38.0**	**38.4**	**204.8**	**20.5**	**18.2**	**(0.3)**	**533.7**
Interest income [1]	3.9	0.6	1.2	4.7	0.7	0.7	(0.2)	**11.6**
Interest expenses [2]	(9.8)	(0.2)	(1.2)	(22.8)	(0.6)	-	0.2	**(34.4)**
Corporate income tax	**(45.6)**	**(11.4)**	**(6.0)**	**(42.8)**	**(7.9)**	**(4.1)**	**(0.9)**	**(118.7)**
Non-cash items:								
Depreciation and amortization (continuing operations; operating and other operating activities)	(66.0)	(11.8)	(22.0)	(82.9)	(13.0)	(4.9)	0.6	**(200.0)**
Impairment write-downs on segment assets:	(12.7)	(0.2)	(2.2)	(0.2)	(1.8)	-	-	**(17.1)**
write-down on goodwill	-	-	-	-	-	-	-	**-**
net write-down on operating assets	*(12.7)*	*(0.2)*	*(2.2)*	*(0.2)*	*(1.8)*	-	-	***(17.1)***
Share of profits of associates and jointly controlled companies	0.3	0.5	0.3	-	(0.5)	-	-	**0.6**
Net profit/loss attributable to shareholders of the Parent Company	**147.0**	**27.1**	**16.6**	**26.8**	**13.7**	**11.7**	**(3.3)**	**239.6**
Cash provided by (used in) operating activities [3]	**221.2**	**32.3**	**51.1**	**298.8**	**8.8**	**15.8**	**(7.0)**	**621.0**
Goodwill	**2,380.1**	**423.8**	**515.0**	**1,854.1**	**318.5**	**3.5**	**-**	**5,495.0**

[1] Interest income on loans granted, debt securities, finance leases, trade receivables, and bank deposits
[2] Interest expense on bank loans, borrowings, debt securities, finance leases, and trade payables
[3] Cash generated from operating activities before income tax paid

9 months ended 30 Sept. 2014 **(unaudited, restated)**	**Polish market** **PLN millions**	**Central European market** **PLN millions**	**South Eastern European market** **PLN millions**	**Israeli market** **PLN millions**	**Western European market** **PLN millions**	**Eastern European market** **PLN millions**	**Eliminations** **PLN millions**	**Total** **PLN millions**
Sales to external customers	**1,196.0**	**325.2**	**334.3**	**2,117.9**	**351.5**	**74.4**		**4,399.3**
Inter-segment sales	*3.9*	*0.5*	*1.2*	-	*0.1*	*0.1*	*(5.8)*	-
					-	-		
Operating profit/(loss) of operating segment	*233.5*	*34.5*	*30.1*	*137.8*	*22.4*	*1.9*	*(1.0)*	*459.2*
					-	-		
Interest income [1]	8.4	0.5	0.8	3.0	0.9	0.3	(2.1)	**11.8**
Interest expenses [2]	(11.9)	(0.6)	(1.3)	(19.1)	(0.9)	-	2.1	**(31.7)**
					-	-		
Corporate income tax	**(50.4)**	**(8.7)**	**(5.0)**	**(26.4)**	**(5.3)**	**(0.7)**	**-**	**(96.5)**
					-	**-**		
Non-cash items:					-	-		
Depreciation and amortization (continuing operations; operating and other operating activities)	(68.8)	(15.0)	(16.5)	(71.2)	(11.7)	(6.2)	1.7	**(187.7)**
Impairment write-downs on segment assets:	(2.2)	(1.4)	(0.3)	0.8	(0.5)	(0.3)	-	**(3.9)**
write-down on goodwill	-	-	-	-	-	-	-	**-**
net write-down on operating assets	*(2.2)*	*(1.4)*	*(0.3)*	*0.8*	*(0.2)*	*(0.6)*	-	***(3.9)***
					-	-		
Share of profits of associates and jointly controlled companies	1.0	1.2	0.4	(0.8)	-	-	-	**1.8**
Net profit/loss attributable to shareholders of the Parent Company	**189.2**	**36.0**	**13.0**	**16.4**	**13.0**	**1.9**	**(1.0)**	**268.5**
					-	-		
Cash provided by (used in) operating activities [3]	**204.8**	**58.3**	**36.5**	**177.0**	**19.7**	**6.3**	**0.3**	**502.9**
					-	-		
Goodwill	**2,386.8**	**399.4**	**518.0**	**1,581.2**	**249.9**	**4.3**	**-**	**5,139.6**

[1] Interest income on loans granted, debt securities, finance leases, trade receivables, and bank deposits
[2] Interest expense on bank loans, borrowings, debt securities, finance leases, and trade payables
[3] Cash generated from operating activities before income tax paid

V. EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Sales revenues and operating costs

Operating revenues generated and operating costs incurred during the periods of 3 and 9 months ended 30 September 2015 and in the comparable periods were as follows:

	3 months ended 30 Sept. 2015 (unaudited) PLN millions	9 months ended 30 Sept. 2015 (unaudited) PLN millions	3 months ended 30 Sept. 2014 (unaudited) PLN millions	9 months ended 30 Sept. 2014 (unaudited) PLN millions
Sales revenues by type of products				
Proprietary software and services	1,458.2	4,180.5	1,226.3	3,570.2
Third-party software and services	96.7	318.4	110.5	318.2
Hardware and infrastructure	199.1	557.4	148.3	507.4
Other sales	1.1	3.9	1.2	3.5
Total	**1,755.1**	**5,060.2**	**1,486.3**	**4,399.3**
Sales revenues by sectors				
Banking and Finance	749.8	1,906.1	560.0	1,580.5
General Business	620.3	2,072.6	600.7	1,762.4
Public Institutions	385.0	1,081.5	325.6	1,056.4
Total	**1,755.1**	**5,060.2**	**1,486.3**	**4,399.3**
Operating costs				
Cost of goods and third-party services sold	(258.0)	(757.4)	(222.3)	(707.8)
Employee benefits	(823.8)	(2,401.7)	(707.4)	(2,088.2)
Depreciation and amortization*	(69.0)	(197.4)	(64.9)	(187.5)
Third-party services	(250.6)	(706.8)	(193.8)	(573.0)
Other	(154.8)	(455.1)	(136.1)	(383.1)
Total	**(1,556.2)**	**(4,518.4)**	**(1,324.5)**	**(3,939.6)**
Cost of sales	(1,315.5)	(3,816.9)	(1,110.8)	(3,315.6)
Selling costs	(111.3)	(324.7)	(95.4)	(276.0)
General and administrative expenses	(129.4)	(376.8)	(118.3)	(348.0)
Total	**(1,556.2)**	**(4,518.4)**	**(1,324.5)**	**(3,939.6)**

* *Additionally, in other operating activities, we recognized a depreciation charge of PLN 2.6 million for the period of 9 months ended 30 September 2015 and PLN 0.2 million for the period of 9 months ended 30 September 2014.*

In the period of 9 months ended 30 September 2015, other operating costs were incurred primarily for maintenance of property and business cars in the amount of PLN 289.8 million, as well as for business trips in the amount of PLN 65.5 million. Whereas, in the comparable period, other operating costs included primarily maintenance of property and business cars in the amount of PLN 258.5 million, as well as business trips in the amount of PLN 53.3 million.

Under agreements with our clients, the Group implements a number of contracts, among others, for outsourcing of payment transaction processes. The total amounts of future minimum lease revenues (fees to be paid by our clients) under such contracts have been estimated as follows:

- PLN 12.4 million within 1 year,
- PLN 8.4 million within 1 to 5 years, and
- PLN 2.1 million within more than 5 years.

i. Costs of employee benefits

	3 months ended 30 Sept. 2015 (unaudited) PLN millions	9 months ended 30 Sept. 2015 (unaudited) PLN millions	3 months ended 30 Sept. 2014 (unaudited) PLN millions	9 months ended 30 Sept. 2014 (unaudited) PLN millions
Salaries	(702.2)	(2,007.4)	(598.8)	(1,731.5)
Social insurance contributions	(55.7)	(155.8)	(49.3)	(138.0)
Retirement benefit expenses	(59.9)	(182.7)	(49.9)	(159.7)
Costs of share-based payment transactions with employees	(5.5)	(11.5)	(6.8)	(17.1)
Other costs of employee benefits	(0.5)	(44.3)	(2.6)	(41.9)
Total employee benefit expenses	**(823.8)**	**(2,401.7)**	**(707.4)**	**(2,088.2)**

The average level of employment during the reporting period presented in full-time salaried jobs, i.e. employment in full-time jobs adjusted for (reduced by) positions which are not salaried by the Group companies (such as an unpaid leave, maternity leave, etc.), exclusive of companies whose financial results are disclosed under other operating activities or discontinued operations, however inclusive of companies which joined the Group during the reporting period (calculated proportionally to the period of their consolidation) equalled 18,980 persons as compared with 17,625 persons in the comparable period.

ii. Share-based payment transactions with employees

The costs of share-based payment transactions with employees correspond to stock option plans that were awarded to employees and management members of companies incorporated within Formula Systems Group.

	3 months ended 30 Sept. 2015 (unaudited) PLN millions	9 months ended 30 Sept. 2015 (unaudited) PLN millions	3 months ended 30 Sept. 2014 (unaudited) PLN millions	9 months ended 30 Sept. 2014 (unaudited) PLN millions
Stock option plan for managers of Formula Systems	(1.4)	(4.3)	(1.4)	(9.0)
Stock option plan for managers and employees of InSync Staffing Group	-	-	(0.5)	(0.5)
Stock option plan for managers and employees of Matrix IT Group	(0.9)	(1.6)	(0.2)	(0.7)
Stock option plan for managers and employees of Magic Software Enterprises Group	(0.2)	(0.5)	(3.8)	(4.3)
Stock option plan for managers and employees of Sapiens International Corporation Group	(3.0)	(5.1)	(0.9)	(2.6)
Total costs of share-based payment transactions with employees	**(5.5)**	**(11.5)**	**(6.8)**	**(17.1)**

In March 2012, in connection with extending the managerial contract of Mr. Guy Bernstein (CEO of subsidiary Formula Systems), the Board of Directors of Formula Systems awarded a new stock option plan for Mr. Guy Bernstein, at the same time cancelling the previous option plan of September 2010, under which he was entitled to acquire 543,840 ordinary shares in Formula Systems.

Under the new stock option plan, the CEO of Formula Systems is entitled to receive 1,122,782 options for Formula Systems shares. The option vesting condition is to remain at the position of CEO of Formula Systems or at least one of the subsidiaries of Formula Systems over the period defined in the stock option plan. However, regardless of the CEO's readiness to take the above-mentioned positions, the option plan requirements shall also be considered satisfied if the failure to do so results from a direct request submitted to the CEO by the Board of Directors of Formula Systems or of any of its direct subsidiaries, or from the fact that performance of the above-mentioned functions is not possible due to formal obstacles arising from the applicable laws, stock exchange regulations or corporate documents of Formula Systems or its subsidiaries, where the CEO might serve as a director.

The vesting period will last till December 2019, whereas the option rights will be acquired in stages. The first 6.25% tranche of stock options available under the plan (i.e. 70,174 options) were already acquired in September 2012. The remaining stock options have been vested on a quarterly basis starting from 30 September 2012. Hence, as from 30 September 2012, in each quarter the CEO has acquired the right to 35,087 options or 3.125% of the total number of stock options awarded. The exercise price of each option is NIS 0.01. Pursuant to the terms of the option plan, all shares to be issued on the exercise of these options will be deposited in a trust account, and the CEO of Formula Systems will not be able to exercise voting rights or sell such shares until they are released from the trust account. Only those shares for which the vesting period has expired may be released to Mr. Bernstein by the trustee.

In June 2013, all these options were exercised into shares and subsequently deposited with the trustee. As at the exercise date, this is as at 3 June 2013, the vesting period for 175,435 options has already lapsed, whereas rights to the remaining 947,347 options shall be acquired on a quarterly basis, during the period from 1 April 2013 till 31 December 2019. Following the issuance of 1,122,782 shares by Formula Systems, the equity interest held by Asseco Poland in Formula Systems dropped from 50.19% to 46.36%. As at 30 September 2015, Asseco Poland holds 46.33% of the share capital of Formula Systems as a result of the issuance of 10,000 options convertible into shares which were awarded to the CFO of Formula Systems under the employee stock option plan.

All the issued shares participate in dividends and carry voting rights; however, voting rights of shares deposited with the trustee may be exercised by the trustee (which applies also to the shares for which the vesting period has already lapsed). According to the provisions of the option plan, so long as the shares offered under the stock option plan are deposited with the trustee, the trustee shall exercise the respective voting rights proportionally to the rest of votes cast at a general meeting, not to affect the outcome of the vote.

Consequently, taking into account the principles of voting by the trustee and the fact that as at 30 September 2015 all of these 1,122,782 shares remained deposited with the trustee, Asseco Poland S.A. retained an absolute majority of voting rights at the general meeting of shareholders of Formula Systems in the period of nine months ended 30 September 2015.

iii. Reconciliation of depreciation and amortization charges

The table below presents the reconciliation of depreciation and amortization charges reported in the income statement with those disclosed in the tables of changes in property, plant and equipment, as well as in intangible assets:

	Note	3 months ended 30 Sept. 2015 (unaudited) PLN millions	9 months ended 30 Sept. 2015 (unaudited) PLN millions	3 months ended 30 Sept. 2014 (unaudited) PLN millions	9 months ended 30 Sept. 2014 (unaudited) PLN millions
Depreciation charge for the period as disclosed in the table of changes in property, plant and equipment	7	(27.8)	(78.2)	(24.4)	(82.7)
Amortization charge for the period as disclosed in the table of changes in intangible assets	8	(43.0)	(124.3)	(41.3)	(122.1)
Depreciation charge on investment property for the period		-	-	(0.1)	(0.1)
Amortization charge recognized directly in other comprehensive income		0.2	0.6	0.2	0.6
Reduction of amortization charge due to recognition of a grant to internally generated licenses		0.5	1.5	0.6	3.8
Amortization charges capitalized for development projects in progress		0.2	0.4	0.1	0.2
Total depreciation and amortization charges disclosed in the statement of cash flows		**(69.9)**	**(200.0)**	**(64.9)**	**(200.3)**
Depreciation charge transferred to other operating activities		0.9	2.6	-	0.2
Depreciation and amortization charges recognized in discontinued operations		-	-	-	12.6
Total depreciation and amortization charges recognized in operating costs		**(69.0)**	**(197.4)**	**(64.9)**	**(187.5)**

2. Financial income and expenses

Financial income earned during the periods of 3 and 9 months ended 30 September 2015 as well as in the comparable periods was as follows:

Financial income	3 months ended 30 Sept. 2015 (unaudited) PLN millions	9 months ended 30 Sept. 2015 (unaudited) PLN millions	3 months ended 30 Sept. 2014 (unaudited) PLN millions	9 months ended 30 Sept. 2014 (unaudited) PLN millions
Interest income on loans granted, debt securities, finance leases, trade receivables, and bank deposits	2.9	11.6	2.6	11.8
Other interest income	-	0.4	0.1	0.3
Foreign exchange differences	10.7	11.7	6.0	7.0
Valuation/revaluation of financial assets and equity investments at the balance sheet date	-	5.4	-	28.1
Exercise and/or valuation of financial assets carried at fair value through profit or loss	1.0	3.0	2.9	3.0
Revaluation of deferred payments for controlling interests in subsidiaries	0.6	1.0	5.3	7.3
Other financial income	0.4	1.6	(1.3)	1.5
Total financial income	**15.6**	**34.7**	**15.6**	**59.0**

In the period of 9 months ended 30 September 2015, the line “Valuation/revaluation of financial assets and equity investments at the balance sheet date” includes income arising from the reversal of an allowance for a loan granted to Matrix42 Inc. As described in section III of these interim condensed consolidated financial statements, on 8 January 2015, Matrix42 AG (a subsidiary of Asseco DACH) acquired 223,435,293 shares in Asseco DACH S.A. as a result of satisfying its receivables from Matrix42 Inc by taking over shares in Asseco DACH, which were provided as the loan collateral. The shares acquired in this transaction were formerly held by Mr. Herbert Uhl, the key shareholder and manager of Matrix42 Inc. As at the transaction date, the nominal amount of receivables from Matrix42 Inc amounted to PLN 29.4 million (EUR 6.9 million), whereas their carrying value (this is net of allowances recognized in previous years) was PLN 23.8 million (EUR 5.6 million). The Group believes that the shares taken over in Asseco DACH are worth no less than the nominal amount of receivables from Matrix42 Inc, hence the Group has reversed the previously recognized allowance amounting to PLN 5.4 million (EUR 1.3 million).

In the period of 9 months ended 30 September 2015, in the line “Valuation/revaluation of financial assets and equity investments at the balance sheet date”, the Group recognized PLN 28.1 million of income resulting from the reversal of allowances for commercial papers and other receivables from Prokom Investments as such receivables were settled by Prokom. Moreover, following the settlement of our receivables by Prokom, the Group recognized an interest income of PLN 3.0 million representing formerly unrecognized interest on receivables from Prokom.

Financial expenses incurred during the periods of 3 and 9 months ended 30 September 2015 as well as in the comparable periods were as follows:

Financial expenses	3 months ended 30 Sept. 2015 (unaudited) PLN millions	9 months ended 30 Sept. 2015 (unaudited) PLN millions	3 months ended 30 Sept. 2014 (unaudited) PLN millions	9 months ended 30 Sept. 2014 (unaudited) PLN millions
Interest expense on bank loans, borrowings, debt securities, finance leases and trade payables	(11.7)	(34.4)	(10.4)	(31.7)
Other interest expenses	(0.1)	(0.7)	(1.4)	(3.7)
Negative foreign exchange differences	(3.3)	(17.7)	(1.7)	(4.5)
Expenses related to obtaining control over subsidiaries	(0.1)	(1.1)	(0.1)	(0.5)
Valuation/revaluation of financial assets at the balance sheet date	-	-	(1.0)	(1.4)
Exercise and/or valuation of financial assets carried at fair value through profit or loss	(2.1)	(5.0)	(0.8)	(2.6)
Loss on revaluation of deferred payments for controlling interests in subsidiaries	(0.9)	(1.2)	(0.5)	(2.3)
Dividends paid out to non-controlling shareholders	-	(1.2)	(1.4)	(1.4)
Expense on unwinding of discounts	(1.1)	(1.9)	-	-
Other financial expenses	0.6	-	-	(1.0)
Total financial expenses	**(18.7)**	**(63.2)**	**(17.3)**	**(49.1)**

Positive and negative foreign exchange differences are presented in net amounts (reflecting the surplus of positive differences over negative differences or otherwise) at the level of individual subsidiaries.

Gain/loss on revaluation of deferred payments for controlling interests in subsidiaries resulted from changes in the estimates of deferred contingent liabilities arising from the acquisition of controlling interests in subsidiaries.

3. Corporate income tax

The main charges on pre-tax profit resulting from corporate income tax (current and deferred portions):

	3 months ended 30 Sept. 2015 (unaudited) PLN millions	9 months ended 30 Sept. 2015 (unaudited) PLN millions	3 months ended 30 Sept. 2014 (unaudited) PLN millions	9 months ended 30 Sept. 2014 (unaudited) PLN millions
Current corporate income tax and prior years adjustments	(43.9)	(113.1)	(31.7)	(87.1)
Deferred portion of income tax	1.3	(5.6)	1.1	(9.4)
Income tax expense as disclosed in the income statement	**(42.6)**	**(118.7)**	**(30.6)**	**(96.5)**

During the period of 9 months ended 30 September 2015, the effective tax rate equalled 23.5% as compared with 20.6% in the comparable period.

4. Discontinued operations

On 27 June 2014, Asseco Central Europe, a.s. (hereinafter “ACE”) signed an agreement to sell 51% of shares in Slovanet, a.s. to the company SNET which, at the transaction date, already held the remaining 49% stake in Slovanet. Following this transaction, SNET has become a sole shareholder of Slovanet. As a result of that agreement, our control over Slovanet was lost on 27 June 2014.

The operations of Slovanet represented a separate major business line of the Group and therefore, in accordance with IFRS 5, the results of Slovanet have been classified as discontinued operations.

This transaction has been described in more detail in the interim condensed consolidated financial statements of Asseco Group for the period of 6 months ended 30 June 2014.

5. Earnings per share

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

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

Both during the reporting period and the comparable period, there were no elements that would cause a dilution of earnings per share.

The table below presents net profits and numbers of shares used for the calculation of earnings per share:

	3 months ended 30 Sept. 2015 (unaudited)	**9 months ended 30 Sept. 2015 (unaudited)**	**3 months ended 30 Sept. 2014 (unaudited)**	**9 months ended 30 Sept. 2014 (unaudited)**
Weighted average number of ordinary shares outstanding, used for calculation of basic earnings per share	83,000,303	83,000,303	83,000,303	83,000,303
Net profit attributable to shareholders of the Parent Company from continuing operations for the reporting period (in PLN millions)	101.6	239.6	85.3	259.5
Consolidated earnings per share from continuing operations for the reporting period (in PLN)	**1.22**	**2.89**	**1.03**	**3.13**
Net profit attributable to shareholders of the Parent Company for the reporting period (in PLN millions)	101.6	239.6	85.3	268.5
Consolidated earnings per share for the reporting period (in PLN)	**1.22**	**2.89**	**1.03**	**3.23**

6. Information on dividends paid out

In 2015, the Parent Company paid out to its shareholders a dividend for the year 2014. On 29 April 2015, the Ordinary General Meeting of Shareholders of Asseco Poland S.A. passed a resolution to allocate PLN 240.7 million out of the Company's net profit for the financial year 2014 to payment of a dividend amounting to PLN 2.90 per share. The remaining portion of net profit in the amount of PLN 49.6 million was allocated to retained earnings. The dividend record date was set for 15 May 2015; whereas, the dividend payment was scheduled for 2 June 2015.

In 2014, the Parent Company paid out to its shareholders a dividend for the year 2013. On 12 May 2014, the Ordinary General Meeting of Shareholders of Asseco Poland S.A. passed a resolution to allocate PLN 215.8 million out of the Company's net profit for the financial year 2013 to payment of a dividend amounting to PLN 2.60 per share. The remaining portion of net profit in the amount of PLN 64.5 million was allocated to retained earnings. The dividend record date was set for 21 May 2014; whereas, the dividend payment was scheduled for 5 June 2014.

7. Property, plant and equipment

The net book value of property, plant and equipment, during the periods of 3 and 9 months ended 30 September 2015 and in the comparable periods, changed as a result of the following transactions:

	3 months ended 30 Sept. 2015 (unaudited) PLN millions	9 months ended 30 Sept. 2015 (unaudited) PLN millions	3 months ended 30 Sept. 2014 (unaudited) PLN millions	9 months ended 30 Sept. 2014 (unaudited) PLN millions
Net book value of property, plant and equipment at the beginning of the period	**771.1**	**724.1**	**726.9**	**707.2**
Additions, of which:	**32.2**	**126.0**	**24.5**	**186.5**
purchases and modernization	25.3	71.4	19.0	85.0
obtaining control over subsidiaries*	6.3	50.5	2.6	92.1
finance leases	0.6	2.7	0.3	4.4
transfers from inventories	-	1.4	2.6	5.0
Reductions, of which:	**(28.5)**	**(81.3)**	**(25.3)**	**(168.1)**
depreciation charges for the reporting period	(27.8)	(78.2)	(24.4)	(82.7)
losing control over subsidiaries**	-	-	-	(81.6)
disposal and liquidation	(0.7)	(3.1)	(0.9)	(3.8)
Exchange differences on translation of foreign operations	**(1.5)**	**4.5**	**1.1**	**1.6**
Net book value of property, plant and equipment as at 30 September	**773.3**	**773.3**	**727.2**	**727.2**

** of which: in the period of 9 months ended 30 September 2015, the amount of PLN 43.7 million represents the value of property, plant and equipment in Unizeto Technologies; whereas, in the period of 9 months ended 30 September 2014, the amount of PLN 86.9 million represents the value of property, plant and equipment in the company Park Wodny Sopot.*

*** Disposal of shares in Slovanet a.s.; this transaction has been described in more detail in the interim condensed consolidated financial statements of Asseco Group for the period of 6 months ended 30 June 2014.*

8. Intangible assets

The net book value of intangible assets, during the periods of 3 and 9 months ended 30 September 2015 and in the comparable periods, changed as a result of the following transactions:

	3 months ended 30 Sept. 2015 (unaudited) PLN millions	9 months ended 30 Sept. 2015 (unaudited) PLN millions	3 months ended 30 Sept. 2014 (unaudited) PLN millions	9 months ended 30 Sept. 2014 (unaudited) PLN millions
Net book value of intangible assets at the beginning of the period	**976.7**	**954.5**	**963.7**	**1,006.0**
Additions, of which:	**91.1**	**158.5**	**30.5**	**74.8**
purchases and modernization	1.9	12.1	9.4	13.1
obtaining control over subsidiaries	68.3	86.8	7.5	13.1
capitalization of project development costs*	20.9	59.6	13.6	48.6
Reductions, of which:	**(44.4)**	**(130.0)**	**(41.3)**	**(139.4)**
amortization charges for the reporting period	(43.0)	(124.3)	(41.3)	(122.1)
disposal and liquidation	(1.4)	(5.7)	-	(1.0)
losing control over subsidiaries**	-	-	-	(16.3)
Exchange differences on translation of foreign operations	**(17.6)**	**22.8**	**7.9**	**19.4**
Net book value of intangible assets as at 30 September	**1,005.8**	**1,005.8**	**960.8**	**960.8**

** In the period of 9 months ended 30 September 2015, such capitalized costs include: PLN 22.5 million in the Polish market, PLN 3.8 million in the South Eastern European market, PLN 28 million in the Israeli market, and PLN 5 million in the Western European market. Whereas, in the period of 9 months ended 30 June 2014, such capitalized costs included: PLN 8.7 million in the Polish market, PLN 6.3 million in the South Eastern European market, PLN 23.9 million in the Israeli market, PLN 5.3 million in the Eastern European market, and PLN 4.4 million in the Western European market.*

*** Disposal of shares in Slovanet a.s.; this transaction has been described in more detail in the interim condensed consolidated financial statements of Asseco Group for the period of 6 months ended 30 June 2014.*

9. Goodwill

For impairment testing purposes, goodwill arising from obtaining control over subsidiaries is allocated by the Group in the following way:

- to the groups of cash-generating units that constitute an operating segment; or
- to individual subsidiaries; or
- to operating segments identified by the Parent Company (including: Banking and Finance, Public Administration, General Business, or Infrastructure).

The following table presents the amounts of goodwill as at 30 September 2015 and in the comparable periods, indicating the type of cash-generating units to which it has been allocated:

	30 Sept. 2015 (unaudited) PLN millions	31 Dec. 2014 (audited, restated) PLN millions	30 Sept. 2014 (unaudited, restated) PLN millions
groups of companies that constitute an operating segment	**938.8**	**926.1**	**917.4**
Asseco Central Europe Group	423.8	402.7	399.4
Asseco South Eastern Europe Group	515.0	523.4	518.0
individual subsidiaries or groups of subsidiaries (narrower than a segment)	**2,497.7**	**2,207.4**	**2,131.1**
Israeli market (Formula Systems Group), of which:	**1,854.1**	**1,650.3**	**1,581.20**
Magic Software Enterprises Ltd.	643.6	569.4	530.2
Matrix IT Ltd.	732.3	660.1	647.8
Sapiens International Corporation N.V.	478.2	420.8	403.2
Western European market, of which:	**318.5**	**255.1**	**249.9**
Matrix42 A.G.	170.0	172.2	168.8
Asseco Spain S.A.	18.1	18.2	17.8
Necomplus S.L.	16.2	16.3	16.0
Sintagma UAB [2)]	15.9	16.0	15.6
Asseco Danmark A/S[1)]	32.1	32.4	31.7
Exictos SGPS S.A.	66.2	n/a	n/a
Eastern European market, of which:	**3.5**	**4.4**	**4.3**
Asseco Georgia LLC	2.2	2.6	2.6
Asseco Kazakhstan LLP	1.3	1.8	1.7
Polish market, of which:	**321.6**	**297.6**	**295.7**
Asseco Business Solutions S.A.	172.3	172.3	172.3
Combidata Poland Sp. z o.o.	36.1	36.1	36.1
Gladstone Consulting Ltd	36.4	33.8	31.8
ADH-Soft Sp. z o.o.	4.2	4.2	4.2
ZUI OTAGO Sp. z o.o	22.0	22.0	22.0
ZUI Novum Sp. z o.o	0.3	0.3	0.3
C.K. Zeto Łódź S.A.	3.1	3.1	3.1
SKG S.A.	4.4	4.4	4.4
P.I. Zeto Bydgoszcz S.A.	19.9	19.9	19.9
Asseco Software Nigeria Ltd.	1.5	1.5	1.6
Unizeto Technologies S.A.	21.4	n/a	n/a
operating segments identified within the Parent Company	**2,058.5**	**2,077.2**	**2,091.1**
Goodwill allocated to the segment of "Banking and Finance" [3)]	881.4	900.1	914
Goodwill allocated to the segment of "Public Administration"	916.4	916.4	916.4
Goodwill allocated to the segment of "General Business"	129.7	129.7	129.7
Goodwill allocated to the segment of "Infrastructure"	131.0	131.0	131
	5,495.0	**5,210.7**	**5,139.6**

[1)] Goodwill recognized on the acquisition of Asseco Danmark and Peak Consulting.
[2)] Goodwill recognized on the acquisition of Sintagma UAB and Asseco Lietuva UAB.
[3)] Goodwill arising from the acquisition of R-Style Softlab has been allocated to the cash-generating unit constituted by the "Banking and Finance" segment identified in the Parent Company. The Group's management expects that the synergies arising from this transaction will bring the greatest benefits to the "Banking and Finance" segment which will be able to sell its products to the clients of R-Style Softlab.

During the period of 9 months ended 30 September 2015, the following changes in goodwill arising from consolidation were observed (the table includes changed items only):

Goodwill as allocated to reportable segments:	Goodwill at the beginning of the period (audited, restated) PLN millions	Increases due to obtaining of control PLN millions	Decrease due to loss of control PLN millions	Foreign exchange differences (+/-) PLN millions	Goodwill at the end of the period (unaudited) PLN millions
Polish market					
Gladstone Consulting Ltd	**33.8**	-	-	2.6	**36.4**
Unizeto Technologies S.A.	**-**	21.4	-	-	**21.4**
Goodwill allocated to the segment of "Banking and Finance"	**900.1**	(17.2)	-	(1.5)	**881.4**
Central European market					
Asseco Central Europe Group	**402.7**	16.1	-	5.0	**423.8**
South Eastern European market					
Asseco South Eastern Europe Group	**523.4**	-	-	(8.4)	**515.0**
Israeli market					
Magic Software Enterprises Ltd.	**569.4**	31.4	-	42.8	**643.6**
Matrix IT Ltd.	**660.1**	27.7	-	44.5	**732.3**
Sapiens International Corporation N.V.	**420.8**	26.9	-	30.5	**478.2**
Western European market					
Matrix42 A.G.	**172.2**	-	-	(2.2)	**170.0**
Asseco Spain S.A.	**18.2**	-	-	(0.1)	**18.1**
Necomplus S.L.	**16.3**	-	-	(0.1)	**16.2**
Asseco Danmark A/S	**32.4**	-	-	(0.3)	**32.1**
Sintagma UAB	**16.0**	-	-	(0.1)	**15.9**
Exictos SGPS S.A.	**-**	66.2	-	-	**66.2**
Eastern European market					
Asseco Georgia LLC	**2.6**	-	-	(0.4)	**2.2**
Asseco Kazakhstan LLC	**1.8**	-	-	(0.5)	**1.3**
Total changes		**172.5**	**-**	**111.8**	

In the period of 9 months ended 30 September 2015, the balance of goodwill arising from consolidation was affected by the following transactions:

i. Acquisition of Exictos SGPS

On 3 September 2015, Asseco Poland S.A. acquired a 61.38% stake in Exictos Sociedade Gestora de Participações Sociais, S.A. ("Exictos"), an IT company based in Portugal. The purchase price amounted to EUR 21.5 million, of which EUR 15 million have been already paid, whereas the remaining amount of EUR 6.5 million constitutes a deferred payment to be settled in the years 2016-2018. In addition, under the Exictos shares acquisition agreement, the largest two non-controlling shareholders have been granted put options to sell all of their shares to Asseco Poland S.A. These options may be exercised after 2020, and their exercise price shall depend on financial results generated by Exictos for 2015 and successive years.
As part of the provisional purchase price allocation, the excess of the purchase price paid over the fair value of net assets acquired has been allocated to intangible assets in the amount of EUR 6.8 million (PLN 28.9 million).

As at 30 September 2015, the process of purchase price allocation has not yet been completed. Therefore, in the period of 12 months from the acquisition date, i.e. till 3 September 2016, goodwill recognized on the acquisition of Exictos may be subject to change. The provisional values of identifiable assets and liabilities of Exictos as at the date of obtaining control were as follows:

	Provisional value as at the acquisition date (unaudited) EUR millions	Provisional value as at the acquisition date (unaudited) PLN millions
Assets acquired		
Property, plant and equipment	1.0	4.2
Intangible assets	6.8	28.9
Goodwill	1.9	8.1
Trade receivables	13.8	58.6
Loans granted	3.0	12.7
Cash and cash equivalents	3.9	16.6
Other assets	3.0	12.7
Total assets	**33.4**	**141.8**
Liabilities acquired		
Bank loans and borrowings	5.9	25.0
Provisions	2.4	10.2
Deferred tax liabilities	1.4	5.9
Trade payables	6.4	27.2
Other liabilities	2.3	9.8
Prepayments and accrued income	2.3	9.8
Total liabilities	**20.7**	**87.9**
Net assets value	**12.7**	**53.9**
Value of non-controlling interests	4.9	20.8
Equity interest acquired	61.38%	61.38%
Purchase price	**21.5**	**91.2**
Goodwill as at the acquisition date	**13.7**	**58.1**

ii. Acquisitions made by Matrix IT Group

Acquisition of SEEV Solutions Ltd.

On 12 January 2015, a subsidiary of Matrix IT Ltd. acquired 75% of shares in the company SEEV Solutions Ltd. based in Israel (www.seev.co.il). SEEV Solutions is a provider of HR consultancy services in the area of sourcing and recruitment of hi-tech industry staff. The purchase price of the acquired 75% equity interest amounted to NIS 4.9 million (PLN 4.5 million) and was paid in cash.

In addition, under the agreement for the purchase of shares in SEEV Solutions, both the parties (i.e. non-controlling shareholders as well as Matrix IT) have been granted put or call options, respectively, for all the remaining non-controlling interests. These options may be exercised after 3 years from the acquisition date, and their exercise price shall depend on financial results achieved by SEEV Solutions in the years 2015-2017.

Intangible assets that have been identified in the final purchase price allocation are worth NIS 1.1 million (PLN 1.0 million).

As at 30 September 2015, the process of purchase price allocation has not yet been completed.

The fair values of identifiable assets and liabilities of SEEV Solutions as at the date of obtaining control were as follows:

	Fair value as at the acquisition date (unaudited) NIS thousands	Fair value as at the acquisition date (unaudited) PLN millions
Assets acquired		
Property, plant and equipment	322	0.3
Intangible assets	1,067	1.0
Trade receivables	1,531	1.4
Cash and cash equivalents	714	0.7
Other assets	255	0.2
Total assets	**3,889**	**3.6**
Liabilities acquired		
Bank loans and borrowings	20	-
Trade payables	122	0.1
Other liabilities	1,336	1.2
Deferred tax liabilities	283	0.3
Total liabilities	**1761**	**1.6**
Net assets value	**2,128**	**2.0**
Value of non-controlling interests	**1,713**	**1.6**
Equity interest acquired	75%	75%
Purchase price	**4,875**	**4.5**
Goodwill as at the acquisition date	**4,460**	**4.1**

Acquisition of Tiltan Systems Engineering Ltd.

On 1 April 2015, Matrix IT Ltd. acquired 64% of shares in the company Tiltan Systems Engineering Ltd. based in Israel. This company is a leading provider of solutions for spatial visualization and 3D simulation.

Until 31 March 2015, Tiltan Systems Engineering Ltd. was an associated entity and the fair value of investment in this company amounted to NIS 1.5 million. The purchase price of the acquired 64% equity interest amounted to NIS 2.6 million. Following this transaction, Matrix IT Ltd. holds 100% of shares in Tiltan Systems Engineering Ltd.

As at 30 September 2015, the process of purchase price allocation has not yet been completed by the Group. Therefore, in the period of 12 months from the acquisition date, i.e. till the end of March 2016, goodwill recognized on the acquisition of Tiltan Systems Engineering Ltd. may be subject to change.

The provisional values of identifiable assets and liabilities of Tiltan Systems Engineering Ltd. as at the date of obtaining control were as follows:

	Provisional value as at the acquisition date (unaudited) NIS thousands	Provisional value as at the acquisition date (unaudited) PLN millions
Assets acquired		
Property, plant and equipment	-	-
Intangible assets	-	-
Deferred tax assets	640	0.6
Trade receivables	2,877	2.8
Cash and cash equivalents	1,441	1.4
Other assets	191	0.2
Total assets	**5,149**	**5.0**
Liabilities acquired		
Trade payables	-	-
Other liabilities	2,491	2.4
Deferred tax liabilities	2,018	1.9
Total liabilities	**4,509**	**4.3**
Net assets value	**640**	**0.7**
Value of non-controlling interests	**-**	**-**
Fair value of investment before obtaining control	**1,472**	**1.4**
Equity interest acquired	100%	100%
Purchase price	**2,630**	**2.5**
Goodwill as at the acquisition date	**3,462***	**3.2**

*In the calculation of goodwill as at the acquisition date, it should be taken into account that the acquired company was already an associated entity, and therefore the shareholding of Matrix IT Ltd. in the acquired company was valued at fair value.

Acquisition of Hydus Inc.

On 1 April 2015, Xtivia Inc., a subsidiary of Matrix IT Ltd., acquired 100% of shares in Hydus Inc. based in the United States. The company is engaged in the provision of consulting services as well as EIM (Enterprise Information Management) software solutions.

The purchase price of the acquired equity interest amounted to USD 2.5 million (PLN 9.4 million). In addition, the shares acquisition agreement provides for a conditional payment if the specified financial results are achieved by the acquired company in the future. As at 30 September 2015, financial liabilities resulting from such conditional payment amounted to USD 1.8 million (PLN 6.8 million).

As at 30 September 2015, the process of purchase price allocation has not yet been completed by the Group. Therefore, in the period of 12 months from the acquisition date, i.e. till the end of March 2016, goodwill recognized on the acquisition of Hydus Inc. may be subject to change. As part of the provisional purchase price allocation, the excess of the purchase price paid over the fair value of net assets acquired has been allocated to intangible assets in the amount of USD 3.9 million (PLN 14.7 million), to customer relations in the amount of USD 0.5 million, while the remaining amount was recognized in goodwill.

The provisional values of identifiable assets and liabilities of Hydus Inc. as at the date of obtaining control were as follows:

	Provisional value as at the acquisition date (unaudited) USD thousands	Provisional value as at the acquisition date (unaudited) PLN millions
Assets acquired		
Property, plant and equipment	36	0.1
Intangible assets	326	1.2
Deferred tax assets	39	0.1
Trade receivables	666	2.5
Cash and cash equivalents	21	0.1
Other assets	188	0.7
Total assets	**1,276**	**4.7**
Liabilities acquired		
Trade payables	148	0.6
Other liabilities	466	1.8
Total liabilities	**614**	**2.4**
Net assets value	**662**	**2.3**
Value of non-controlling interests	**-**	**-**
Equity interest acquired	100%	100%
Purchase price	**4,305**	**16.2**
Goodwill as at the acquisition date	**3,643**	**13.9**

Acquisition of Ono Apps Ltd.

On 1 May 2015, a subsidiary of Matrix IT Ltd. acquired 100% of shares in the company Ono Apps Ltd. based in Israel. The company is a provider of apps for mobile devices.

The purchase price has been established at the level of NIS 4.6 million (PLN 4.3 million). As at 30 September 2015, the process of purchase price allocation has not yet been completed by the Group. Therefore, in the period of 12 months from the acquisition date, i.e. till the end of April 2016, goodwill recognized on the acquisition of Ono Apps Ltd. may be subject to change.

In addition, the agreement for the acquisition of shares in Ono Apps Ltd. provides for a conditional payment depending on the achievement of specified financial results. As at the acquisition date, financial liabilities resulting from such conditional payment amounted to NIS 4.0 million (PLN 3.8 million).

The provisional values of identifiable assets and liabilities of Ono Apps Ltd. as at the date of obtaining control were as follows:

	Provisional value as at the acquisition date (unaudited) NIS thousands	Provisional value as at the acquisition date (unaudited) PLN millions
Assets acquired		
Property, plant and equipment	243	0.2
Intangible assets	1,245	1.2
Trade receivables	2,117	2.0
Cash and cash equivalents	458	0.4
Other assets	708	0.7
Total assets	**4,771**	**4.5**
Liabilities acquired		
Provisions	4,041	3.8
Trade payables	95	0.1
Corporate income tax payable	299	0.3
Deferred tax liabilities	330	0.3
Other liabilities	2,798	2.6
Total liabilities	**7,563**	**7.1**
Net assets value	**(2,792)**	**(2.6)**
Value of non-controlling interests	-	-
Equity interest acquired	100%	100%
Purchase price	**4,590**	**4.3**
Goodwill as at the acquisition date	**7,382**	**6.9**

iii. Acquisition of IBEXI Solutions Private Limited

On 31 March 2015, Sapiens Technologies (1982) Ltd. to acquire IBEXI Solutions Private Limited, an India-based provider of insurance business and technology solutions. This takeover was finalized on 6 May 2015.

The purchase price for 100% of shares in IBEXI amounted to USD 4.8 million (PLN 17.2 million), of which USD 2.6 million was paid in May 2015, USD 1.2 million was paid in August 2015, while the remaining amount of USD 0.9 million constitutes liabilities for deferred contingent payments.

Intangible assets that have been identified in the provisional purchase price allocation are worth USD 1.3 million.

The provisional values of identifiable assets and liabilities of IBEXI Solutions Private Limited as at the date of obtaining control were as follows:

	Provisional value as at the acquisition date (unaudited) USD thousands	Provisional value as at the acquisition date (unaudited) PLN millions
Assets acquired		
Property, plant and equipment	49	0.2
Intangible assets	1,314	4.7
Trade receivables	1,054	3.8
Cash and cash equivalents	883	3.2
Other assets	1,209	4.4
Total assets	**4,509**	**16.3**
Liabilities acquired		
Other liabilities	6	-
Provisions	2,083	7.5
Deferred tax liabilities	238	0.9
Total liabilities	**2,327**	**8.4**
Net assets value	**2,182**	**7.9**
Value of non-controlling interests	-	-
Equity interest acquired	100%	100%
Purchase price	**4,765**	**17.2**
Goodwill as at the acquisition date	**2,583**	**9.3**

iv. Acquisition of Unizeto Technologies S.A.

In the first quarter of 2015, the Group obtained control over Unizeto Technologies S.A. following the acquisition 100% of shares in that company. These shares were acquired in four tranches, however the purchase agreements were each time concluded on the same terms and conditions. Hence, for the purpose of accounting for the acquisition of Unizeto Technologies S.A., we assumed that the Group obtained control over Unizeto by acquiring 100% of the equity interest and voting rights in that company.

The total purchase price of shares was PLN 22.4 million, while the acquisition-related costs amounted to PLN 0.8 million.

As at 30 September 2015, the process of purchase price allocation has not yet been completed by the Group. Therefore, goodwill recognized on the acquisition of Unizeto Technologies S.A. may be subject to change till the end of 2015. As part of the provisional purchase price allocation, the excess of the purchase price paid over the fair value of net assets acquired has been allocated to intangible assets in the amount of PLN 22.1 million to be amortized over a period of 10 years, while the remaining amount of PLN 21.4 million was recognized in goodwill.

The provisional values of identifiable assets and liabilities of Unizeto Technologies S.A. as at the date of obtaining control were as follows:

	Provisional value as at the acquisition date (unaudited) PLN millions
Assets acquired	
Property, plant and equipment	43.7
Intangible assets	28.4
Trade receivables and other receivables	10.7
Cash and cash equivalents	0.9
Other assets	2.2
Total assets	**85.9**
Liabilities acquired	
Bank loans	29.0
Finance lease liabilities	4.5
Provisions	27.7
Trade payables and other liabilities	18.8
Other liabilities	1.9
Deferred tax liabilities	3.0
Total liabilities	**84.9**
Net assets value	**1.0**
Value of non-controlling interests	**-**
Equity interest acquired	100%
Purchase price	**22.4**
Goodwill as at the acquisition date	**21.4**

v. Completion of the allocation of the purchase price of Silverback MDM Pty Ltd.

As described in the consolidated financial statements for the year ended 31 December 2014, Matrix Development Holding GmbH, a subsidiary of Matrix42 AG, acquired 60% of shares in the Australian company Silverback MDM Pty Ltd. on 23 September 2014.

As at 30 September 2015, the Group has already completed the process of allocation of the purchase price of Silverback MDM Pty Ltd. The fair values of identifiable assets and liabilities of Silverback MDM Pty Ltd. as at the date of obtaining control were as follows:

	Fair value as at the acquisition date (unaudited) EUR'000	Fair value as at the acquisition date (unaudited) PLN millions
Assets acquired		
Property, plant and equipment	24	0.1
Intangible assets	1,427	6.0
Trade receivables	368	1.5
Cash and cash equivalents	73	0.3
Other assets	188	0.8
Total assets	**2,080**	**8.7**
Trade payables	256	1.1
Other liabilities	152	0.6
Total liabilities	**408**	**1.7**
Net assets value	**1,672**	**7.0**
Value of non-controlling interests	**669**	**2.8**
Equity interest acquired	60%	60%
Purchase price	**4,492**	**18.8**
Goodwill as at the acquisition date	**3,489**	**14.6**

10. Entities with significant non-controlling interests

In section III of these interim condensed consolidated financial statements, we have presented information on entities in which the Group holds less than 100% of shares, including their company names, countries of registration, as well as equity interests and voting rights held by the Group.

In the Management's opinion, the entities with significant individually held non-controlling interests are: Asseco South Eastern Europe S.A., Asseco Business Solutions S.A., Magic Software Enterprises Ltd, Matrix IT Ltd, and Sapiens International Corporation N.V. In the case of other entities with non-controlling interests, individually held non-controlling interests do not exceed 2% of total non-controlling interests therein, hence they have not been considered as entities with significant non-controlling interests.

The tables below present the selected financial data of entities with significant individually held non-controlling interests for the period of 9 months ended 30 September 2015 and as at 30 September 2015. These figures do not include eliminations of intercompany transactions.

	for the period of 9 months ended 30 September 2015 (unaudited)						
	Asseco South Eastern Europe S.A.	Asseco Business Solutions S.A.	Magic Software Enterprises Ltd.	Matrix IT Ltd.	Sapiens International Corporation N.V.	Other individually insignificant	Total
	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions
Sales revenues	347.5	108.3	480.0	1,631.0	496.3	1,009.8	**4,072.9**
Operating profit	38.4	27.7	61.7	107.5	57.3	82.5	**375.1**
Net profit for the reporting period	32.4	23.0	45.0	61.2	46.0	114.8	**322.4**
Net profit for the reporting period attributable to non-controlling interests	**15.8**	**12.3**	**36.1**	**47.1**	**34.9**	**1.3**	**147.5**
Net cash provided by (used in) operating activities	44.9	27.0	63.2	84.7	103.9	24.0	**347.7**
Net cash provided by (used in) investing activities	(36.9)	(6.1)	(46.6)	(15.2)	(91.3)	58.3	**(137.8)**
Net cash provided by (used in) financing activities	(22.6)	(28.3)	(31.4)	(59.2)	(21.1)	(24.8)	**(187.4)**
Dividends paid out to non-controlling shareholders	**(10.2)**	**(15.2)**	**(14.0)**	**(30.8)**	**(13.5)**	**(37.2)**	**(120.9)**

	as at 30 September 2015 (unaudited)					
	Asseco South Eastern Europe S.A.	Asseco Business Solutions S.A.	Magic Software Enterprises Ltd.	Matrix IT Ltd.	Sapiens International Corporation N.V.	Other individually insignificant
	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions
Current assets	215.1	79.3	509.2	876.6	315.6	974.5
Current liabilities	(116.2)	(15.7)	(124.0)	(664.3)	(175.7)	(458.5)
Working capital	**98.9**	**63.6**	**385.2**	**212.3**	**139.9**	**516.0**
Non-current assets	607.5	192.5	389.9	641.1	571.6	467.8
Non-current liabilities	(29.0)	(0.7)	(50.1)	(266.0)	(31.4)	(483.1)
Cash and cash equivalents	72.7	50.0	255.5	163.5	170.6	431.6
Long-term and short-term debt	(44.0)	-	(10.7)	(386.4)	-	(530.3)
Net cash (+)/Net debt (-)	**28.7**	**50.0**	**244.8**	**(222.9)**	**170.6**	**(98.7)**

The tables below present the selected financial data of entities with significant individually held non-controlling interests for the period of 9 months ended 30 September 2014 and as at 30 September 2014. These figures do not include eliminations of intercompany transactions.

	for the period of 9 months ended 30 September 2014 (unaudited)						
	Asseco South Eastern Europe S.A.	Asseco Business Solutions S.A.	Magic Software Enterprises Ltd.	Matrix IT Ltd.	Sapiens International Corporation N.V.	Other individually insignificant	Total
	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions
Sales revenues	336.7	102.9	377.9	1,336.8	358.9	831.9	**3,345.1**
Operating profit	30.1	22.8	42.7	80.0	30.7	61.0	**267.3**
Net profit for the reporting period	25.3	19.2	37.8	49.4	30.0	50.6	**212.3**
Net profit for the reporting period attributable to non-controlling interests	**12.4**	**10.3**	**30.2**	**38.1**	**23.4**	**1.1**	**115.5**
Net cash provided by (used in) operating activities	32.6	25.4	40.8	75.6	52.8	46.8	**274.0**
Net cash provided by (used in) investing activities	(47.2)	(8.0)	(54.5)	(19.6)	(129.6)	(70.4)	**(329.3)**
Net cash provided by (used in) financing activities	8.2	(26.7)	141.2	(64.6)	4.7	30.1	**92.9**
Dividends paid out to non-controlling shareholders	**(8.1)**	**(14.3)**	**(13.9)**	**(23.6)**	**-**	**(31.2)**	**(91.1)**

	as at 30 September 2014 (unaudited)					
	Asseco South Eastern Europe S.A.	Asseco Business Solutions S.A.	Magic Software Enterprises Ltd.	Matrix IT Ltd.	Sapiens International Corporation N.V.	Other individually insignificant
	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions
Current assets	193.7	73.3	425.1	716.0	250.1	624.1
Current liabilities	(101.5)	(15.9)	(76.2)	(500.5)	(130.3)	(328.2)
Working capital	**92.2**	**57.4**	**348.9**	**215.5**	**119.8**	**295.9**
Non-current assets	599.1	194.4	296.1	578.1	468.3	439.7
Non-current liabilities	(33.3)	(0.4)	(21.2)	(273.0)	(14.3)	(244.2)
Cash and cash equivalents	53.2	45.4	248.8	127.1	149.6	302.7
Long-term and short-term debt	(42.0)	-	(9.0)	(294.7)	-	(260.9)
Net cash (+)/Net debt (-)	**11.2**	**45.4**	**239.8**	**(167.6)**	**149.6**	**41.8**

11. Financial assets

As at 30 September 2015 and in the comparable periods, the Group held the following financial assets (in addition to receivables which are presented in explanatory note 13 to these interim condensed consolidated financial statements):

	30 Sept. 2015 (unaudited)		31 Dec. 2014 (audited)		30 Sept. 2014 (unaudited)	
	Long-term PLN millions	Short-term PLN millions	Long-term PLN millions	Short-term PLN millions	Long-term PLN millions	Short-term PLN millions
Loans, of which:						
loans granted to entities related through the key management personnel	-	0.4	23.8	-	6.0	19.6
granted to employees	0.5	2.6	0.7	0.5	0.3	0.6
granted to other entities	7.6	4.8	7.8	1.8	4.7	12.6
term cash deposits	1.0	17.7	1.9	38.8	1.8	24.6
	9.1	**25.5**	**34.2**	**41.1**	**12.8**	**57.4**
Financial assets carried at fair value through profit or loss, of which:						
currency forward contracts (EUR & USD)	0.9	3.2	2.7	3.5	3.3	3.4
corporate bonds (quoted on active markets)	-	25.6	-	17.1	-	16.7
Treasury bonds	-	9.0	-	25.0	-	24.7
shares in companies quoted on active markets	-	13.7	-	13.3	-	14.2
other assets	-	9.7	-	0.1	-	0.5
	0.9	**61.2**	**2.7**	**59.0**	**3.3**	**59.5**
Financial assets available for sale, of which:						
shares in companies quoted on active markets	3.1	0.9	3.1	0.8	2.4	0.8
shares in companies not listed on stock markets	9.5	-	9.5	-	10.0	-
Treasury and corporate bonds (quoted on active markets)	135.3	59.2	116.1	42.0	109.7	31.3
	147.9	**60.1**	**128.7**	**42.8**	**122.1**	**32.1**
Total	**157.9**	**146.8**	**165.6**	**142.9**	**138.2**	**149.0**

Loans granted are measured at amortized cost at each balance sheet date. Loans to related parties were granted on an arm's length basis.

Loans granted to related parties

Loans granted to related parties in prior reporting periods included a loan granted to Matrix42 Inc, a company related with the group of Mr. Herbert Uhl, a major shareholder in Matrix42 Inc, who, until 8 January 2015, was also a non-controlling shareholder in Asseco DACH S.A. The balance of the loan granted to our related Matrix42 Inc declined as these receivables have been settled by enforcing the pledge that was provided as loan collateral. The subject of the pledge were shares owned by the key shareholder and manager of Matrix42 Inc, Mr. Herbert Uhl, who was also a non-controlling shareholder in Asseco DACH where he held 223,435,293 shares, representing 11.98% of the share capital and voting rights at the general meeting of Asseco DACH S.A. All the shares held by Mr. Herbert Uhl served as collateral for liabilities of Marix42 Inc towards Matrix42 AG. The said liabilities of Matrix42 Inc became due at the end of 2013 and because they were not paid off, Matrix42 AG has satisfied its receivables from the provided collateral. As at the transaction date, the carrying value of the settled receivables amounted to PLN 23.8 million.

The balance of term cash deposits includes term deposits with an original maturity of more than 3 months.

Financial assets carried at fair value through profit or loss include forward transactions for purchase or sale of foreign currencies and the portfolio of financial assets held for trading, which comprise corporate bonds quoted on active markets and investment-rated Treasury bonds, as well as shares in companies quoted on active markets. Investments in debt securities and company shares are an alternative form of spare cash management as applied by Matrix IT Ltd. (a subsidiary of the Formula Systems Group). Forward transactions have been concluded chiefly in order to hedge against the foreign currency risk resulting from finance leases of real estate.

The fair value of currency forward contracts is determined at each balance sheet date using calculation models based on inputs that are directly observable in active markets. Whereas, the fair value of the portfolio of financial assets is determined on the basis of quoted prices of such assets in active markets.

Financial assets available for sale include primarily equity investments not exceeding 20% of the target company's outstanding stock as well as bonds purchased without an intention to be held to maturity.

Investments in companies quoted on active markets are measured at fair value at each balance sheet date, on the basis of their closing prices on the balance sheet date. Any changes in such valuation are recognized in other comprehensive income. Investments in companies not quoted on active markets are measured at their purchase cost adjusted by any impairment charges.

Financial assets available for sale increased substantially mainly because our subsidiary Sapiens International acquired long-term corporate bonds for the amount of PLN 30.2 million (USD 8 million). The company chose this form of investing its spare cash as an alternative to bank deposits, because bonds are expected to bring a higher return than bank deposits. All the purchased bonds are investment grade and are measured at fair value on the basis of their market quoted prices (level 1). As at 30 September 2015, the fair value of bonds available for sale and held by Sapiens International amounted to PLN 150.7 million, of which PLN 135.3 million represented long-term assets. The remaining portion of bonds available for sale represented bonds being held by companies of Magic Software Group, with a carrying value of PLN 43.8 million (USD 11.6 million) as at 30 September 2015.

12. Prepayments and accrued income

As at 30 September 2015 and in the comparable periods, prepayments and accrued income included the following items:

	30 Sept. 2015 (unaudited)		31 Dec. 2014 (audited)		30 Sept. 2014 (unaudited)	
	Long-term PLN millions	Short-term PLN millions	Long-term PLN millions	Short-term PLN millions	Long-term PLN millions	Short-term PLN millions
Prepaid services, of which:	34.5	106.8	32.4	100.7	29.5	82.9
maintenance services and license fees	*33.0*	*85.1*	*30.5*	*80.7*	*29.2*	*65.7*
rents and averaging of instalments under operating leases	*0.3*	*2.9*	-	*5.7*	-	*4.0*
insurance	*0.2*	*4.8*	-	*3.4*	-	*4.2*
other services	*1.0*	*14.0*	*1.9*	*10.9*	*0.3*	*9.0*
Expenses related to services performed for which revenues have not been recognized yet	-	3.3	-	2.0	0.6	1.5
Other prepayments and accrued income	-	9.3	-	2.7	1.0	7.3
Total	**34.5**	**119.4**	**32.4**	**105.4**	**31.1**	**91.7**

13. Long-term and short-term receivables

	30 Sept. 2015 (unaudited)		31 Dec. 2014 (audited, restated)		30 Sept. 2014 (unaudited, restated)	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions
Trade receivables, of which:						
Invoiced receivables	**0.7**	**1,325.9**	**0.8**	**1,384.6**	**0.2**	**1,086.6**
from related parties	-	10.7	-	6.1	-	5.1
from other entities	0.7	1,315.2	0.8	1,378.5	0.2	1,081.5
Uninvoiced receivables	**-**	**324.3**	**-**	**200.3**	**-**	**226.9**
from related parties	-	0.4	-	-	-	-
from other entities	-	323.9	-	200.3	-	226.9
Receivables from valuation of IT contracts	**-**	**240.9**	**-**	**240.3**	**-**	**247.3**
from related parties	-	0.1	-	-	-	-
from other entities	-	240.8	-	240.3	-	247.3
Allowance for doubtful receivables (-)	**-**	**(76.0)**	**-**	**(57.9)**	**-**	**(42.9)**
	0.7	**1,815.1**	**0.8**	**1,767.3**	**0.2**	**1,517.9**
Corporate income tax receivable	**-**	**59.3**	-	**61.0**	-	**54.0**
Receivables from the state and local budgets						
Value added tax	-	13.2	-	14.7	-	12.8
Other	-	20.9	-	13.4	-	12.8
	-	**34.1**	-	**28.1**	**-**	**25.6**
Other receivables						
Other receivables	48.5	132.8	32.5	40.6	33.3	51.0
Allowance for other uncollectible receivables (-)	-	(3.4)	-	(4.3)	-	(8.6)
	48.5	**129.4**	**32.5**	**36.3**	**33.3**	**42.4**

Related party transactions have been presented in explanatory note 19 to these interim condensed consolidated financial statements.

Other receivables from the state and local budgets include primarily receivables of Matrix IT arising from government grants awarded for employing workers of Arabic origin as well as of other religious and ethnic minorities.

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

Receivables relating to uninvoiced deliveries result from sales of services which were performed during the reporting period, but have not been invoiced until the balance sheet date.

The balance of other receivables includes, among others, receivables relating to guarantees of due performance of contracts (i.e. security in cash extended in favour of customers in order to compensate for their potential losses should the Company fail to fulfil its contractual obligations), receivables from disposal of tangible assets, receivables from security deposits paid-in, as well as receivables from disposal of shares.

14. Cash and cash equivalents

	30 Sept. 2015 (unaudited) PLN millions	31 Dec. 2014 (audited) PLN millions	30 Sept. 2014 (unaudited) PLN millions
Cash at bank	784.4	702.3	713.8
Cash on hand	1.2	0.8	0.7
Short-term bank deposits (up to 3 months)	439.9	520.7	291.6
Total cash and cash equivalents as disclosed in the balance sheet	**1,225.5**	**1,223.8**	**1,006.1**
Interest accrued on cash and cash equivalents	(0.3)	(0.3)	(0.3)
Bank overdraft facilities utilized for current liquidity management	(71.1)	(2.8)	(20.3)
Total cash and cash equivalents as disclosed in the cash flow statement	**1,154.1**	**1,220.7**	**985.5**

The interest on cash at bank is calculated with variable interest rates, depending on interest rates offered on bank deposits. Short-term deposits are made for varying periods of between one day and three months and earn interest at their respective fixed interest rates.

15. Interest-bearing bank loans and debt securities issued

	Loan currency	Effective interest rate	Repayment date	Outstanding debt as at: 30 Sept. 2015 (unaudited) PLN millions	Outstanding debt as at: 31 Dec. 2014 (audited) PLN millions	Maximum debt as at: 30 Sept. 2015 (unaudited) PLN millions	Maximum debt as at: 31 Dec. 2014 (audited) PLN millions
Bank overdraft facilities	***EUR***	EONIA + margin	not specified	4.2	0.4	8.4	2.1
		EURIBOR + margin	Q1 2015	-	2.7	-	12.1
			Q2 2015	-	0.2	-	2.1
			Q4 2015	22.9	-	14.8	1.3
			Q1 2016	3.5	-	-	-
			Q2 2016	14.1	-	26.7	-
			Q3 2016	-	-	4.2	-
			not specified	2.1	-	7.6	-
		fixed interest rate	Q1 2015	-	-	-	2.4
			Q2 2016	2.4	-	2.8	-
			Q4 2016	-	-	0.1	-
			not specified	-	-	17.0	-
	MKD	fixed interest rate	Q4 2014	-	-	-	0.2
	PLN	WIBOR + margin	Q2 2015	-	6.4	-	25.5
			Q4 2015	-	-	-	150.0
			Q1 2016	4.0	-	4.0	70.0
			Q2 2016	4.9	-	12.5	-
			Q3 2016	6.4	-	350.0	300.0
			Q4 2016	23.5	-	167.7	-
			2018	3.3	-	70.0	-
			not specified	-	-	-	0.5
	multi-currency	EURIBOR + margin	Q2 2015	-	-	-	6.4
			2017	-	-	-	4.3
	USD	fixed interest rate	Q1 2015	-	-	-	19.2
	NIS	Prime (Israel) + margin	not specified	86.8	55.2	not specified	not specified
		fixed interest rate	Q4 2015	0.5	-	not specified	not specified
				178.6	**64.9**	**685.8**	**596.1**

	Loan currency	Effective interest rate	Repayment date	30 Sept. 2015 Long-term (unaudited) PLN millions	30 Sept. 2015 Short-term (unaudited) PLN millions	31 Dec. 2014 Long-term (audited) PLN millions	31 Dec. 2014 Short-term (audited) PLN millions
Non-revolving bank loans	***EUR***	EURIBOR + margin	Q1 2015	-	-	0.5	1.8
			Q2 2015	-	-	-	5.2
			Q3 2015	-	-	-	0.7
			Q2 2016	-	5.1	-	-
			Q4 2016	0.1	0.5	-	-
			2017	2.2	0.8	1.9	1.3
			2018	1.1	0.5	1.5	0.5
			2020	10.6	-	-	-
			2022	0.1	-	0.1	-
		fixed interest rate	2018	-	-	0.9	0.4
	NIS	Prime (Israel) + margin	Q2 2015	-	14.5	-	-
			Q4 2015	-	14.3	-	15.7
			Q1 2016	-	-	-	0.1
			Q2 2016	0.6	8.4	1.4	1.1
			Q3 2016	-	3.9	-	-
			2017	22.3	21.9	-	-
			2018	70.8	32.8	-	-
			2019	43.5	14.7	-	-
			2020	38.6	9.6	-	-
		fixed interest rate	Q2 2015	-	-	13.5	-
			Q1 2016	-	0.1	-	0.2
			Q2 2016	-	-	4.5	9.0
			Q3 2016	-	-	2.7	3.6
			2017	-	-	36.9	17.9
			2018	-	-	89.3	30.5
			2019	-	-	50.5	13.7
			2020	168.0	26.9	180.4	4.8
	PLN	WIBOR + margin	2022	79.9	13.8	90.3	13.1
	USD	fixed interest rate	Q3 2016	-	10.6	-	-
			Q4 2016	-	-	-	9.8
	TRY	-	Q1 2015	-	-	-	0.2
			Q4 2015	-	0.1	-	-

HRK/EUR	12M Treasury bonds + margin	Q4 2016	0.5	1.9	1.9	1.9
	EURIBOR + margin	2017	1.7	3.4	4.2	3.4
		2019	9.2	3.3	11.9	2.6
BAM	fixed interest rate	2017	0.5	0.1	0.5	0.4
CVE	BCA	Q4 2016	-	0.1	-	-
RSD	fixed interest rate	Q1 2016	-	2.7	0.4	4.8
			449.7	**190.0**	**493.3**	**142.7**

	Loan currency	Effective interest rate	Repayment date	30 Sept. 2015 Long-term (unaudited) PLN millions	30 Sept. 2015 Short-term (unaudited) PLN millions	31 Dec. 2014 Long-term (audited) PLN millions	31 Dec. 2014 Short-term (audited) PLN millions
Borrowings	EUR	fixed interest rate	2018	10.2	5.4	11.6	4.0
			2019	0.2	0.1	0.3	0.1
			2020	3.5	0.8	7.4	0.1
			2021	0.2	-	0.2	-
			2022	0.2	-	0.2	-
	NIS	fixed interest rate	not specified	-	-	1.7	-
				14.3	**6.3**	**21.4**	**4.2**

The Group's liabilities under non-revolving bank loans and borrowings amounted to PLN 660.3 million as at 30 September 2015, of which PLN 464.0 million represented debt with maturities of over 12 months. As at 31 December 2014, liabilities under non-revolving bank loans and borrowings amounted to PLN 661.6 million, of which PLN 514.7 million represented long-term debt.

In the reporting period, the margins realized by lenders to Asseco Group companies ranged from 0.4 to 6.0 percentage points on an annual basis. Whereas, in the comparable period such margins ranged from 1.0 to 6.99 percentage points per annum.

In September 2015, Formula Systems issued bonds with a total face value of NIS 227.3 million. These bonds have been issued in two series:

- series A, with a total face value of NIS 102.2 million, represents bonds that have been secured with shares in subsidiaries of Formula Systems, bearing a fixed interest rate of 2.8% per annum;
- series B, with a total face value of NIS 125.0 million, represents bonds that can be converted into shares of Formula Systems, bearing a fixed interest rate of 2.74% per annum. These convertible bonds can be exchanged for the company's ordinary stock at the price of NIS 157 per share.

As at 30 September 2015, liabilities of Formula Systems under the above-mentioned bonds amounted to PLN 214.1 million.

	Division into short- and long-term portion	Series	30 Sept. 2015 (unaudited) PLN millions	31 Dec. 2014 (audited) PLN millions	Effective interest rate	Currency
Debt securities issued by Formula Systems (1985) Ltd	long-term portion	Series A bonds	97.2	-	2.80%	NIS
		Series B convertible bonds	116.8	-	2.74%	NIS/USD
	short-term portion	Series A bonds	0.1	-	2.80%	NIS
			214.1	**-**		

Hence, the Group's total liabilities under all bank loans and borrowings taken out and debt securities issued aggregated at PLN 1,053.0 million as at 30 September 2015, as compared with PLN 726.5 million outstanding as at 31 December 2014.

Assets serving as security for bank loan facilities as well as for debt securities issued:

Category of assets	Net value of assets 30 Sept. 2015 (unaudited) PLN millions	Net value of assets 31 Dec. 2014 (audited) PLN millions	Utilized amount of loan facility or debt under bonds secured with assets 30 Sept. 2015 (unaudited) PLN millions	Utilized amount of loan facility or debt under bonds secured with assets 31 Dec. 2014 (audited) PLN millions
Land and buildings	210.1	208.7	115.5	105.5
Computers and other office equipment	2.0	4.5	6.6	8.2
Long-term investments	911.1	560.8	290.9	221.2
Inventories	1.1	1.1	-	-
Current and future receivables	45.3	72.2	3.9	10.7
TOTAL	**1,169.6**	**847.3**	**416.9**	**345.6**

Some loans taken from Polish and Israeli banks come with the so-called covenants which impose an obligation to maintain certain financial ratios at the levels required by the bank. These ratios are related to the level of indebtedness, e.g. debt to EBITDA or debt to equity ratios, or to achieving the expected operating profits. In the event a company carrying such a covenanted loan fails to satisfy the said requirements, the bank may apply a sanction in the form of a higher credit margin. Should the bank deem the new level of a ratio to be unacceptable, the bank may in certain cases exercise its rights in the collateral provided as security. As at 30 September 2015 and in the comparable periods, we did not default on any of such financial covenants.

16. Financial liabilities

	30 Sept. 2015 (unaudited)		31 Dec. 2014 (audited, restated)		30 Sept. 2014 (unaudited, restated)	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions
Dividend payment liabilities	10.4	3.1	-	14.9	-	7.6
Liabilities for the acquisition of shares – deferred and contingent payments for controlling interests	45.2	24.9	13.2	11.6	9.0	32.3
Liabilities for the acquisition of shares in subsidiaries (put options)	180.2	45.3	90.3	37.2	96.5	35.9
Other financial liabilities	-	2.8	-	1.1	-	0.4
	235.8	**76.1**	**103.5**	**64.8**	**105.5**	**76.2**

As at 30 September 2015 and in the comparable periods, dividend payment liabilities comprised basically dividends payable to non-controlling shareholders in our subsidiaries.

As at 30 September 2015 and in the comparable periods, the Group carried estimated liabilities resulting from deferred and/or contingent payments for controlling interests. The amounts of the above-mentioned liabilities have been measured using the price calculation formula as defined in the controlling interest acquisition agreements, which shall correspond to a given company’s profit for the contractual term multiplied by a predetermined coefficient.

The table below presents liabilities resulting from deferred and/or contingent payments for controlling interests in subsidiaries as at 30 September 2015 and in the comparable periods:

Liabilities for deferred and/or contingent payments for controlling interests	**30 Sept. 2015** (unaudited) PLN millions	**31 Dec. 2014** (audited, restated) PLN millions	**30 Sept. 2014** (unaudited, restated) PLN millions
Liabilities for acquisitions made by Asseco Central Europe Group	3.4	1.4	1.5
Liabilities for acquisitions made by Asseco South Eastern Europe Group	-	1.9	1.8
Liabilities for acquisitions made by Magic Software Enterprises Group	9.9	1.6	2.4
Liabilities for acquisitions made by Matrix IT Group	17.9	11.4	32.4
Liabilities for acquisitions made by Sapiens International Group	4.4	-	-
Liabilities for the acquisition of Silverback PTY Ltd	7.2	8.5	3.2
Liabilities for the acquisition of Exictos SGPS	27.3	-	-
	70.1	**24.8**	**41.3**

As at 30 September 2015 and in the comparable periods, the Group had liabilities resulting from the acquisition of non-controlling interests in subsidiaries (put options). The amounts of such liabilities have been estimated using the formula for calculation of the exercise price of options that the Group granted to non-controlling shareholders, which corresponds to a given company's profit for the contractual term multiplied by a predetermined coefficient.

The table below presents liabilities resulting from put options granted to non-controlling shareholders in subsidiaries as at 30 September 2015 and in the comparable periods:

Liabilities under put options granted to non-controlling shareholders	**30 Sept. 2015** (unaudited) PLN millions	**31 Dec. 2014** (audited) PLN millions	**30 Sept. 2014** (unaudited) PLN millions
Asseco Lietuva UAB	0.8	0.8	0.8
Asseco South Eastern Europe S.A.	45.4	37.2	35.9
Companies of Matrix IT Group	39.2	35.1	39.6
Companies of Magic Software Enterprises Group	10.6	2.2	2.2
Companies of Sapiens International Group	0.9	0.6	-
SKG S.A.	5.4	6.9	7.1
R-Style Softlab JSC	40.8	36.8	42.0
Asseco Kazakhstan LLP	3.2	3.2	4.8
Companies of Asseco Central Europe Group	20.8	4.7	-
Exictos SGPS	58.4	-	-
	225.5	**127.5**	**132.4**

17. Long-term and short-term liabilities

As at 30 September 2015 and in the comparable periods, the Group had the following liabilities:

	30 Sept. 2015 (unaudited)		31 Dec. 2014 (audited, restated)		30 Sept. 2014 (unaudited, restated)	
	Long-term PLN millions	Short-term PLN millions	Long-term PLN millions	Short-term PLN millions	Long-term PLN millions	Short-term PLN millions
Trade payables, of which						
Invoiced payables	**0.1**	**360.0**	**0.2**	**418.0**	**0.2**	**254.4**
from related parties	-	0.9	-	1.0	-	2.8
from other entities	0.1	359.1	0.2	417.0	0.2	251.6
Uninvoiced payables	**6.4**	**201.1**	**1.1**	**145.8**	**-**	**149.0**
from related parties	-	-	-	-	-	-
from other entities	6.4	201.1	1.1	145.8		149.0
Liabilities arising from valuation of IT contracts	**-**	**29.5**	**-**	**19.6**	**-**	**19.5**
from related parties	-	0.1	-	-	-	-
from other entities	-	29.4	-	19.6	-	19.5
	6.5	**590.6**	**1.3**	**583.4**	**0.2**	**422.9**
Corporate income tax payable	**-**	**34.0**	**-**	**29.0**	**-**	**21.6**
Liabilities to the state and local budgets						
Value added tax (VAT)	-	49.7	-	86.6	-	56.1
Personal income tax (PIT)	-	15.4	-	17.5	-	15.8
Social insurance	-	24.2	-	22.7	-	22.2
Withholding income tax	-	2.4	-	2.9	-	3.8
Other	-	3.9	-	0.7	6.4	0.3
	-	**95.6**	**-**	**130.4**	**6.4**	**98.2**
Other liabilities						
Liabilities to employees (including salaries payable)	-	173.1	-	138.7	-	135.6
Other liabilities	10.9	26.5	11.3	22.8	1.5	28.2
	10.9	**199.6**	**11.3**	**161.5**	**1.5**	**163.8**

Trade payables are non-interest bearing. Related party transactions have been presented in explanatory note 19 to these interim condensed consolidated financial statements.

18. Accruals and deferred income

	30 Sept. 2015 (unaudited)		31 Dec. 2014 (audited, restated)		30 Sept. 2014 (unaudited, restated)	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions
Accruals, of which:						
Accrual for unused holiday leaves	-	95.1	-	81.9	-	73.7
Accrual for employee and management bonuses	-	115.0	-	134.3	-	92.2
	-	**210.1**	**-**	**216.2**	**-**	**165.9**
Deferred income, of which:						
Maintenance services	23.1	217.5	23.8	224.5	9.9	179.2
Other prepaid services	-	26.0	6.6	33.1	12.2	32.8
Grants for the development of assets	34.8	3.6	35.2	2.4	35.0	5.1
Other	0.1	0.8	-	1.3	1.0	2.9
	58.0	**247.9**	**65.6**	**261.3**	**58.1**	**220.0**

The balance of accruals comprises: accruals for unused holiday leaves, accruals for salaries of the current period to be paid out in future periods which result from the bonus schemes applied by the Group, provision for the audit of financial statements, and provisions for operating expenses of the Group's companies which were incurred in the current reporting period but have not been invoiced until the balance sheet date.

The balance of deferred income comprises mainly future revenues recognized over time for the provision of services, such as IT support services, as well as grants for the development of assets. Grants for the development of assets represent subsidies received by the Group in connection with its development projects or projects related to the creation of IT competence centers.

19. Related party transactions

Asseco Group sales to related parties:		9 months ended 30 Sept. 2015 (unaudited)	9 months ended 30 Sept. 2014 (unaudited)
Name of entity		PLN millions	PLN millions
Transactions with associates and jointly controlled companies			
Postdata S.A.	*sale of goods and services related to implemented IT projects*	3.5	5.2
E-mon d.o.o.	*sale of goods and services related to implemented IT projects*	0.3	0.5
Multicard d.o.o.	*sale of goods and services related to implemented IT projects*	0.3	0.2
	Total	**4.1**	**5.9**
Transactions with entities related through the Group's Key Management Personnel			
Decsoft S.A. 1)	*sale of goods and services related to implemented IT projects*	9.1	1.3
Matrix42 Inc.2)	*sale of goods and services related to implemented IT projects*	-	0.3
Virte a.s.3)	*sale of goods and services related to implemented IT projects*	-	1.9
Konferenta UAB 4)	*sale of goods and services related to implemented IT projects*	0.1	0.1
Other entities related through the key management personnel		0.1	0.4
	Total	**9.3**	**4.0**
Transactions with Members of Management Boards and Supervisory Boards and Commercial Proxies of Asseco Poland and other Group companies		**0.2**	**0.1**
	Total related party transactions	**13.6**	**10.0**

1) *In the period of 9 months ended 30 September 2015 as well as in the comparable period, Mr. Jacek Duch, Chairman of the Company's Supervisory Board, served as Member of the Supervisory Board of Decsoft S.A.*

2) *Until 8 January 2015, Mr. Herbert Uhl, a major shareholder in Matrix42 Inc, was also a non-controlling shareholder in Asseco DACH S.A.*

3) *In the first half of 2014, Mr. Juraj Kováčik performed managerial functions in Virte a.s. and in Slovanet a.s. (a subsidiary of Asseco Central Europe).*

4) *In the period of 9 months ended 30 September 2015 as well as in the comparable period, shareholders in UAB Konferenta, Mr. Albertas Sermokas and Mr. Evaldas Drasutis were non-controlling shareholders in our subsidiary UAB Sintagma and Asseco Lietuva. Furthermore, they both served as members of the managerial stuff of UAB Sintagma and Asseco Lietuva.*

Asseco Group purchases from related parties: Name of entity		9 months ended 30 Sept. 2015 (unaudited) PLN millions	9 months ended 30 Sept. 2014 (unaudited) PLN millions
Transactions with associates			
Postdata S.A.	*purchase of goods and services related to implemented IT projects*	0.4	0.5
	Total	**0.4**	**0.5**
Transactions with entities related through the Group's Key Management Personnel			
Koma Nord Sp. z o.o. 1)	*purchase of services related to implemented IT projects*	0.1	0.3
Top Fin Sp. z o.o.2)	*rental of apartments (including reception, cleaning and security services, etc.) with parking lot spaces for the accommodation of employees on business trips*	1.8	2.0
Matrix42 Ukraine3)	*purchase of goods and services related to implemented IT projects*	-	4.0
MHM d.o.o.4)	*rental of office space*	4.2	4.2
DM3 d.o.o.5)	*rental of office space*	0.4	0.4
MB Distribution Ltd.6)	*purchase of goods and services related to implemented IT projects*	-	1.6
MPS d.o.o., Skopje 7)	*rental of office space*	0.4	0.4
Sospes d.o.o.8)	*purchase of goods and services related to implemented IT projects*	0.5	0.3
UAB Linkas 9)	*rental of office space; purchase of services related to other activities*	0.9	0.9
Other entities related through the key management personnel		1.5	1.1
	Total	**9.8**	**15.2**
Transactions with Members of Management Boards and Supervisory Boards and Commercial Proxies of Asseco Poland and other Group companies			
Dariusz Brzeski	*purchase of advisory services*	1.7	1.1
Andrzej Gerlach	*purchase of advisory services*	0.9	0.1
Piotr Jakubowski	*purchase of advisory services*	0.2	0.3
Jozef Klein	*purchase of advisory services*	-	6.3
Jacek Duch	*purchase of advisory services*	-	2.1
Transactions with other members of management boards and supervisory boards and commercial proxies of other Group companies		1.7	2.5
	Total	**4.5**	**12.4**
	Total related party transactions	**14.7**	**28.1**

1) *In the period of 9 months ended 30 September 2015 as well as in the comparable period, Mr. Andrzej Gerlach, the Company's Commercial Proxy, served as Member of the Supervisory Board of Koma Nord Sp. z o.o.*

2) *In the period of 9 months ended 30 September 2015 as well as in the comparable period, Mr. Andrzej Gerlach, the Company's Commercial Proxy, was a partner in the company Top Fin Sp. z o.o. Moreover, during the analyzed period, Mrs. Ewa Góral, the wife of Mr. Adam Góral, President of the Company's Management Board, was a partner in the company Top Fin Sp. z o.o.; whereas, Mrs. Jolanta Wiza, the wife of Mr. Artur Wiza who performs managerial functions in the Company, was the president and a partner in the company Top Fin Sp. z o.o. In addition, since July 2013, Mr. Adam Góral, President of the Company's Management Board, has been the owner of business premises rented out to Top Fin Sp. z o.o.*

3) *In the period of 9 months ended 30 September 2015 as well as in the comparable period, Mr. Jochen Jaser, a shareholder in Matrix42 Ukraine, was also a non-controlling shareholder in our subsidiary Matrix42 A.G. Furthermore, Mr. Jaser serves as member of the managerial stuff of our subsidiary Matrix42 A.G.*

4) *In the period of 9 months ended 30 September 2015 as well as in the comparable period, shareholders in MHM d.o.o. served as members of the managerial stuff of subsidiaries of Asseco South Eastern Europe.*

5) *In the period of 9 months ended 30 September 2015 as well as in the comparable period, Mr. Mihail Petreski, a shareholder in DM3 d.o.o., served as Vice Chairman of the Supervisory Board of Asseco South Eastern Europe.*

6) *In the period of 9 months ended 30 September 2015 as well as in the comparable period, the company MB Distribution Ltd. was related through the key management personnel of a subsidiary of Asseco South Eastern Europe.*

7) *In the period of 9 months ended 30 September 2015 as well as in the comparable period, Mr. Mihail Petreski, a shareholder in MPS d.o.o., Skopje, served as Vice Chairman of the Supervisory Board of Asseco South Eastern Europe.*

8) *In the period of 9 months ended 30 September 2015 as well as in the comparable period, the company Sospes d.o.o. was related through the key management personnel of a subsidiary of Asseco South Eastern Europe.*

9) *In the period of 9 months ended 30 September 2015 as well as in the comparable period, shareholders in UAB Konferenta, Mr. Albertas Sermokas and Mr. Evaldas Drasutis, both served as members of the managerial stuff of UAB Sintagma and Asseco Lietuva.*

Name of entity	Trade receivables and other receivables as at		Trade payables and other liabilities as at	
	30 Sept. 2015 (unaudited) PLN millions	31 Dec. 2014 (audited) PLN millions	30 Sept. 2015 (unaudited) PLN millions	31 Dec. 2014 (audited) PLN millions
Associates and jointly controlled companies				
Postdata S.A.	0.7	3.0	-	0.2
Multicard d.o.o.	0.3	0.1	-	-
	1.0	**3.1**	**-**	**0.2**
Transactions with entities related through the Group's Key Management Personnel				
Decsoft S.A.	8.1	3.3	-	-
Ruch S.A.	-	0.7	-	-
Top Fin Sp. z o.o.	0.3	0.3	-	0.2
Sospes d.o.o.	-	-	0.1	-
UAB Linkas	-	-	0.2	0.4
Higher School of Finance and Administration in Sopot*)	1.5	1.5	-	-
Other	0.5	0.4	0.4	0.3
Total	**10.4**	**6.2**	**0.7**	**0.9**
Transactions with Members of Management Boards and Supervisory Boards and Commercial Proxies of Asseco Poland and other Group companies				
Dariusz Brzeski	-	-	0.1	0.1
Andrzej Gerlach	-	-	0.1	-
Other persons	0.1	1.5	0.1	0.1
Total	**0.1**	**1.5**	**0.3**	**0.2**
Total related party transactions	**11.5**	**10.8**	**1.0**	**1.3**

*) *Both as at 30 September 2015 and in the comparable period, the Group recognized an allowance for the whole amount of receivables from the Higher School of Finance and Administration in Sopot. Our subsidiary Combidata Poland Sp. z o.o. has a status of a founder of the Higher School of Finance and Administration in Sopot.*

Transactions with related parties are carried out on an arm's length basis.

As at 30 September 2015, receivables from related parties comprised trade receivables (PLN 11.2 million) as well as other receivables (PLN 0.3 million). As at 31 December 2014, receivables from related parties comprised trade receivables (PLN 6.1 million) as well as other receivables (PLN 4.7 million).

As at 30 September 2015, liabilities towards related parties comprised trade payables only. As at 31 December 2014, liabilities to related parties comprised trade payables (PLN 1 million) as well as other liabilities (PLN 0.3 million).

Loans granted to related parties have been described in explanatory note 11 to these interim condensed consolidated financial statements.

20. Notes to the Statement of Cash Flows

Cash flows – operating activities

The table below presents items included in the line "Changes in working capital":

	9 months ended 30 Sept. 2015 (unaudited) PLN millions	9 months ended 30 Sept. 2014 (unaudited) PLN millions
Change in inventories	(51.7)	22.1
Change in receivables and non-financial assets	92.2	133.9
Change in liabilities	(137.7)	(315.2)
Change in prepayments and accruals	(42.4)	21.8
Change in provisions	23.6	(14.9)
	(116.0)	**(152.3)**

Cash flows – investing activities

In the period of 9 months ended 30 September 2015, the balance of cash flows from investing activities was affected primarily by the following proceeds and expenditures:

- Acquisitions of property, plant and equipment and intangible assets include purchases of property, plant and equipment for PLN 71.5 million (of which PLN 27.2 million in the period of 3 months ended 30 September 2015), purchases of intangible assets for PLN 7.9 million (of which PLN 0.5 million in the period of 3 months ended 30 September 2015), as well as expenditures for ongoing development projects amounting to PLN 59.2 million (of which PLN 20.6 million in the period of 3 months ended 30 September 2015).
- Expenditures for the acquisition of subsidiaries and associates, and cash and cash equivalents in the acquired subsidiaries as at the date of obtaining control:

for the period of 9 months ended 30 September 2015	Acquisition of subsidiaries (unaudited) PLN millions	Cash in subsidiaries acquired (unaudited) PLN millions
Acquisitions made by Magic Software Enterprises Group	(35.4)	6.4
Acquisitions made by Matrix IT Group	(20.7)	2.9
Acquisitions made by Sapiens International Corp. Group	(14.3)	3.3
Acquisitions made by Asseco Central Europe Group	(21.2)	9.7
Acquisition of Unizeto Technologies S.A.	(23.2)	0.6
Acquisition of Exictos SGPS S.A.	(63.9)	(6.9)
Other acquisitions	(2.4)	0.1
	(181.1)	**16.1**

- The following table presents detailed cash flows relating to loans during the period of 9 months ended 30 September 2015:

	Loans collected (unaudited) PLN millions	Loans granted (unaudited) PLN millions
Loans for employees	0.9	(1.5)
Loans for other entities	-	(0.3)
Term cash deposits with original maturities exceeding 3 months	74.4	(41.1)
Total	**75.3**	**(42.9)**

Cash flows – financing activities

- "Proceeds from transactions with non-controlling interests" in the comparable period include capital raised from issuances of shares made by companies of Formula Systems Group under their employee stock option plans which were paid up by non-controlling shareholders, as well as PLN 167.0 million (USD 54.7 million) of capital raised from the issuance of shares carried out by Magic Software Enterprises in the first quarter of 2014;
- "Proceeds from bank loans and borrowings" in the comparable period include primarily a bank loan amounting to PLN 178.8 million (NIS 200 million) taken by Formula Systems, as well as an increase in bank loan debt of Matrix IT by the amount of PLN 63.7 million (NIS 72.0 million).
- "Proceeds from issuance of debt securities" are related to the issuance of bonds by Formula Systems.
- "Expenditures for the acquisition of non-controlling interests" include the following items:

	(unaudited) PLN millions
Acquisition of an additional stake in Magic by Formula Systems	(8.2)
Acquisition of an additional stake in Sapiens International	(1.3)
Acquisition of treasury shares by Asseco Dach	(7.1)
Acquisitions made by Magic Group	(4.8)
Acquisitions made by Matrix IT Group	(4.6)
Total	**(26.0)**

21. Off-balance-sheet liabilities towards other entities

The Group is a party to a number of rental, leasing and other contracts of similar nature, resulting in the following off-balance-sheet liabilities for future payments:

	30 Sept. 2015 (unaudited) PLN millions	31 Dec. 2014 (audited) PLN millions	30 Sept. 2014 (unaudited) PLN millions
Liabilities under leases of space			
In the period up to 1 year	95.1	89.1	98.1
In the period from 1 to 5 years	194.6	205.0	186.7
Over 5 years	1.7	9.5	12.7
	291.4	**303.6**	**297.5**
Liabilities under operating lease agreements			
In the period up to 1 year	49.9	46.8	48.9
In the period from 1 to 5 years	43.6	40.6	48.0
Over 5 years	-	-	-
	93.5	**87.4**	**96.9**

22. Employment

Numbers of employees in the Group companies as at:	30 Sept. 2015 (unaudited)	31 Dec. 2014 (audited)	30 Sept. 2014 (unaudited)
Management Board of the Parent Company	11	11	11
Management Boards of the Group companies	132	120	115
Production departments	17,476	15,718	15,541
Sales departments	1,307	1,236	1,293
Administration departments	1,580	1,396	1,395
Total	**20,506**	**18,481**	**18,355**

Numbers of employees in the Group companies as at:	30 Sept. 2015 (unaudited)	31 Dec. 2014 (audited)	30 Sept. 2014 (unaudited)
Asseco Poland S.A.	2,891	3,062	3,163
Formula Systems Group	10,697	9,429	9,267
Asseco Central Europe Group	1,645	1,450	1,437
Asseco South Eastern Europe Group	1,412	1,403	1,394
R-Style Softlab	735	726	767
Asseco Business Solutions S.A.	593	595	594
Asseco Western Europe Group	821	520	450
Unizeto Technologies S.A.	292	n/a	n/a
Asseco DACH Group	n/a	211	203
C.K. Zeto Łódź S.A.	146	141	142
Sintagma UAB Sp. z o.o.	160	166	169
Combidata Poland Sp. z o.o.	106	126	128
ZUI OTAGO Sp. z o.o.	146	144	139
PI Zeto Bydgoszcz S.A.	110	115	115
ZUI Novum Sp. z o.o.	64	63	60
Sigilogic Sp. z o.o.	43	56	55
ADH-Soft Sp. z o.o.	49	50	50
SKG S.A.	35	43	42
Asseco Georgia LLC	22	30	29
Asseco Danmark	33	30	28
Peak Consulting	21	18	18
Asseco Kazakhstan	13	16	17
Asseco Software Nigeria Ltd.	11	6	3
Gladstone Consulting Ltd.	-	-	-
Park Wodny Sopot Sp. z o.o.	47	70	74
Gdyński Klub Koszykówki “Arka” S.A.	7	7	7
Asseco Resovia S.A.	4	4	4
Exictos SGPS	399	n/a	n/a
Asseco Bel	4	n/a	n/a
Total	**20,506**	**18,481**	**18,355**

All figures in PLN millions, unless stated otherwise 78

23. Significant events after the balance sheet date

❑ *Conditional sale of Matrix42 AG by Asseco Western Europe S.A.*

In October 2015, Asseco Western Europe S.A. signed a conditional agreement to sell all the shares it held in Matrix42, in a management buyout transaction conducted in cooperation with funds advised by the private equity firm – EMERAM Capital Partners GmbH. The sale of shares in the subsidiary Matrix42 AG, seated in Frankfurt am Main, has become effective upon the fulfilment of conditions specified in the agreement on 12 November 2015. The agreement was concluded with Blitz D14-310 GmbH ("Blitz"). The effectiveness of the agreement was conditional, among others, upon obtaining approval to the transaction from the Austrian antimonopoly authority.

The total transaction value amounted to EUR 46.3 million, of which EUR 21.7 million shall be paid in cash, whereas the remaining amount of EUR 24.6 million shall be repaid by Blitz till 31 December 2021, in accordance with a loan agreement that has been concluded between AWE and Blitz. The loan has been secured with a pledge on Matrix42 shares as well as with copyrights on Matrix42 products.

❑ *Acquisition of a majority stake in Infovide Matrix S.A. and a tender offer for the company's shares*

On 23 September 2015, Asseco Poland S.A. signed with major shareholders in Infovide-Matrix S.A. an agreement concerning the sale of a majority stake in Infovide-Matrix S.A. and subsequently announced a tender offer for shares in that company. By conducting this tender offer, Asseco Poland S.A. intends to acquire 12,476,705 shares, representing 100% of the share capital of Infovide-Matrix S.A. as well as 100% of total voting rights at the General Meeting of Shareholders of that company. The tendered shares will be purchased at the price of PLN 6.01 per share, and the planned date for concluding the acquisition transaction on the WSE shall be 17 November 2015.

Tenders to sell the shares were accepted until 12 November 2015, whereas more than 70% of the total number of shares in Infovide-Matrix S.A. were tendered for sale already on 6 November 2015. This means that Asseco Poland S.A. has achieved the minimum shareholding threshold for the acquisition of shares in accordance with its commitment made in the tender offer. Moreover, on 20 October 2015, Asseco Poland S.A. obtained approval from the Office of Competition and Consumer Protection ("OCCP") to conduct a business concentration by taking over control of Infovide-Matrix S.A. Obtaining such consent from the OCCP was a legal condition specified in the tender offer.

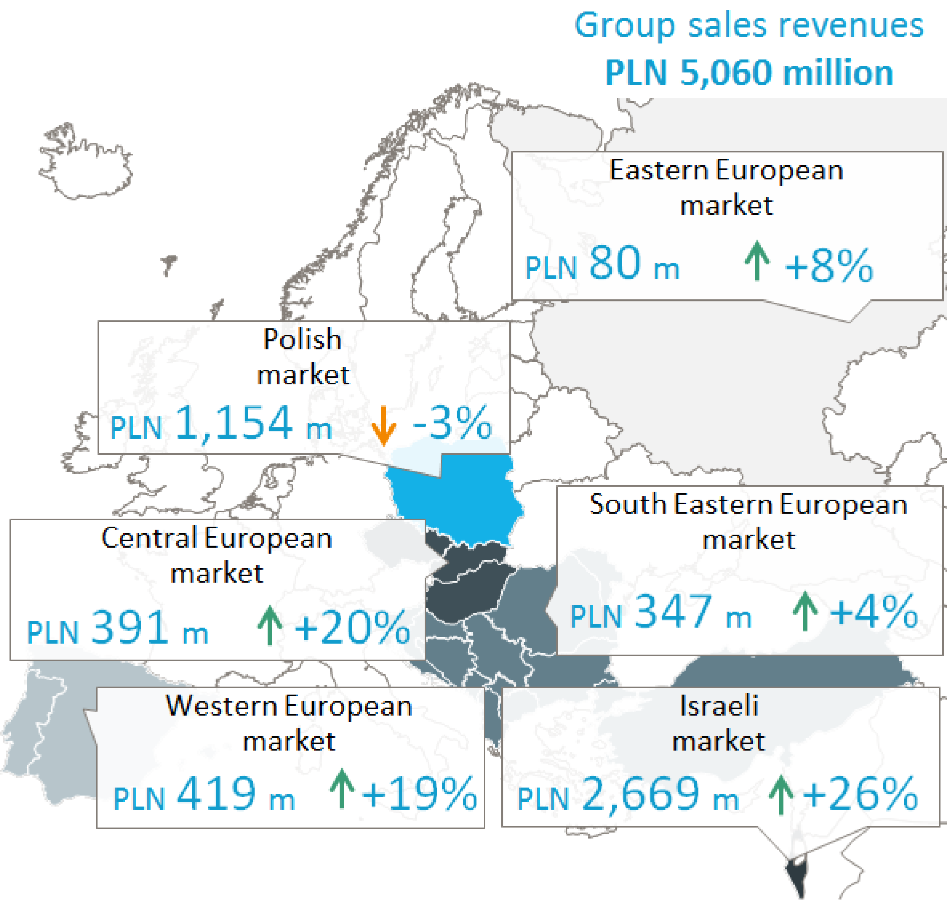
On 13 November 2015, Asseco Poland S.A. was notified by the Brokerage House of PKO BP S.A. in Warsaw that, till 12 November 2015, shareholders submitted 81 tenders to sell a total of 12,215,609 shares in Infovide-Matrix, representing approx. 97.91% of the share capital of Infovide-Matrix. The transaction shall be settled and hence the shares shall be finally acquired on 20 November 2015.

24. Significant events related to prior years

Until the date of preparing these interim condensed consolidated financial statements for the period of 9 months ended 30 September 2015, this is until 13 November 2015, we have not observed any significant events related to prior years, which have not but should have been included in these financial statements.

COMMENTARY AND SUPPLEMENTARY INFORMATION TO THE QUARTERLY REPORT OF ASSECO GROUP

I. SUMMARY AND ANALYSIS OF FINANCIAL RESULTS OF ASSECO GROUP FOR THE PERIOD OF 9 MONTHS ENDED 30 SEPTEMBER 2015



Consolidated financial results of Asseco Group for the periods of 9 and 3 months ended 30 September 2015 as well as for the last year's comparable periods are presented in the table below:

	9 months ended 30 Sept. 2015 PLN millions	9 months ended 30 Sept. 2014 PLN millions	Change %	3 months ended 30 Sept. 2015 PLN millions	3 months ended 30 Sept. 2014 PLN millions	Change %
Sales revenues	**5,060.2**	**4,399.3**	**15.0%**	**1,755.1**	**1,486.3**	**18.1%**
Proprietary software and services	4,180.5	3,570.2	17.1%	1,458.2	1,226.3	18.9%
Gross profit/(loss) on sales	**1,243.3**	**1,083.7**	**14.7%**	**439.6**	**375.5**	**17.1%**
Selling costs	(324.7)	(276.0)	17.6%	(111.3)	(95.4)	16.7%
General and administrative expenses	(376.8)	(348.0)	8.3%	(129.4)	(118.3)	9.4%
Other operating activities	(8.1)	(0.5)	1520.0%	1.2	2.1	(42.9%)
Operating profit	**533.7**	**459.2**	**16.2%**	**200.1**	**163.9**	**22.1%**
Net profit attributable to Shareholders of the Parent Company	**239.6**	**268.5**	**(10.8%)**	**101.6**	**85.3**	**19.1%**
EBITDA	**733.7**	**646.9**	**13.4%**	**270.0**	**228.8**	**18.0%**

EBITDA = EBIT + depreciation and amortization

Profitability ratios

The table below presents the key profitability ratios achieved by the Group for the period of 9 months ended 30 September 2015 and for the comparable period:

	9 months ended 30 Sept. 2015	9 months ended 30 Sept. 2014	Change
Gross profit margin	24.6%	24.6%	-
EBITDA margin	14.5%	14.7%	(0.2) pp
Operating profit margin	10.5%	10.4%	0.1 pp
Net profit margin	7.6%	8.7%	(1.1) pp

Gross profit margin = gross profit on sales / sales
EBITDA margin = EBITDA / sales
Operating profit margin = operating profit / sales
Net profit margin = net profit / sales

The table below presents the key profitability ratios achieved by the Group for the period of 3 months ended 30 September 2015 and for the comparable period:

	3 months ended 30 Sept. 2015	3 months ended 30 Sept. 2014
Gross profit margin	25.0%	25.3%
EBITDA margin	15.4%	15.4%
Operating profit margin	11.4%	11.0%
Net profit margin	8.8%	8.9%

Gross profit margin = gross profit on sales / sales
EBITDA margin = EBITDA / sales
Operating profit margin = operating profit / sales
Net profit margin = net profit / sales

Liquidity ratios

As at 30 September 2015, the Group's current, quick and absolute liquidity ratios were lower than a year ago. This was a consequence of an increase in current assets by PLN 684.4 million, which grew faster than our liabilities. During the period of 9 months ended 30 September 2015, we recorded a significant increase in financial assets, including primarily in long-term treasury and corporate bonds, as well as in cash and cash equivalents.

	30 Sept. 2015	30 Sept. 2014
Working capital (in PLN millions)	1,752.2	1,603.6
Current liquidity ratio	1.9	2.2
Quick liquidity ratio	1.8	2.0
Absolute liquidity ratio	0.6	0.7

Working capital = current assets – current liabilities
Current liquidity ratio = current assets / current liabilities
Quick liquidity ratio = (current assets – inventories – prepayments) / current liabilities
Absolute liquidity ratio = (cash + short-term bank deposits) / current liabilities

Debt ratios

As at the end of September 2015, the Group's main debt ratios were higher than a year ago. One of the main causes behind an increase in Asseco Group's debt was the issuance of bonds with a total face value of NIS 227.3 million by Formula Systems. During the reporting period, our liabilities increased also as a result of the acquisition of shares in Portugal-based Exictos. Apart from the acquisition related payments, we have also recognized a liability under put options granted to non-controlling shareholders of Exictos.

	30 Sept. 2015	31 Dec. 2014	30 Sept. 2014
Total debt ratio	28.5%	25.4%	23.3%
Debt/equity ratio	14.5%	10.8%	10.4%
Debt/(debt + equity) ratio	12.7%	9.7%	9.4%

Total debt ratio = (non-current liabilities + current liabilities) / assets
Debt/equity ratio = (interest-bearing bank loans + debt securities + finance lease liabilities) / equity
Debt/(debt + equity) ratio = (interest-bearing bank loans + debt securities + finance lease liabilities) / (interest-bearing bank loans + debt securities + finance lease liabilities + equity)

II. MAJOR FACTORS AND EVENTS WITH IMPACT ON OUR FINANCIAL PERFORMANCE

1. Polish market

The table below presents selected financial data for the segment of Polish market:

PLN millions	9 months ended 30 Sept. 2015	9 months ended 30 Sept. 2014
Sales revenues*	1,154.4	1,196.0
EBIT	214.1	233.5
EBIT margin	*18.5%*	*19.5%*
Adjusted EBIT	227.4	247.2
Adjusted EBIT margin	*19.7%*	*20.7%*
EBITDA	280.1	302.3
EBITDA margin	*24.3%*	*25.3%*
CFO_{BT}	221.2	204.8
CAPEX	(48.0)	(32.6)
FCF	173.2	172.2
Cash conversion rate	76.2%	69.7%
Cash and cash equivalents at the end of period	93.8	104.9
Interest-bearing debt at the end of period	(250.2)	(244.2)
of which bank loans, borrowings and bonds issued	*(135.8)*	*(117.2)*
of which finance lease liabilities	*(114.4)*	*(127.0)*

** Segment's sales to external customers*
EBIT = operating profit
Adjusted EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees
EBITDA = EBIT + depreciation and amortization
CFO_{BT} = cash generated from operating activities, before income tax paid
CAPEX = segment's capital expenditures for non-current assets
FCF = CFO_{BT} – CAPEX
Cash conversion rate = FCF/adjusted EBIT

During the period of 9 months ended 30 September 2015, our Polish market companies continued to cooperate with their existing customers by performing ongoing contracts and commencing new projects. Furthermore, a number of new clients decided to use the products and services offered by software specialists of the largest IT company in Poland.

Some positive developments were observed in Asseco Poland's public administration segment. The structure of costs has been adapted to the new terms and conditions of cooperation as well as a lower number of orders placed by the Social Insurance Institution (ZUS), and concurrently we managed to win a number of new tenders involving the development of the institution's Comprehensive Information System. We have expanded our cooperation with the Agricultural Social Insurance Fund (KRUS) and received new orders under the framework agreement for their Workflow System. In the third quarter of 2015, Asseco Poland in a consortium with Asseco Group subsidiaries, namely ZETO Bydgoszcz and Unizeto Technologies, signed an agreement with the Agricultural Social Insurance Fund to ensure comprehensive support for their IT system that helps manage retirement and pension benefits provided to 1.3 million farmers. The project gross value exceeds PLN 92 million.

We also signed an agreement with the Ministry of Labour and Social Policy to develop and provide comprehensive support for the Big Family Card Information System. This programme is dedicated to 3.4 million multi-child family members.

The Company has strengthened its leading position in the Polish market for healthcare systems. In the third quarter of 2015, Asseco Poland signed an agreement with the Mazovian Hospital in Bródno, Warsaw that acts as a leader of the "e-Health for Mazovia" project. Asseco is going to build an ICT network connecting 23 largest hospitals in the Mazovian Province, which will provide the basis for further activities aiming at the implementation of electronic medical records in Mazovian hospitals, which are supervised by regional authorities, as well as at establishing the Center for Economic and Statistical Analysis. The AMMS system (Asseco Medical Management Solutions) has been chosen by successive medical institutions, including the Province Hospital in Zielona Góra, Psychiatric Hospital in Toszek, and the Railways Hospital in Wilkowice-Bystra.

Asseco Poland also continued to develop its business in the industries of telecommunications and energy. In the third quarter, we successfully completed the project of data migration into the central billing system (AUMS EDO) at Tauron Group. The implementation process involved migrating the data of 4.4 million customers along with their 3-year-long account history from Tauron's 12 distributed source systems. The quality of Asseco's proprietary solution has once again won recognition from by the renowned research firm Gartner who, again, placed AUMS in their "Magic Quadrant for Utilities Customer Information Systems" report for 2015.

We continued to expand our business in the Polish banking market. Our brand new internet and mobile banking product called Asseco Customer Banking Platform (Asseco CBP) has been implemented at Deutsche Bank Poland. We also launched new versions of our popular trading platforms ePromak Plus and Promak Plus.

Other Polish operations continued to grow dynamically as well. Asseco Business Solutions signed a contract to provide its state-of-the-art software solution (Mobile Touch) to Polmos Bielsko Biała S.A. New clients were also attracted by their Asseco Softlab ERP solution and Connector Enterprise system.

Another important event was the sale of our subsidiary Insseco, a company engaged in the provision of IT solutions and services for Polish insurers, to Sapiens which operates as part of Asseco Group's Israeli market and is the second largest global provider of software for the insurance industry. The takeover of Insseco by Sapiens is a consequence of the development strategy pursued by Asseco Group that assumes building a strong market position in individual sectors of the economy, including insurance, banking, utilities, and healthcare. The conducted transaction will enable Asseco Group to develop a commercial insurance product and competence center operating within the group of Sapiens companies.

2. Israeli market (Formula Systems Group)

The table below presents selected financial data for the segment of Israeli market:

PLN millions	9 months ended 30 Sept. 2015	9 months ended 30 Sept. 2014
Sales revenues*	*2,668.9*	*2,117.9*
EBIT	*204.8*	*137.8*
EBIT margin	*7.7%*	*6.5%*
Adjusted EBIT	*256.6*	*188.7*
Adjusted EBIT margin	*9.6%*	*8.9%*
EBITDA	*287.7*	*209.0*
EBITDA margin	*10.8%*	*9.9%*
CFO $_{BT}$	*298.8*	*177.0*
CAPEX	*(45.8)*	*(40.3)*
FCF	*253.0*	*136.7*
Cash conversion rate	*98.6%*	*72.4%*
Cash and cash equivalents at the end of period	*787.0*	*596.4*
Interest-bearing debt at the end of period	*(821.6)*	*(483.9)*
of which bank loans, borrowings and bonds issued	*(818.2)*	*(479.2)*
of which finance lease liabilities	*(3.4)*	*(4.7)*

** Segment's sales to external customers*
EBIT = operating profit
Adjusted EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees
EBITDA = EBIT + depreciation and amortization
CFO $_{BT}$ = cash generated from operating activities, before income tax paid
CAPEX = segment's capital expenditures for non-current assets
FCF = CFO $_{BT}$ – CAPEX
Cash conversion rate = FCF/adjusted EBIT

Our Israeli market operations continued their dynamic growth in Israel as well as in international markets.

Sapiens, a leading global provider of software for the insurance industry, took over the Polish company Insseco in the third quarter of 2015. Following the acquisition of India-based IBEXI Solutions earlier this year, the Israeli software provider took a consecutive step to expand its business into new markets. In the future, the company plans to establish a development center in Poland in order to boost its international growth.

In the third quarter of 2015, Sapiens deployed its software solutions, among others, for West Bend Mutual Insurance (a US-based insurer) and Altshuler Shaham (Israel's leading asset management firm). The company attracted a number of new clients, including one of the leading financial institutions in Great Britain that has chosen the DECISION solution to support their central repository of business processes. EuroLife, an insurance company with a 27% market share in Cyprus, decided to use the ALIS solution in all of its major business lines. The same solution has been selected by FNB, the oldest bank in South Africa, which will use the ALIS system to support the operations of its newly-founded insurance subsidiary.

The company has also entered into cooperation with SAP in the area of Business Intelligence solutions.

Sapiens has maintained its 2015 full-year growth guidance at USD 175-180 million in sales revenues with an EBIT margin in a range of 14.5%-15%. The company intends to continue to invest in human resources and actively seek out potential takeover opportunities. The quality of products offered by Sapiens has been recognized in four reports published by Gartner research firm (DECISION Management).

Magic Software, our Israeli company, reported record-breaking revenues for the third quarter of 2015. The company has signed new contracts and gained new business partners (Value Added Reseller, VAR). The Magic's application development platform has been chosen, among others, by the Hebrew University of Jerusalem. Magic Software also reiterated its revenue guidance in the range of USD 166-173 million for the full-year 2015.

Matrix IT, the largest IT company in Israel, continued to grow organically both in the domestic and foreign markets, including in particular in the U.S. The company recorded a significant increase in revenues, among others, from the sale of IT infrastructure as well as from the provision of IT security software and services. This growth was supported by a favourable contribution from Exzac, an American subsidiary of Matrix IT, which is a provider of anti-money laundering software.

3. Central European market (Asseco Central Europe Group)

The table below presents selected financial data for the segment of Central European market. This segment corresponds to the territory of business operations of Asseco Central Europe Group.

PLN millions	9 months ended 30 Sept. 2015	9 months ended 30 Sept. 2014
Sales revenues*	391.4	325.2
EBIT	38.0	34.5
EBIT margin	9.7%	10.6%
Adjusted EBIT	39.0	38.7
Adjusted EBIT margin	10.0%	11.9%
EBITDA	49.8	49.5
EBITDA margin	12.7%	15.2%
CFO_{BT}	32.3	58.3
CAPEX	(6.0)	(11.8)
FCF	26.3	46.5
Cash conversion rate	67.4%	120.2%
Cash and cash equivalents at the end of period	134.7	156.9
Interest-bearing debt at the end of period	(6.7)	(2.4)
of which bank loans, borrowings and bonds issued	(6.3)	(2.1)
of which finance lease liabilities	(0.4)	(0.3)

** Segment's sales to external customers*
EBIT = operating profit
Adjusted EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees
EBITDA = EBIT + depreciation and amortization
CFO_{BT} = cash generated from operating activities, before income tax paid
CAPEX = segment's capital expenditures for non-current assets
FCF = CFO_{BT} – CAPEX
Cash conversion rate = FCF/adjusted EBIT

Our revenue growth in the Central European market was driven chiefly by higher sales in the groups of Asseco Central Europe (ACE) and Asseco Solutions.
In the third quarter of 2015, the highest pace of growth was achieved by our Slovak operations. They gained two new contracts for the development of e-banking security systems for Slovenská sporiteľňa (Erste Group), one of the country's leading banks. ACE maintained its cooperation with a government agency of the Slovak Ministry of Finance, where it commenced and continued the implementation of projects related to the FATCA regulations as well as the taxpayer system. The company also signed a significant agreement for the delivery of IT infrastructure to the Slovak Ministry of the Interior.
The robust growth achieved in Slovakia effectively compensated for the prevailing stagnation in the Czech public sector. However, in the third quarter of 2015, we observed some macroeconomic improvement in the Czech Republic, which enabled ACE to sign several significant contracts, including for the development of e-Health projects as well as public administration IT services in the region of Liberec.
It was a good quarter for the companies of Asseco Solutions Group which concluded a number of new contracts. Moreover, benefiting from a stable level of costs, Asseco Solutions managed to considerably improve its operating profit.
Favourable results were also delivered by our Hungarian subsidiary GlobeNet, which is leading provider of IT systems for healthcare institutions in Hungary. This company has successfully completed the implementation of its own software solutions at several local hospitals and started to work on new projects.

4. South Eastern European market (Asseco South Eastern Europe Group)

The table below presents selected financial data for the segment of South Eastern European market. This segment corresponds to the territory of business operations of Asseco South Eastern Europe Group (Asseco SEE), including the countries of: Albania, Bulgaria, Bosnia and Herzegovina, Croatia, Montenegro, Kosovo, Macedonia, Moldova, Romania, Serbia, Slovenia, and Turkey.

PLN millions	9 months ended 30 Sept. 2015	9 months ended 30 Sept. 2014
Sales revenues*	346.8	334.3
EBIT	38.4	30.1
EBIT margin	11.1%	9.0%
Adjusted EBIT	38.4	30.1
Adjusted EBIT margin	11.1%	9.0%
EBITDA	60.4	46.6
EBITDA margin	17.4%	13.9%
CFO_{BT}	51.1	36.5
CAPEX	(30.2)	(48.7)
FCF	20.9	(12.2)
Cash conversion rate	54.4%	-40.5%
Cash and cash equivalents at the end of period	72.7	53.2
Interest-bearing debt at the end of period	(44.0)	(43.3)
of which bank loans, borrowings and bonds issued	(41.9)	(42.0)
of which finance lease liabilities	(2.1)	(1.3)

** Segment's sales to external customers*
EBIT = operating profit
Adjusted EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees
EBITDA = EBIT + depreciation and amortization
CFO_{BT} = cash generated from operating activities, before income tax paid
CAPEX = segment's capital expenditures for non-current assets
FCF = CFO_{BT} – CAPEX
Cash conversion rate = FCF/adjusted EBIT

This market is represented by Asseco South Eastern Europe, a company which is publically traded on the WSE (ASEE). In line with the adopted development strategy, the company managed to boost its revenues from proprietary software and services, which accounted for 59% of its total sales in the third quarter of 2015. The payment solutions segment continued to generate significantly higher revenues in the reporting period, which increased by 30% year on year. The company's revenues from banking solutions increased a bit slower, improving by nearly 23% in comparison with the third quarter last year.
A significant portion of this growth was generated in Serbia, where we continue to execute large banking projects for local clients and are engaged in several international implementations. The segment recorded higher sales also in the countries such as Bosnia and Herzegovina and Kosovo, which do not offer their own banking solutions and have to rely on banking systems provided by other foreign operations of ASEE. Revenues of the banking solutions segment increased also in Croatia on the back of stronger demand for our mobile solutions. Whereas, the segment's revenues in Turkey improved owing to new contracts for the implementation of anti-money laundering solutions, including InAct.
Till the end of September 2015, the payment solutions segment generated 58% of the company's EBIT, advancing by 5 percentage points in comparison with the previous year. The contribution from the banking solutions segment increased pretty strong as well, from 17% a year ago to 35% this year.

5. Western European market

The following table presents selected financial data of our subsidiaries operating in Spain, Portugal, Denmark, Lithuania, and Germany (excluding Asseco Solutions AG, whose financial data for 2014 are disclosed as part of Asseco Central Europe Group).

PLN millions	9 months ended 30 Sept. 2015	9 months ended 30 Sept. 2014
Sales revenues*	418.6	351.5
EBIT	20.5	22.4
EBIT margin	4.9%	6.4%
Adjusted EBIT	23.7	24.3
Adjusted EBIT margin	5.7%	6.9%
EBITDA	33.5	34.1
EBITDA margin	8.0%	9.7%
CFO_{BT}	8.8	19.7
CAPEX	(7.9)	(8.1)
FCF	0.9	11.6
Cash conversion rate	3.8%	47.7%
Cash and cash equivalents at the end of period	119.5	80.9
Interest-bearing debt at the end of period	(67.8)	(37.2)
of which bank loans, borrowings and bonds issued	(66.2)	(37.2)
of which finance lease liabilities	(1.6)	-

** Segment's sales to external customers*
EBIT = operating profit
Adjusted EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees
EBITDA = EBIT + depreciation and amortization
CFO_{BT} = cash generated from operating activities, before income tax paid
CAPEX = segment's capital expenditures for non-current assets
FCF = CFO_{BT} – CAPEX
Cash conversion rate = FCF/adjusted EBIT

Our key revenue driver in the Western European market is Asseco Spain Group, which is primarily engaged in providing innovative IT infrastructure and the related support services. In the third quarter of 2015, Asseco Spain signed a number of new contracts, including with multi-national corporations operating in Spain. The company's sales were also boosted by the improving macroeconomic situation in the country. Asseco Spain continued with the contract involving the supply of Apple mobile devices to one of the largest clothing manufacturers in the world as well as for one of the global producers of beverages. The company has also started the implementation of the second phase of an agreement to deliver software for 2,500 automated parcel locker terminals to an international organization based in Spain.
In the third quarter of 2015, higher sales were generated also by Matrix42 which operates mainly within the territory of Germany. Matrix42 was recognized by Gartner research firm which, for the fifth time, named the company as a "Visionary Provider" in the category of Client Management Tools. Asseco Danmark continued on the path of sustainable development by reinforcing its position in the market for the Solvency regime solutions.

6. Eastern European market

The following table presents selected financial data of our subsidiaries operating in Russia, Georgia, and Kazakhstan.

PLN millions	9 months ended 30 Sept. 2015	9 months ended 30 Sept. 2014
Sales revenues*	80.1	74.4
EBIT	18.2	2.0
EBIT margin	22.7%	2.7%
Adjusted EBIT	20.9	6.4
Adjusted EBIT margin	26.1%	8.6%
EBITDA	23.1	8.1
EBITDA margin	28.8%	10.9%
CFO_{BT}	15.8	6.3
CAPEX	(0.7)	(5.3)
FCF	15.1	1.0
Cash conversion rate	72.2%	15.6%
Cash and cash equivalents at the end of period	17.8	12.8
Interest-bearing debt at the end of period	-	(0.2)
of which bank loans, borrowings and bonds issued	-	-
of which finance lease liabilities	-	(0.2)

** Segment's sales to external customers*
EBIT = operating profit
Adjusted EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees
EBITDA = EBIT + depreciation and amortization
CFO_{BT} = cash generated from operating activities, before income tax paid
CAPEX = segment's capital expenditures for non-current assets
FCF = CFO_{BT} – CAPEX
Cash conversion rate = FCF/adjusted EBIT

The Eastern European market is represented primarily by R-Style Softlab, one of the major providers of software to the Russian banking sector. In the third quarter of 2015, this company recorded a significant growth in revenues and profits in the wake of numerous new contracts and expanded cooperation with its existing clients. The company signed an agreement, among others, with Rosselkhoz Bank, Russia's sixth biggest bank, for the supply of online banking solutions for retail customers. Moreover, the company has successfully completed an internet banking project at Globex Bank and launched mobile banking services at Sberbank Kazakhstan. As at the end of September 2015, R-Style Softlab's services and software have been actively used by a total of 223 financial institutions located across Russia.

III. NON-RECURRING EVENTS WITH IMPACT ON OUR FINANCIAL PERFORMANCE

- On 3 September 2015, Asseco Poland S.A. acquired a 61.38% stake in Exictos Sociedade Gestora de Participações Sociais, S.A. ("Exictos"), an IT company based in Portugal. The total value of this transaction amounted to EUR 21.5 million (PLN 91.2 million).

  Exictos is specialized in the production and implementation of software solutions for the banking industry, primarily in Portuguese-speaking countries of Africa, including Angola, Mozambique and the Republic of Cape Verde.

  By acquiring a majority stake in Exictos, Asseco is continuing its expansion into emerging markets in Africa. In addition, this transaction will help strengthen Asseco's presence in the Iberian Peninsula region and boost the selling potential of Asseco software solutions dedicated to the financial sector in the markets of Europe, Africa and, in the future, also in South America.

- On 23 September 2015, the Company announced a tender offer for 100% of shares in Infovide-Matrix S.A, a specialized provider of IT services that is listed on the Warsaw Stock Exchange.

  The tender offer aims at further expansion of Asseco Group. The Company's integration with Infovide shall contribute to the construction and development of the Group's highly competent center engaged in the provision of services related to software solutions. The Company's Management believes that entering into cooperation with Infovide would help strengthen Asseco's position in the market for IT services in the sectors of banking, telecommunications, energy and public administration. Consequently, Asseco Group would enhance its ability to compete with the world's largest IT players.

IV. CORPORATE OFFICERS OF ASSECO POLAND S.A.

During the period of 9 months ended 30 September 2015, the Company's Management Board was composed of the following persons:

Management Board	Period of service
Adam Góral	01.01.2015 – 30.09.2015
Przemysław Borzestowski	01.01.2015 – 30.09.2015
Andrzej Dopierała	01.01.2015 – 30.09.2015
Tadeusz Dyrga	01.01.2015 – 30.09.2015
Rafał Kozłowski	01.01.2015 – 30.09.2015
Marek Panek	01.01.2015 – 30.09.2015
Paweł Piwowar	01.01.2015 – 30.09.2015
Zbigniew Pomianek	01.01.2015 – 30.09.2015
Włodzimierz Serwiński	01.01.2015 – 30.09.2015
Przemysław Sęczkowski	01.01.2015 – 30.09.2015
Robert Smułkowski	01.01.2015 – 30.09.2015

During the period of 9 months ended 30 September 2015, the Company's Supervisory Board was composed of the following persons:

Supervisory Board	Period of service
Jacek Duch	01.01.2015 – 30.09.2015
Adam Noga	01.01.2015 – 30.09.2015
Piotr Augustyniak	01.01.2015 – 30.09.2015
Dariusz Brzeski	01.01.2015 – 30.09.2015
Artur Kucharski	01.01.2015 – 30.09.2015
Dariusz Stolarczyk	01.01.2015 – 30.09.2015

Since 30 September 2015 till the publication of this report, i.e. till 13 November 2015, the compositions of the Company's Management Board and Supervisory Board remained unchanged.

All figures in PLN millions, unless stated otherwise 88

V. SHAREHOLDER STRUCTURE OF ASSECO POLAND S.A.

To the best knowledge of the Company's Management Board, as at the date of publication of this report, i.e. on 13 November 2015, the shareholders who, either directly or through their subsidiaries, hold at least 5% of total voting rights at the General Meeting of Shareholders are as follows:

Shareholders as at 13 November 2015	Number of shares held	Percentage of total voting rights
Aviva Open Pension Fund[1)]	10,400,000	12.53%
Adam Góral, President of the Management Board[2)]	8,083,000	9.74%
PZU Open Pension Fund[1)]	5,000,000	6.02%
NN Open Pension Fund[3)]	4,171,121	5.03%
Other shareholders	55,346,182	66.68%
	83,000,303	**100%**

1) According to the number of votes exercised at the GMS held on 29 April 2015.
2) According to the notification received by the Company from Adam Góral on 14 December 2012 informing that, following the issuance of series K shares, his shareholding in the Company dropped below 10%.
3) According to the notification received by Asseco Poland S.A. from NN Pension Fund on 19 October 2015.

To the best knowledge of the Management Board of Asseco Poland, as at 30 September 2015, the shareholders who, either directly or through their subsidiaries, held at least 5% of total voting rights at the General Meeting of Shareholders were as follows:

Shareholders as at 30 September 2015	Number of shares held	Percentage of total voting rights
Aviva Open Pension Fund[1)]	10,400,000	12.53%
Adam Góral, President of the Management Board[2)]	8,083,000	9.74%
PZU Open Pension Fund[1)]	5,000,000	6.02%
Other shareholders	59,517,303	71.71%
	83,000,303	**100%**

1) According to the number of votes exercised at the GMS held on 29 April 2015.
2) According to the notification received by the Company from Adam Góral on 14 December 2012 informing that, following the issuance of series K shares, his shareholding in the Company dropped below 10%.

To the best knowledge of the Company's Management Board, as at the publication date of the prior report, i.e. on 27 August 2015, the shareholders who, either directly or through their subsidiaries, held at least 5% of total voting rights at the General Meeting of Shareholders were as follows:

Shareholders as at 27 August 2015	Number of shares held	Percentage of total voting rights
Aviva Open Pension Fund[1)]	10,400,000	12.53%
Adam Góral, President of the Management Board[2)]	8,083,000	9.74%
PZU Open Pension Fund[1)]	5,000,000	6.02%
Other shareholders	59,517,303	71.71%
	83,000,303	**100%**

1) According to the number of votes exercised at the GMS held on 29 April 2015.
2) According to the notification received by the Company from Adam Góral on 14 December 2012 informing that, following the issuance of series K shares, his shareholding in the Company dropped below 10%.

Shares held by the management and supervisory personnel

The table below discloses the numbers of Asseco Poland shares held by its management and supervisory staff as at the date of publication and balance sheet date of this quarterly report, as well as at the date of publication and balance sheet date of the previous annual report.

	13 November 2015	30 Sept. 2015	27 August 2015	31 Dec. 2014
Jacek Duch – Chairman of the Supervisory Board	31,458	31,458	31,458	31,458
Adam Góral – President of the Management Board	8,083,000	8,083,000	8,083,000	8,083,000
Tadeusz Dyrga – Vice President of the Management Board	3,710	3,710	3,710	21,724
Robert Smułkowski – Vice President of the Management Board	2,212	2,212	2,212	2,212

The remaining members of the Supervisory Board and Management Board did not hold any shares in Asseco Poland S.A. at any of the above-mentioned dates.

All figures in PLN millions, unless stated otherwise

VI. OTHER INFORMATION

1. Issuance, redemption and repayment of non-equity and equity securities

During the reporting period, the Parent Company did not conduct any transactions of issuance, redemption or repayment of equity or debt securities.

2. Effects of changes in the organizational structure

Changes in the organizational structure of Asseco Group have been described in section III of the interim condensed consolidated financial statements of Asseco Group for the period of 9 months ended 30 September 2015.

3. Information on pending legal proceedings concerning liabilities or receivables of Asseco Poland or its subsidiaries

During the reporting period, no proceedings were instituted or pending before any court, arbitration authority or public administration authority, concerning any liabilities or receivables of Asseco Poland S.A. or its subsidiaries, whose aggregate value would equal or exceed 10% of the Company's equity.

4. Related party transactions

Transactions with our related parties have been presented in explanatory note 19 to the interim condensed consolidated financial statements of Asseco Group for the period of 9 months ended 30 September 2015.

5. Bank loans, borrowings, sureties, guarantees and off-balance-sheet liabilities

Bank loans and borrowings drawn, loans granted, sureties and guarantees granted, and off balance-sheet liabilities have been described in explanatory notes 15 and 21 to the interim condensed consolidated financial statements of Asseco Group for the period of 9 months ended 30 September 2015.

6. Changes in the Group management policies

In 2015, the Group's management practices remained unchanged.

7. Agreements concluded by Asseco Group with its management personnel providing for payment of compensations if such persons resign or are dismissed from their positions

The Group companies did not conclude any agreements with their management officers that would provide for payment of compensations in the event such persons resign or are dismissed from their positions without substantial reason, or when they are dismissed as a result of a company merger by acquisition.

8. Information on the agreements known to the Issuer which may result in future changes of the equity interests held by the existing shareholders and bondholders

There are no agreements which may result in future changes of the equity interests held by the existing shareholders and bondholders.

9. Opinion on feasibility of the Management Board financial forecasts for 2015

The Management Board of Asseco Poland S.A. did not publish any financial forecasts for the year 2015.

10. Monitoring of employee stock option plans

As at the date of preparation of this report, the Company did not run any share-based employee incentive scheme.

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

The Management Board of Asseco Poland S.A. believes the Group's current financial standing, production potential and market position pose no threats to its ability to continue as a going concern throughout 2015. However, there are numerous factors, of both internal and external nature, which may directly or indirectly affect the Group's financial performance.

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

- development of the economic and political situation in Poland, European Union and other countries in which the Group conducts its business operations;
- inflation and currency exchange rate fluctuations (foremost of the dollar and euro, but also currencies of the countries where the Group operates);
- increased or decreased demand for IT solutions in the sectors of banking and finance, public administration, and enterprises;
- more and more severe competition both from Polish and international IT companies, which is observed especially when it comes to the execution of large and prestigious contracts,
- changes in the credit standing, financial liquidity, and availability of debt financing for customers;

- changes of official interest rates and lending margins applied by banks;
- opportunities and risks resulting from relatively rapid technological changes and innovations in the IT market,
- risk of postponing the IT spending decisions by potential clients;
- necessity to attract and support highly qualified employees and key personnel.

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

- execution of complex information technology projects carried out under long-term agreements;
- implementation of the Group's business strategy involving expansion into new foreign markets;
- successful execution of the Group's intended acquisitions.

12. Other factors significant for the assessment of human resources, assets and financial position

Except for the information provided above, Asseco Group is not aware of any facts, the disclosure of which might significantly affect the assessment of human resources, assets and financial position of the Group.

INTERIM CONDENSED FINANCIAL STATEMENTS OF ASSECO POLAND S.A.

for the period of 9 months ended 30 September 2015
prepared in conformity with the International
Accounting Standard 34 *Interim Financial Reporting*
as endorsed by the European Union

INTERIM CONDENSED INCOME STATEMENT OF ASSECO POLAND S.A.

	3 months ended 30 Sept. 2015 (unaudited) PLN millions	9 months ended 30 Sept. 2015 (unaudited) PLN millions	3 months ended 30 Sept. 2014 (unaudited) PLN millions	9 months ended 30 Sept. 2014 (unaudited) PLN millions
Sales revenues	**291.0**	**844.5**	**306.8**	**954.7**
Cost of sales	**(198.1)**	**(587.2)**	**(210.4)**	**(675.2)**
Gross profit on sales	**92.9**	**257.3**	**96.4**	**279.5**
Selling costs	(11.3)	(38.9)	(12.2)	(35.4)
General and administrative expenses	(18.2)	(55.2)	(18.3)	(57.7)
Net profit on sales	**63.4**	**163.2**	**65.9**	**186.4**
Other operating income	0.8	8.9	0.6	2.8
Other operating expenses	(0.5)	(1.7)	(0.4)	(1.6)
Operating profit	**63.7**	**170.4**	**66.1**	**187.6**
Financial income	3.6	135.8	4.2	121.6
Financial expenses	(4.3)	(11.2)	(4.6)	(12.9)
Pre-tax profit	**63.0**	**295.0**	**65.7**	**296.3**
Corporate income tax *(current and deferred tax expense)*	(12.2)	(39.9)	(10.9)	(41.7)
Net profit for the reporting period	**50.8**	**255.1**	**54.8**	**254.6**
Earnings per share (in PLN):				
Basic earnings per share for the reporting period	0.61	3.07	0.66	3.07
Diluted earnings per share for the reporting period	0.61	3.07	0.66	3.07

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME OF ASSECO POLAND S.A.

	3 months ended 30 Sept. 2015 (unaudited) PLN millions	9 months ended 30 Sept. 2015 (unaudited) PLN millions	3 months ended 30 Sept. 2014 (unaudited) PLN millions	9 months ended 30 Sept. 2014 (unaudited) PLN millions
Net profit for the reporting period	**50.8**	**255.1**	**54.8**	**254.6**
Other comprehensive income:				
Components that may be reclassified to profit or loss				
Net profit/loss on valuation of financial assets available for sale, net of deferred income tax	-	0.2	(0.1)	0.1
Components that will not be reclassified to profit or loss				
Amortization of intangible assets recognized directly in equity, net of deferred income tax	(0.2)	(0.6)	(0.2)	(0.6)
Total other comprehensive income	**(0.2)**	**(0.4)**	**(0.3)**	**(0.5)**
TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD	**50.6**	**254.7**	**54.5**	**254.1**

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION OF ASSECO POLAND S.A.

ASSETS	30 Sept. 2015 (unaudited) PLN millions	31 Dec. 2014 (audited, restated) PLN millions	30 Sept. 2014 (unaudited, restated) PLN millions
Non-current assets			
Property, plant and equipment	366.1	376.1	383.5
Intangible assets	2,349.3	2,370.8	2,371.8
of which goodwill from business combinations	*2,040.1*	*2,057.3*	*2,057.3*
Investment property	0.4	0.4	*0.7*
Investments in subsidiaries and associates	2,090.7	1,999.5	*2,013.2*
Long-term receivables	16.0	12.7	*14.9*
Long-term financial assets	74.1	65.0	*65.3*
Long-term prepayments and accrued income	5.7	9.5	*7.0*
	4,902.3	**4,834.0**	**4,856.4**
Current assets			
Inventories	47.7	13.8	25.1
Trade receivables	468.5	485.4	443.0
Corporate income tax receivable	7.4	23.6	22.0
Other receivables	35.3	23.2	22.4
Other non-financial assets	9.6	2.2	2.4
Financial assets	49.5	15.3	15.5
Prepayments and accrued income	20.5	23.5	22.8
Cash and short-term deposits	5.6	86.7	8.9
Assets held for sale	6.7	13.2	15.0
	650.8	**686.9**	**577.1**
TOTAL ASSETS	**5,553.1**	**5,520.9**	**5,433.5**

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION OF ASSECO POLAND S.A.

EQUITY AND LIABILITIES	30 Sept. 2015 (unaudited) PLN millions	31 Dec. 2014 (audited, restated) PLN millions	30 Sept. 2014 (unaudited, restated) PLN millions
TOTAL EQUITY			
Share capital	83.0	83.0	83.0
Share premium	4,180.1	4,180.1	4,180.1
Retained earnings and current net profit	724.7	710.7	675.0
	4,987.8	**4,973.8**	**4,938.1**
Non-current liabilities			
Long-term interest-bearing bank loans, borrowings and debt securities	79.9	89.9	93.1
Long-term finance lease liabilities	89.6	104.6	107.1
Long-term financial liabilities	18.2	-	-
Deferred tax liabilities	21.2	15.2	10.5
Other long-term liabilities	4.5	1.9	1.9
Long-term provisions	31.7	28.7	29.4
Long-term deferred income	44.8	49.7	51.4
	289.9	**290.0**	**293.4**
Current liabilities			
Interest-bearing bank loans, borrowings and debt securities	30.2	13.3	13.5
Finance lease liabilities	19.1	18.1	17.5
Financial liabilities	9.1	-	-
Trade payables	128.6	125.9	83.2
Liabilities to the state and local budgets	15.5	27.0	22.5
Other liabilities	8.8	2.9	4.4
Provisions	19.3	15.8	10.9
Accruals	31.1	41.2	34.1
Deferred income	13.7	12.9	15.9
	275.4	**257.1**	**202.0**
TOTAL LIABILITIES	**565.3**	**547.1**	**495.4**
TOTAL EQUITY AND LIABILITIES	**5,553.1**	**5,520.9**	**5,433.5**

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY OF ASSECO POLAND S.A.

	Share capital PLN millions	Share premium PLN millions	Retained earnings and current net profit PLN millions	Total equity PLN millions
As at 1 January 2015 (audited)	**83.0**	**4,180.1**	**710.7**	**4,973.8**
Net profit for the reporting period	-	-	255.1	**255.1**
Total other comprehensive income for the reporting period	-	-	(0.4)	**(0.4)**
Dividend for the year 2014	-	-	(240.7)	**(240.7)**
As at 30 September 2015 (unaudited)	**83.0**	**4,180.1**	**724.7**	**4,987.8**
As at 1 January 2014 (audited)	**83.0**	**4,180.1**	**637.1**	**4,900.2**
Net profit for the reporting period	-	-	254.6	**254.6**
Total other comprehensive income for the reporting period	-	-	(0.5)	**(0.5)**
Dividend for the year 2013			(215.8)	**(215.8)**
Merger with PiW Postinfo			(0.4)	**(0.4)**
As at 30 September 2014 (unaudited)	**83.0**	**4,180.1**	**675.0**	**4,938.1**
As at 1 January 2014 (audited)	**83.0**	**4,180.1**	**637.1**	**4,900.2**
Net profit for the reporting period	-	-	290.3	**290.3**
Total other comprehensive income for the reporting period	-	-	(0.5)	**(0.5)**
Dividend for the year 2013	-	-	(215.8)	**(215.8)**
Merger with PiW Postinfo			(0.4)	**(0.4)**
As at 31 December 2014 (audited)	**83.0**	**4,180.1**	**710.7**	**4,973.8**

INTERIM CONDENSED STATEMENT OF CASH FLOWS OF ASSECO POLAND S.A.

	9 months ended 30 Sept. 2015 (unaudited) PLN millions	9 months ended 30 Sept. 2014 (unaudited) PLN millions
Cash flows – operating activities		
Pre-tax profit	295.0	296.3
Total adjustments:	**(111.3)**	**(140.8)**
Depreciation and amortization	40.5	45.5
Changes in working capital	(41.3)	(74.6)
Interest income/expenses	3.8	3.4
Gain (loss) on foreign exchange differences	0.6	0.5
Dividend income	(128.0)	(86.6)
Other financial income/expenses	(2.4)	(27.5)
Gain (loss) on investing activities	15.5	(1.5)
Net cash generated from operating activities	**183.7**	**155.5**
Corporate income tax paid	(34.1)	(36.2)
Net cash provided by (used in) operating activities	**149.6**	**119.3**
Cash flows – investing activities		
Disposal of tangible fixed assets and intangible assets	8.3	1.7
Acquisition of tangible fixed assets and intangible assets	(18.6)	(15.0)
Expenditures for development projects in progress	(14.9)	(2.3)
Acquisition of shares in related companies	(68.4)	(7.0)
Cash and cash equivalents in subsidiaries acquired	-	0.1
Disposal of financial assets carried at fair value through profit or loss	2.4	1.8
Loans collected	28.5	17.6
Loans granted	(35.6)	(39.9)
Interest received	3.0	5.5
Dividends received	119.2	87.8
Net cash provided by (used in) investing activities	**23.9**	**50.3**
Cash flows – financing activities		
Dividend paid out	(240.7)	(215.8)
Proceeds from bank loans	-	-
Repayment of bank loans and borrowings	(9.7)	(31.5)
Finance lease liabilities paid	(13.2)	(12.3)
Interest paid	(7.3)	(9.7)
Net cash provided by (used in) financing activities	**(270.9)**	**(269.3)**
Net change in cash and cash equivalents	**(97.4)**	**(99.7)**
Net foreign exchange differences	(0.1)	0.4
Cash and cash equivalents as at 1 January	86.7	108.2
Cash and cash equivalents as at 30 September	**(10.8)**	**8.9**

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