asseco POLAND

THE ASSECO GROUP

SEMI-ANNUAL REPORT FOR THE PERIOD OF 6 MONTHS ENDED 30 JUNE 2012

ASSECO POLAND

FINANCIAL HIGHLIGHTS OF THE ASSECO GROUP

for the period of
6 months ended
30 June 2012

FINANCIAL HIGHLIGHTS OF THE ASSECO GROUP

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

	6 months ended 30 June 2012 PLN millions	6 months ended 30 June 2011 PLN millions	6 months ended 30 June 2012 EUR millions	6 months ended 30 June 2011 EUR millions
Sales revenues	2,666.8	2,340.2	631.3	589.9
Operating profit	334.4	341.7	79.2	86.1
Pre-tax profit and share in profits of associated companies	353.0	336.7	83.6	84.9
Net profit	293.4	272.7	69.5	68.7
Net profit attributable to Shareholders of the Parent Company	**195.2**	**182.7**	**46.2**	**46.1**
Net cash provided by (used in) operating activities	277.5	175.7	65.7	44.3
Net cash provided by (used in) investing activities	(329.0)	(149.2)	(77.9)	(37.6)
Net cash provided by (used in) financing activities	(295.9)	(209.5)	(70.0)	(52.8)
Cash and cash equivalents at the end of period	753.8	635.1	176.9	159.3
Basic earnings per ordinary share attributable to Shareholders of the Parent Company (in PLN/EUR)	2.52	2.36	0.60	0.59
Diluted earnings per ordinary share attributable to Shareholders of the Parent Company (in PLN/EUR)	2.52	2.36	0.60	0.59

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 profit and loss account and statement of cash flows were 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 2012 to 30 June 2012: EUR 1 = PLN 4.2246
  - for the period from 1 January 2011 to 30 June 2011: EUR 1 = PLN 3.9673
- The Group's cash and cash equivalents as at the end of period reported and the corresponding period of the previous year have been translated into Euro at daily mid exchange rates as published by the National Bank of Poland. These exchange rates were respectively:
  - exchange rate effective on 30 June 2012: EUR 1 = PLN 4.2613
  - exchange rate effective on 30 June 2011: EUR 1 = PLN 3.9866

ASSECO POLAND

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE ASSECO GROUP

for the period of 6 months ended 30 June 2012 prepared in accordance with the International Financial Reporting Standards

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE ASSECO GROUP FOR THE PERIOD OF 6 MONTHS ENDED 30 JUNE 2012

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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE ASSECO GROUP

These interim condensed consolidated financial statements were approved for publication by the Management Board of Asseco Poland S.A. on 24 August 2012.

Management Board:

Adam Góral	President of the Management Board
Przemysław Borzestowski	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
Wojciech Woźniak	Vice President of the Management Board

INTERIM CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT THE ASSECO GROUP

	Note	3 months ended 30 June 2012 (unaudited) PLN millions	6 months ended 30 June 2012 (unaudited) PLN millions	3 months ended 30 June 2011 (unaudited) PLN millions	6 months ended 30 June 2011 (unaudited) PLN millions
Sales revenues	Błąd! Nie można odnaleźć źródła odwołania.	**1,393.0**	**2,666.8**	**1,143.3**	**2,340.2**
Cost of sales	Błąd! Nie można odnaleźć źródła odwołania.	**(1,024.7)**	**(1,947.1)**	**(799.4)**	**(1,638.0)**
Gross profit on sales		**368.3**	**719.7**	**343.9**	**702.2**
Selling expenses	Błąd! Nie można odnaleźć źródła odwołania.	(104.2)	(191.7)	(90.7)	(176.4)
General administrative expenses	Błąd! Nie można odnaleźć źródła odwołania.	(104.8)	(202.5)	(94.9)	(187.4)
Net profit on sales		**159.3**	**325.5**	**158.3**	**338.4**
Other operating income		10.1	16.7	8.2	12.3
Other operating expenses		(5.5)	(7.8)	(6.4)	(9.0)
Operating profit		**163.9**	**334.4**	**160.1**	**341.7**
Financial income	Błąd! Nie moż	14.8	48.1	12.5	27.8

	na odnaleźć źródła odwołania. Błąd! Nie można odnaleźć źródła odwołania.				
Financial expenses		(10.8)	(29.5)	(16.7)	(32.8)
Pre-tax profit and share in profits of associated companies		**167.9**	**353.0**	**155.9**	**336.7**
Corporate income tax *(current and deferred tax expense)*	Błąd! Nie można odnaleźć źródła odwołania.	(27.5)	(60.6)	(30.5)	(64.9)
Share in profits of associated companies		0.3	1.0	0.9	0.9
Net profit for the period reported		**140.7**	**293.4**	**126.3**	**272.7**
Attributable to:					
Shareholders of the Parent Company		**90.7**	**195.2**	**85.5**	**182.7**
Non-controlling shareholders		50.0	98.2	40.8	90.0
Consolidated earnings per share attributable to Shareholders of Asseco Poland S.A. (in PLN):					
Basic consolidated earnings per share from continuing operations for the period reported	Błąd! Nie można odnaleźć źródła odwołania.	1.17	2.52	1.10	2.36
Diluted consolidated earnings per share from continuing operations for the period reported	Błąd! Nie można odnaleźć źródła	1.17	2.52	1.10	2.36

	odwołania.	

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

THE ASSECO GROUP

	Note	3 months ended 30 June 2012 (unaudited) PLN millions	6 months ended 30 June 2012 (unaudited) PLN millions	3 months ended 30 June 2011 (unaudited) PLN millions	6 months ended 30 June 2011 (unaudited) PLN millions
Net profit for the period reported		**140.7**	**293.4**	**126.3**	**272.7**
Other comprehensive income					
Net profit/loss on valuation of financial assets available for sale		0.4	0.4	(1.0)	(1.3)
Hedges of cash flows		-	-	-	0.2
Amortization of intangible assets recognized directly in other comprehensive income		(0.2)	(0.5)	(0.2)	(0.5)
Income tax relating to other comprehensive income		-	-	0.3	0.4
Foreign currency translation differences on subsidiary companies		110.5	(127.3)	(39.8)	(60.7)
Total other comprehensive income		**110.7**	**(127.4)**	**(40.7)**	**(61.9)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD REPORTED		**251.4**	**166.0**	**85.6**	**210.8**
Attributable to:					
Shareholders of the Parent Company		*107.2*	*124.6*	*91.5*	*181.8*
Non-controlling shareholders		*144.2*	*41.4*	*(5.9)*	*29.0*

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
THE ASSECO GROUP

ASSETS	Note	30 June 2012 (unaudited) PLN millions	31 December 2011 (audited) PLN millions	30 June 2011 (unaudited) PLN millions
Non-current assets				
Property, plant and equipment	Błąd ! Nie można odnaleźć źródła odwołania.	677.2	610.3	553.0
Intangible assets	7	960.6	856.7	632.2
Investment property		1.6	1.7	0.8
Goodwill	Błąd ! Nie można odnaleźć źródła odwołania.	5,011.9	4,606.1	4,606.2
Investments in associated undertakings valued under the equity method	Błąd ! Nie można odnaleźć źródła odwołania.	18.6	291.2	20.0
Long-term receivables	Błąd ! Nie można odnaleźć źródła odwołania.	23.2	22.3	43.6

Deferred income tax assets		93.6	100.0	66.3
Long-term financial assets	Błąd! Nie można odnaleźć źródła odwołania.	77.1	79.8	69.4
Long-term deferred expenses	Błąd! Nie można odnaleźć źródła odwołania.	37.0	43.5	36.8
		6,900.8	**6,611.6**	**6,028.3**
Current assets				
Inventories		79.4	62.1	59.0
Deferred expenses	Błąd! Nie można odnaleźć źródła odwołania.	125.5	97.0	98.6
Trade accounts receivable	Błąd! Nie można odnaleźć źródła odwołania.	981.3	1,125.0	771.6
Corporate income tax recoverable	Błąd! Nie można odnaleźć źródła	54.0	40.5	27.2

	odwołania. Błąd! Nie można odnaleźć źródła odwołania. Błąd! Nie można odnaleźć źródła odwołania. Błąd! Nie można odnaleźć źródła odwołania. Błąd! Nie można odnaleźć źródła odwołania.			
Receivables from the State budget		18.8	26.8	10.8
Other receivables		717.7	408.4	441.5
Financial assets		87.2	129.9	105.9
Cash and short-term deposits		753.8	974.8	635.1
		2,817.7	**2,864.5**	**2,149.7**
Non-current assets classified as held for sale		**2.5**	**7.7**	**4.5**
TOTAL ASSETS		**9,721.0**	**9,483.8**	**8,182.5**

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
THE ASSECO GROUP

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	30 June 2012 (unaudited) PLN millions	31 December 2011 (audited) PLN millions	30 June 2011 (unaudited) PLN millions
Shareholders' equity ***(attributable to shareholders of the Parent Company)***				
Share capital		77.6	77.6	77.6
Share premium		3,951.1	3,951.1	3,951.1
Non-controlling interest transactions		(19.4)	(1.2)	(6.8)
Foreign currency translation differences on subsidiary companies		68.2	138.6	(0.9)
Prior years' retained earnings (deficit)		525.1	298.1	290.3
Net profit for the period reported attributable to shareholders of the Parent Company		195.2	397.1	182.7
		4,797.8	**4,861.3**	**4,494.0**
Non-controlling interests		**2,420.7**	**2,191.6**	**1,914.6**
Total shareholders' equity		**7,218.5**	**7,052.9**	**6,408.6**
Non-current liabilities				
Interest-bearing bank loans, borrowings and debt securities	**Błąd! Nie można odnaleźć źródła odwołania.**	419.6	357.3	230.7
Long-term finance lease commitments		151.0	164.5	158.4
Long-term financial liabilities	**Błąd! Nie można odnaleźć źródła odwołania.**	165.6	112.9	106.0
Deferred income tax provisions		119.8	104.7	48.7
Long-term provisions		26.8	19.7	12.6
Long-term deferred income	**Błąd! Nie można odnaleźć**	69.6	72.4	53.2

	źródła odwołania.			
Other long-term liabilities	15	0.5	0.7	1.3
		952.9	**832.2**	**610.9**
Current liabilities				
Interest-bearing bank loans, borrowings and debt securities	Błąd! Nie można odnaleźć źródła odwołania.	316.9	249.2	131.6
Finance lease commitments		22.0	23.6	22.6
Financial liabilities	Błąd! Nie można odnaleźć źródła odwołania.	50.2	38.2	41.8
Trade accounts payable	15	290.8	367.1	273.5
Corporate income tax payable	15	20.3	62.5	28.4
Liabilities to the State budget	15	103.9	119.0	98.4
Other liabilities	15	195.1	259.0	151.1
Provisions		31.1	39.6	21.2
Deferred income	Błąd! Nie można odnaleźć źródła odwołania.	276.8	200.3	205.1
Accrued expenses	Błąd! Nie można odnaleźć źródła odwołani	242.5	240.2	189.3

	a.			
		1,549.6	1,598.7	1,163.0
TOTAL LIABILITIES		**2,502.5**	**2,430.9**	**1,773.9**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**9,721.0**	**9,483.8**	**8,182.5**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY THE ASSECO GROUP

	Note	Share capital	Share premium	Non-controlling interest transactions	Foreign currency translation differences on subsidiary companies	Prior years' retained earnings (deficit) and current net profit	Shareholders' equity of the Parent Company	Non-controlling interests	Total shareholders' equity
As at 1 January 2012 (audited)		**77.6**	**3,951.1**	**(1.2)**	**138.6**	**695.2**	**4,861.3**	**2,191.6**	**7,052.9**
Net profit for the period reported		**-**	**-**	**-**	**-**	195.2	**195.2**	98.2	**293.4**
Total other comprehensive income for the period reported		-	-	-	(70.4)	(0.2)	**(70.6)**	(56.8)	**(127.4)**
Dividend for the year 2011	**Błąd ! Nie można odnaleźć źródła odwołania.**	-	-	-	-	(169.9)	**(169.9)**	(74.5)	**(244.4)**
Equity-settled employee payment transactions		-	-	-	-	-	**-**	15.0	**15.0**
Settlement of contingent financial liabilities to non-controlling shareholders (put option)		-	-	(18.0)	-	-	**(18.0)**	(14.5)	**(32.5)**
Buy-out of non-controlling interests		-	-	(0.2)	-	-	**(0.2)**	(0.2)	**(0.4)**
Obtaining control over subsidiaries		-	-	-	-	-	**-**	261.9	**261.9**
As at 30 June 2012 (unaudited)		**77.6**	**3,951.1**	**(19.4)**	**68.2**	**720.3**	**4,797.8**	**2,420.7**	**7,218.5**
As at 1 January 2011 (restated)		**77.6**	**3,951.1**	**(7.3)**	**(1.5)**	**451.1**	**4,471.0**	**1,912.8**	**6,383.8**
Net profit for the period reported		**-**	**-**	**-**	**-**	182.7	**182.7**	90.0	**272.7**
Total other comprehensive income for the period reported		-	-	-	0.6	(1.5)	**(0.9)**	(61.0)	**(61.9)**
Dividend for the year 2010	**Błąd ! Nie można odnaleź**	-	-	-	-	(139.6)	**(139.6)**	(70.6)	**(210.2)**

	ć źródła odwołania.								
Settlement of contingent financial liabilities to non-controlling shareholders (put option)		-	-	10.4	-	14.6	**25.0**	0.7	**25.7**
Other changes in the Group structure		-	-	(9.9)	-	(34.3)	**(44.2)**	42.7	**(1.5)**
As at 30 June 2011 (unaudited)		**77.6**	**3,951.1**	**(6.8)**	**(0.9)**	**473.0**	**4,494.0**	**1,914.6**	**6,408.6**

	Note	Share capital	Share premium	Non-controlling interest transactions	Foreign currency translation differences on subsidiary companies	Prior years' retained earnings (deficit) and current net profit	Shareholders' equity of the Parent Company	Non-controlling interests	Total shareholders' equity
As at 1 January 2011 (restated)		**77.6**	**3,951.1**	**(7.3)**	**-**	**438.0**	**4,459.4**	**1,881.7**	**6,341.1**
Net profit for the period reported		**-**	**-**	**-**	**-**	397.1	**397.1**	210.3	**607.4**
Total other comprehensive income for the period reported		-	-	-	128.4	(0.3)	**128.1**	225.3	**353.4**
Dividend for the year 2010	Błąd! Nie można odnaleźć źródła odwołania.	-	-	-	-	(139.6)	**(139.6)**	(94.2)	**(233.8)**
Equity-settled employee payment transactions		-	-	-	-	-	**-**	17.7	**17.7**
Settlement of contingent financial liabilities to non-controlling shareholders (put option)		-	-	16.0	-	-	**16.0**	(7.3)	**8.7**

Other non-controlling interest transactions	-	-	(9.9)	-	-	**(9.9)**	12.3	**2.4**
Obtaining control over subsidiaries	-	-	-	-	-	**-**	6.1	**6.1**
Loss of control over subsidiaries	-	-	-	10.2	-	**10.2**	(60.3)	**(50.1)**
As at 31 December 2011 (audited)	**77.6**	**3,951.1**	**(1.2)**	**138.6**	**695.2**	**4,861.3**	**2,191.6**	**7,052.9**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS THE ASSECO GROUP

	Note	6 months ended 30 June 2012 (unaudited) PLN millions	6 months ended 30 June 2011 (unaudited) PLN millions
Pre-tax profit and share in profits of associated companies		353.0	336.7
Total adjustments:		**19.2**	**(95.7)**
Depreciation and amortization	Błąd! Nie można odnaleźć źródła odwołania.	115.1	85.5
Changes in working capital	Błąd! Nie można odnaleźć źródła odwołania.	(97.8)	(198.9)
Interest income/expenses		5.8	3.0
Gain/loss on foreign exchange differences		(14.1)	2.6
Gain/loss on financial assets (valuation, disposal, impairment, etc.)		4.3	12.9
Other financial income/expenses		(11.2)	(9.6)
Gain/loss on disposal of property, plant and equipment		1.6	0.3
Cost of equity-settled employee payment transactions		15.0	8.6
Other pre-tax profit adjustments		0.5	(0.1)
Net cash generated from operating activities		**372.2**	**241.0**
Corporate income tax paid		(94.7)	(65.3)
Net cash provided by (used in) operating activities		**277.5**	**175.7**
Disposal of property, plant and equipment and intangible assets	Błąd! Nie można odnaleźć źródła odwołania.	7.1	5.7
Acquisition of property, plant and equipment and intangible assets	Błąd! Nie można odnaleźć źródła odwołania.	(133.1)	(108.8)
Grants received for purchases of property, plant and equipment and/or development projects	Błąd! Nie moż	14.7	-

Expenditures for the acquisition of subsidiary and associated companies	na odna leźć źródł a odw ołani a. Błąd! Nie moż na odna leźć źródł a odw ołani a.	(119.0)	(69.7)
Cash and cash equivalents of subsidiary companies acquired	Błąd! Nie moż na odna leźć źródł a odw ołani a.	92.5	-
Prepayments for the acquisition of shares	Błąd! Nie moż na odna leźć źródł a odw ołani a.	(250.0)	-
Net proceeds from disposal of shares in related companies	Błąd! Nie moż na odna leźć źródł a odw ołani a.	9.2	2.6
Disposal/settlement of financial assets carried at fair value through profit or loss		10.7	32.0
Acquisition/settlement of financial assets carried at fair value through profit or loss		(1.9)	(0.4)
Disposal of financial assets available for sale	Błąd! Nie moż na odna leźć źródł a odw ołani a.	1.3	2.0
Acquisition of financial assets available for sale	Błąd! Nie moż na odna leźć źródł	(0.1)	(1.3)

	a odwołania. Błąd! Nie można odnaleźć źródła odwołania.		
Disposal of financial assets held to maturity	Błąd! Nie można odnaleźć źródła odwołania.	6.1	27.1
Acquisition of financial assets held to maturity	Błąd! Nie można odnaleźć źródła odwołania.	(27.1)	(41.1)
Loans granted	Błąd! Nie można odnaleźć źródła odwołania.	(44.0)	(8.6)
Loans collected	Błąd! Nie można odnaleźć źródła odwołania.	97.9	3.3
Interest received		5.6	5.9
Dividends received		1.1	2.1
Net cash provided by (used in) investing activities		**(329.0)**	**(149.2)**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS THE ASSECO GROUP (continued)

(continued)	Note	6 months ended 30 June 2012 (unaudited) PLN millions	6 months ended 30 June 2011 (unaudited) PLN millions
Proceeds from issuance of shares by subsidiary companies	Błąd! Nie można odnaleźć źródła odwołania.	0.8	2.4
Acquisition of non-controlling interests		(17.1)	(11.5)
Proceeds from bank loans and borrowings		98.9	48.1
Redemption of debt securities	Błąd! Nie można odnaleźć źródła odwołania.	(53.4)	-
Repayment of bank loans and borrowings		(51.7)	(19.7)
Finance lease commitments paid		(9.1)	(9.4)
Interest paid		(13.7)	(13.3)
Dividends paid out	Błąd! Nie można odnaleźć źródła odwołania.	(248.6)	(204.8)
Other cash flows from financing activities		(2.0)	(1.3)
Net cash provided by (used in) financing activities		**(295.9)**	**(209.5)**
Net increase (decrease) in cash and cash equivalents		(347.4)	(183.0)
Net foreign exchange differences		(15.6)	(16.9)
Cash and cash equivalents as at 1 January	Błąd! Nie można odnaleźć źródła odwołania.	974.6	834.8
Cash and cash equivalents as at 30 June	Błąd! Nie można	**611.6**	**634.9**

odnaleźć źródła odwołania.

SUPPLEMENTARY INFORMATION TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

I. GENERAL INFORMATION

The parent company of the Asseco Group (the "Asseco Group", "Group") is Asseco Poland S.A. (the "Parent Company", "Company", "Issuer") with registered seat 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 ul. 17 Stycznia 72a, 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 headquarters from ul. 17 Stycznia 72a, Warsaw to Al. Armii Krajowej 80, Rzeszów. On 8 March 2010 the Issuer moved its corporate headquarters 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. The Company has been assigned the statistical identification 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 on 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 that offer insight into their local markets and customers, or access to innovative and unique IT solutions.

Our comprehensive offering includes products dedicated for the sectors of banking and finance, public administration, 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 PREPARATION OF FINANCIAL STATEMENTS AND ACCOUNTING PRINCIPLES (POLICY) APPLIED

1. Basis for preparation

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

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

These interim condensed consolidated financial statements were prepared on a going-concern basis, assuming the Group will continue its business activities over a period not shorter than 12 months from 30 June 2012. As at the date of approving these interim condensed consolidated financial statements there were observed no circumstances indicating any threat to 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 2011, which were published on 16 March 2012.

2. Compliance statement

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

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

The Group has for the first time applied the International Financial Reporting Standards (IFRS) in preparing its financial statements for the fiscal years beginning after 1 January 2005.

Some of the Group companies maintain their accounting books in accordance with the accounting policy (principles) 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 the IFRS.

3. Estimates

In the period of 6 months ended 30 June 2012, no substantial changes were introduced to the way of making estimates.

4. Professional judgement

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

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

i 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. As at 30 June 2012, receivables arising from valuation of IT contracts amounted to PLN 171.2 million, while liabilities due to such valuation equalled PLN 18.5 million.

In case of contracts denominated in foreign currencies deemed to be functional currencies or in case of contracts denominated in EUR (even if EUR is not a functional currency), embedded financial derivatives are not disclosed separately. In the Management's opinion, EUR should be regarded as a currency commonly used in contracts for the sale or purchase of IT systems and services. Revenues and expenses relating to such contracts are determined on the basis of spot exchange rates. In all the other cases embedded derivatives are separated from their host contracts. When an embedded instrument is separated, revenues resulting from the host contract are recognized at the embedded exchange rate; whereas, any foreign exchange differences between the exchange rate applied in the issued invoice and the embedded exchange rate are recognized as financial income or expense. As at 30 June 2012, no embedded instruments were separated from any effective agreements.

ii Rates of depreciation and amortization

The level of depreciation and amortization rates is determined on the basis of anticipated period of useful economic life of the components of tangible and intangible assets. The Group verifies the adopted periods of useful life on an annual basis, taking into account the current estimates. In 2012 the rates of depreciation and amortization applied by the Group were not subject to any substantial modifications.

iii 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 determination of the future cash flows expected to be achieved from the cash-generating unit or units, and determination of a discount rate to be subsequently used in order to calculate the net present value of those cash flows.

iv Liabilities to pay for the remaining shares in subsidiary companies (put options)

As at 30 June 2012, the Group recognized liabilities by virtue of future payments to non-controlling shareholders in the companies of Asseco South Eastern Europe, Multicard, Sintagma, SKG, and companies of the Matrix IT Group. Determination of the amounts payable under such liabilities required making estimates of those companies' future financial results. Hence, as at 30 June 2012, such liabilities amounted to PLN 160.7 million.

v Classification of leasing agreements

The Group classifies its leasing contracts as operating or financial depending on whether the material risks and benefits incidental to ownership of leased assets are retained by the lessor or transferred to the leaseholder. Such assessment is based on the economic terms of each leasing transaction.

5. Accounting principles applied

The major accounting principles adopted by the Parent Company have been described in the consolidated financial statements for the year ended 31 December 2011, which were published on 16 March 2012.

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

- Amendments to IFRS 7 *Financial Instruments: Disclosures: Transfers of Financial Assets* – effective for annual periods beginning on or after 1 July 2011.

The Group did not decide on early adoption of any other 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 Council and International Financial Reporting Interpretations Committee, but have not come into force:

- The first phase of IFRS 9 *Financial Instruments: Classification and Measurement* – effective for annual periods beginning on or after 1 January 2015 – not adopted by the EU till the date of approval of these financial statements. In the following phases, the International Accounting Standards Board will deal with hedge accounting and impairment. Application of the first phase of IFRS 9 will affect the classification and measurement of the Group's financial assets. The Group is going to assess the impact of the first phase in conjunction with the consecutive phases when they are published, in order to ensure a coherent picture;
- Amendments to IAS 12 *Income Taxes: Deferred Tax: Recovery of Underlying Assets* – effective for annual periods beginning on or after 1 January 2012 – not adopted by the EU till the date of approval of these financial statements;
- Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* – effective for annual periods beginning on or after 1 July 2011 – not adopted by the EU till the date of approval of these financial statements;
- IFRS 10 *Consolidated Financial Statements* – effective for annual periods beginning on or after 1 January 2013 – not adopted by the EU till the date of approval of these financial statements;

- IFRS 11 *Joint Arrangements* – effective for annual periods beginning on or after 1 January 2013 – not adopted by the EU till the date of approval of these financial statements;
- IFRS 12 *Disclosure of Interests in Other Entities* – effective for annual periods beginning on or after 1 January 2013 – not adopted by the EU till the date of approval of these financial statements;
- Amendments of IFRS 10, IFRS 11 and IFRS 12 Transitional Provisions – effective for annual periods beginning on or after 1 January 2013 – not adopted by the EU till the date of approval of these financial statements;
- IFRS 13 *Fair Value Measurement* – effective for annual periods beginning on or after 1 January 2013 – not adopted by the EU till the date of approval of these financial statements;
- IAS 27 *Separate Financial Statements* – effective for annual periods beginning on or after 1 January 2013 – not adopted by the EU till the date of approval of these financial statements;
- IAS 28 Investments in Associates and Joint Ventures – effective for annual periods beginning on or after 1 January 2013 – not adopted by the EU till the date of approval of these financial statements;
- Amendments to IAS 19 *Employee Benefits* – effective for annual periods beginning on or after 1 January 2013 – adopted by the EU;
- Amendments to IAS 1 *Presentation of Financial Statements: Presentation of Other Comprehensive Income* – effective for annual periods beginning on or after 1 July 2012 – adopted by the EU;
- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* – effective for annual periods beginning on or after 1 January 2013 – not adopted by the EU till the date of approval of these financial statements;
- Amendments to IFRS 7 *Financial Instruments: Disclosures: Offsetting of Financial Assets and Financial Liabilities* – effective for annual periods beginning on or after 1 July 2013 – not adopted by the EU till the date of approval of these financial statements;
- Amendments to IAS 32 *Financial Instruments: Presentation: Offsetting of Financial Assets and Financial Liabilities* – effective for annual periods beginning on or after 1 January 2014 – not adopted by the EU till the date of approval of these financial statements;
- Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards: Government Loans* – effective for annual periods beginning on or after 1 January 2013 – not adopted by the EU till the date of approval of these financial statements;
- Amendments resulting from the annual review of IFRSs (published in May 2012) – effective for annual periods beginning on or after 1 January 2013 – not adopted 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 consolidated financial statements.

7. Corrections of material errors

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

8. Changes in the applied principles of presentation

In the period reported, the principles of presentation of the following balance sheet items were changed:

- Until 31 December 2011, goodwill arising from mergers and goodwill arising from consolidation used to be reported on separate lines of the balance sheet, respectively as an item of intangible assets and under goodwill from consolidation. As at 30 June 2012, goodwill arising from both mergers and consolidation is presented jointly in the balance sheet line called "goodwill". Therefore, the comparative data have been restated in order to ensure coherent presentation approach as at 30 June 2012 and for the corresponding periods.

III. INFORMATION ON OPERATING SEGMENTS

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

The Asseco Group has identified the following operating segments:

Polish market – this segment groups the companies which generate sales 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, CK ZETO, and SKG. The aforementioned companies offer comprehensive IT services intended for a broad range clients operating in the sectors of financial institutions, enterprises and public administration. In the period of 6 months ended 30 June 2012, the segment's major clients included: Social Insurance Institution (ZUS), PKO BP Bank, Agency for Restructuring and Modernisation of Agriculture (ARiMR), Polish Telecom Group, and PZU Insurance Group. Revenues from none of the above-mentioned clients exceeded 10% of the Group's total turnover in the 6-month period ended 30 June 2012.

Balkan market – this segment includes the companies which derive their revenues mostly from 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 the 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 clients operating primarily in the sector of financial institutions. In the period of 6 months ended 30 June 2012, the segment's major clients included: T-Home-Telecommunication, Privredna banka Zagreb d.d., OMV PETROM, Komercijalna Banka, and Banca Intesa. Revenues from none of the above-mentioned clients exceeded 10% of the Group's total turnover in the 6-month period ended 30 June 2012.

German market – this segment gathers the companies which generate sales revenues mostly in Germany and Austria. Performance of these companies is assessed on a periodic basis by the Management Board of Asseco DACH. This segment is identical with the composition of the Asseco DACH Group. The segment's performance as a whole is subject to regular verification by the Management Board of Asseco Poland. This Group offers comprehensive IT services intended primarily for the enterprises sector. In the period of 6 months ended 30 June 2012, the segment's major clients included: BMC Software Inc, DSP IT Services GmbH, TAP Desktop Solutions GmbH, neo42 GmbH, and Consulting4IT GmbH. Revenues from none of the above-mentioned clients exceeded 10% of the Group's total turnover in the 6-month period ended 30 June 2012.

Slovak market – this segment groups the companies which derive their revenues mostly from 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 the 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 clients operating in the sectors of financial institutions, enterprises and public administration. In the period of 6 months ended 30 June 2012, the segment's major clients

included: Czech Ministry of the Interior, ČEZ ICT Services, a. s., Poštová Banka, a.s., Všeobecná Zdravotná Poisťovňa, a.s., and Datalan. Revenues from none of the above-mentioned clients exceeded 10% of the Group's total turnover in the 6-month period ended 30 June 2012.

Israeli market – this segment includes the companies which generate sales 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. The segment composition corresponds to the structure of the Formula Systems Group. The segment's performance as a whole is subject to regular verification by the Management Board of Asseco Poland. In the period of 6 months ended 30 June 2012, the segment's major clients included: Leumi Bank, Hapoalim Bank, Menorah Insurance, Ministry of Defense of Israel, and Benlumi Bank. Revenues from none of the above-mentioned clients exceeded 10% of the Group's total turnover in the 6-month period ended 30 June 2012.

The **"Other"** column includes financial results of the following entities: Podkarpacki Fundusz Nieruchomości, Gladstone Consulting, Sintagma, Asseco Spain, Asseco Denmark, Peak Consulting, and Necomplus Group. Financial results of these companies have been disclosed in aggregate, because none of them separately met the quantitative thresholds for reportable segments as specified in IFRS 8. In the period of 6 months ended 30 June 2012, the segment's major clients included: Caixarenting, Bank Pekao S.A., Redsys, INGENICO Portugal, and Telefónica Group. Revenues from none of the above-mentioned clients exceeded 10% of the Group's total turnover in the 6-month period ended 30 June 2012.

For 6 months ended 30 June 2012 (unaudited)	Polish market	Balkan market	German market	Slovak market	Israeli market	Other	Eliminations	Total
Sales revenues:	**774.6**	**238.2**	**99.8**	**265.0**	**1,184.9**	**147.2**	**(42.9)**	**2,666.8**
Sales to external customers	761.2	221.8	99.4	257.5	1,180.9	146.0	-	2,666.8
Inter/intra segment sales	13.4	16.4	0.4	7.5	4.0	1.2	(42.9)	-
Operating profit (loss) of reportable segment	**182.7**	**24.5**	**6.2**	**40.2**	**80.1**	**3.6**	**(2.9)**	**334.4**
Interest income [1]	9.6	1.6	0.4	0.9	2.2	1.1	(0.5)	**15.3**
Interest expenses [2]	(5.9)	-	(0.6)	(0.6)	(8.6)	(0.9)	0.5	**(16.1)**
Corporate income tax	**(38.2)**	**(2.8)**	**(1.5)**	**(7.7)**	**(9.9)**	**(0.5)**	**-**	**(60.6)**
Share in profits of associated companies	(0.6)	-	-	0.8	0.6	0.2	-	**1.0**
Non-cash items:								
Depreciation and amortization	(34.6)	(5.1)	(2.4)	(21.4)	(45.7)	(6.4)	0.5	**(115.1)**
Impairment write-downs on segment assets	(0.3)	(0.2)	-	(0.1)	-	(4.4)	-	**(5.0)**
Segment net profit (loss)	**153.9**	**23.6**	**4.5**	**43.9**	**70.8**	**(0.9)**	**(2.4)**	**293.4**
Net cash provided by (used in) operating activities	**91.9**	**29.9**	**23.6**	**3.3**	**132.4**	**(3.3)**	**(0.3)**	**277.5**
Average workforce in the period reported	**4,192**	**1,199**	**321**	**1,543**	**7,812**	**604**	**-**	**15,671**
Segment capital expenditures	**76.3**	**9.7**	**2.7**	**13.3**	**20.9**	**2.3**	**-**	**125.2**

[1] *Interest income on loans granted, debt securities, finance leases, trade accounts receivable, and bank deposits*

[2] *Interest expense on bank loans, borrowings, debt securities, finance leases, and trade accounts payable*

For 6 months ended 30 June 2011 (unaudited)	Polish market	Balkan market	German market	Slovak market	Israeli market	Other	Eliminations	Total
Sales revenues:	**773.0**	**208.7**	**96.5**	**241.9**	**898.0**	**160.3**	**(38.2)**	**2,340.2**
Sales to external customers	756.7	199.4	93.2	235.5	897.7	157.7		**2,340.2**
Inter/intra segment sales	16.3	9.3	3.3	6.4	0.3	2.6	(38.2)	**-**
Operating profit (loss) of reportable segment	**191.9**	**21.4**	**(3.2)**	**43.6**	**77.4**	**11.0**	**(0.4)**	**341.7**
Interest income [1]	6.0	1.6	0.5	0.4	4.2	0.6	(0.3)	**13.0**
Interest expenses [2]	(5.3)	(0.1)	(0.5)	(0.8)	(7.0)	(0.9)	0.3	**(14.3)**
Corporate income tax	**(40.2)**	**(3.0)**	**0.5**	**(8.4)**	**(11.6)**	**(2.2)**	**-**	**(64.9)**
Share in profits of associated companies	0.3	-	-	0.8	(0.4)	0.2	-	**0.9**
Non-cash items:								
Depreciation and amortization	(33.2)	(4.1)	(3.2)	(17.8)	(20.4)	(7.1)	0.3	**(85.5)**
Segment net profit (loss)	**151.7**	**23.3**	**(2.7)**	**35.4**	**58.2**	**7.2**	**(0.4)**	**272.7**
Net cash provided by (used in) operating activities	**62.1**	**15.5**	**1.7**	**39.1**	**57.6**	**(1.1)**	**0.8**	**175.7**
Average workforce in the period reported	**4,323**	**1,214**	**335**	**1,539**	**5,997**	**652**	**-**	**14,060**
Segment capital expenditures	**53.6**	**5.7**	**1.6**	**10.5**	**34.9**	**1.9**	**-**	**108.2**

[1] *Interest income on loans granted, debt securities, finance leases, trade accounts receivable, and bank deposits*

[2] *Interest expense on bank loans, borrowings, debt securities, finance leases, and trade accounts payable*

IV. EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Sales revenues and operating costs

During the period of 6 months ended 30 June 2012 and in the corresponding period last year, operating revenues and costs were as follows:

	3 months ended 30 June 2012 (unaudited) PLN millions	6 months ended 30 June 2012 (unaudited) PLN millions	3 months ended 30 June 2011 (unaudited) PLN millions	6 months ended 30 June 2011 (unaudited) PLN millions
Sales revenues by type of products				
Proprietary software and services	1,063.1	2,043.1	851.7	1,701.4
Third-party software and services	157.4	293.6	146.1	312.0
Hardware and infrastructure	169.3	324.0	137.5	304.1
Other sales	3.2	6.1	8.0	22.7
Total	**1,393.0**	**2,666.8**	**1,143.3**	**2,340.2**
Sales revenues by sectors				
Banking and finance	470.7	884.1	398.6	782.6
Enterprises	605.4	1,161.1	478.0	985.8
Public Institutions	316.9	621.6	266.7	571.8
Total	**1,393.0**	**2,666.8**	**1,143.3**	**2,340.2**
Operating costs				
Value of merchandise, materials and third-party work sold	(295.1)	(542.2)	(238.9)	(525.6)
Materials and energy used	(12.8)	(24.4)	(10.2)	(21.6)
Third-party work	(249.9)	(462.5)	(205.2)	(400.2)
Employee benefits	(596.4)	(1,160.8)	(471.9)	(942.1)
Depreciation and amortization	(60.9)	(115.1)	(46.7)	(85.5)
Taxes and charges	(2.9)	(5.5)	(2.6)	(5.1)
Business trips	(16.7)	(26.9)	(12.9)	(21.9)
Other	1.0	(3.9)	3.4	0.2
Total	**(938.6)**	**(1,799.1)**	**(746.1)**	**(1,476.2)**
Cost of sales, of which:	**(1,024.7)**	**(1,947.1)**	**(799.4)**	**(1,638.0)**
Production cost	*(729.6)*	*(1,404.9)*	*(560.5)*	*(1,112.4)*
Value of merchandise, materials and third-party work sold	*(295.1)*	*(542.2)*	*(238.9)*	*(525.6)*
Selling expenses	**(104.2)**	**(191.7)**	**(90.7)**	**(176.4)**
General administrative expenses	**(104.8)**	**(202.5)**	**(94.9)**	**(187.4)**

i. Costs of employee benefits

	3 months ended 30 June 2012 (unaudited) PLN millions	6 months ended 30 June 2012 (unaudited) PLN millions	3 months ended 30 June 2011 (unaudited) PLN millions	6 months ended 30 June 2011 (unaudited) PLN millions
Salaries	(500.1)	(949.4)	(379.1)	(772.6)
Social insurance contributions	(31.0)	(63.9)	(25.7)	(60.4)
Retirement benefit expenses	(52.3)	(119.5)	(57.1)	(92.7)
Costs under share-based payments plan	(6.5)	(12.5)	(4.8)	(8.6)
Other costs of employee benefits	(6.5)	(15.5)	(5.2)	(7.8)
Total employee benefit expenses	**(596.4)**	**(1,160.8)**	**(471.9)**	**(942.1)**

ii. Currency structure of sales revenues

The table below presents the currency structure of sales revenues:

	6 months ended 30 June 2012 (unaudited)	6 months ended 30 June 2011 (unaudited)
NIS (new Israeli shekel)	30.5%	28.6%
PLN (Polish zloty)	28.2%	32.0%
EUR (euro)	17.0%	16.5%
USD (American dollar)	8.8%	7.0%
CZK (Czech crown)	3.6%	3.8%
RON (new Romanian leu)	2.0%	2.4%
RSD (Serbian dinar)	2.0%	2.2%
other currencies	7.9%	7.5%
	100.0%	**100.0%**

iii. Reconciliation of depreciation and amortization charges

The table below presents the reconciliation of depreciation and amortization charges reported in the profit and loss account with those disclosed in the tables of changes in property, plant and equipment (note **Błąd! Nie można odnaleźć źródła odwołania.**) and in intangible assets (note 7).

	6 months ended 30 June 2012 (unaudited) PLN millions	6 months ended 30 June 2011 (unaudited) PLN millions
Depreciation charge for the year as disclosed in the table of changes in property, plant and equipment	(45.9)	(42.2)
Amortization charge for the year as disclosed in the table of changes in intangible assets	(71.9)	(46.6)
Amortization charge recognized directly in other comprehensive income	0.4	0.5
Reduction of amortization charge due to recognition of a grant to licenses generated internally	2.1	1.9
Capitalization of amortization charges on development projects in progress	0.2	0.9
Total depreciation/amortization charges reported in the profit and loss account	**(115.1)**	**(85.5)**

2. Financial income and expenses

During the period of 6 months ended 30 June 2012 and in the corresponding period last year, financial income and expenses were as follows:

	3 months ended 30 June 2012 (unaudited) PLN millions	6 months ended 30 June 2012 (unaudited) PLN millions	3 months ended 30 June 2011 (unaudited) PLN millions	6 months ended 30 June 2011 (unaudited) PLN millions
Financial income				
Interest income on loans granted, debt securities, finance leases, trade accounts receivable, and bank deposits	8.9	15.3	6.4	13.0
Other interest income	0.1	0.2	-	0.3
Positive foreign exchange differences	-	15.3	4.7	9.2
Gain on disposal of equity investments in related companies	-	-	0.2	0.2
Gain on measurement/revaluation of financial assets at the balance sheet date	0.2	11.2	(1.1)	0.3
Gain on exercise and/or valuation of financial assets carried at fair value through profit or loss	0.9	1.8	(1.6)	0.3
Gain on revaluation of deferred payments for controlling interests in subsidiaries	3.9	3.5	3.9	4.1
Other financial income	0.8	0.8	-	0.4
Total	**14.8**	**48.1**	**12.5**	**27.8**
Financial expenses				
Interest expense on bank loans, borrowings, debt securities, finance leases and trade accounts payable	(8.4)	(16.1)	(10.2)	(14.3)
Other interest expenses	(1.1)	(2.0)	(1.5)	(2.5)
Loss on foreign exchange differences	1.7	(4.5)	(4.6)	(9.4)
Impairment write-down on goodwill	(4.4)	(4.4)	-	-
Loss on measurement/revaluation of financial assets at the balance sheet date	-	-	(0.6)	(0.6)
Expenses related to obtaining control over subsidiaries	-	-	-	(0.2)
Loss on exercise and/or valuation of financial assets carried at fair value through profit or loss	1.3	(2.2)	1.2	(4.4)
Other financial expenses	0.1	(0.3)	(1.0)	(1.4)
Total	**(10.8)**	**(29.5)**	**(16.7)**	**(32.8)**

Gain on revaluation of financial assets at the balance sheet date, as disclosed for the period of 6 months ended 30 June 2012, resulted primarily from a gain of PLN 10.6 million (USD 3.4 million) recognized on fair value measurement of a stake of shares held in Sapiens International (a Formula Systems company) that was performed at the date of obtaining control, i.e. as at 27 January 2012. Until this date, this investment was accounted for under the equity method. The transaction of obtaining control over Sapiens International has been described in explanatory note 8 to these interim condensed consolidated financial statements.

Interim goodwill impairment tests carried out as at 30 June 2012 have been described in explanatory note 8 to these interim condensed consolidated financial statements.

3. Corporate income tax

The main charges on pre-tax profit by virtue of corporate income tax (current and deferred portions):

	3 months ended 30 June 2012 (unaudited) PLN millions	6 months ended 30 June 2012 (unaudited) PLN millions	3 months ended 30 June 2011 (unaudited) PLN millions	6 months ended 30 June 2011 (unaudited) PLN millions
Current portion income tax	(20.6)	(39.0)	(18.5)	(37.5)
Deferred portion of income tax	(6.9)	(21.6)	(12.0)	(27.4)
Income tax expense as disclosed in the profit and loss account	**(27.5)**	**(60.6)**	**(30.5)**	**(64.9)**

During the period of 6 months ended 30 June 2012, effective tax rate equalled 17.2% vs. 19.3% in the corresponding period last year. The effective tax rate for the period of 6 months ended 30 June 2012 was reduced basically owing to a gain on the revaluation of investment in Sapiens International, as well as utilization of a formerly unrecognized deferred income tax asset resulting from the prior years' tax losses.

4. Earnings per share

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

Diluted earnings per share are computed by dividing net profit for the period reported, attributable to shareholders of the Parent Company, by the adjusted (for the diluting impact of potential shares) weighted average number of ordinary shares outstanding during that financial period, adjusted by the factor of conversion of bonds convertible to ordinary shares. Both during the period reported and the prior year's corresponding period took place no events that would result in a dilution of earnings per share.

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

	3 months ended 30 June 2012 (unaudited)	6 months ended 30 June 2012 (unaudited)	3 months ended 30 June 2011 (unaudited)	6 months ended 30 June 2011 (unaudited)
Weighted average number of ordinary shares outstanding, used for calculation of basic earnings per share	77,565,530	77,565,530	77,565,530	77,565,530
Net profit attributable to shareholders of the Parent Company (in PLN millions)	90.7	195.2	85.5	182.7
Earnings per share (in PLN)	**1.17**	**2.52**	**1.10**	**2.36**

5. Information on dividends paid out

In 2012 the Company paid out to its shareholders a dividend for the year 2011. On 25 April 2012, the Ordinary General Meeting of Shareholders of Asseco Poland S.A. passed a resolution to allocate PLN 169.9 million out of the Company's net profit for the financial year 2011 to payment of a dividend amounting to PLN 2.19 per share. The remaining portion of net profit in the amount of PLN 145.5 million was allocated to reserve capital. The dividend day was set for 17 May 2012; whereas, the dividend payment was scheduled for 1 June 2012.

In 2011 the Company paid out to its shareholders a dividend for the year 2010. On 28 April 2011, the Ordinary General Meeting of Shareholders of Asseco Poland S.A. passed a resolution to allocate PLN 139.6 million out of the Company's net profit for the financial year 2010 to payment of a dividend amounting to PLN 1.80 per share. The remaining portion of undistributed net profit, in the amount of PLN 282.8 million was allocated to reserve capital. The dividend day was set for 17 May 2011; whereas, the dividend payment was scheduled for 1 June 2011.

6. Property, plant and equipment

The net book value of property, plant and equipment, during the period of 6 months ended 30 June 2012 and in the corresponding period, changed as a result of the following transactions:

	6 months ended 30 June 2012 (unaudited) PLN millions	6 months ended 30 June 2011 (unaudited) PLN millions
Net book value of property, plant and equipment as at 1 January	**610.3**	**516.9**
Additions, of which:	**125.0**	**85.9**
Purchases and modernization	87.3	69.2
Obtaining control over subsidiaries	37.2	8.8
Finance leases	0.5	7.9
Reductions, of which:	**(51.6)**	**(48.5)**
Depreciation charge for the period reported	(45.9)	(42.2)
Disposal and liquidation	(5.7)	(6.3)
Foreign currency differences on translation of foreign subsidiaries	**(6.5)**	**(1.3)**
Net book value of property, plant and equipment as at 30 June	**677.2**	**553.0**

In the period of 6 months ended 30 June 2012, the Group purchased property, plant and equipment for PLN 87.3 million, of which PLN 54.4 million were spent for the construction of the Parent Company’s new office building in Warsaw's Wilanów.

7. Intangible assets

The net book value of intangible assets, during the period of 6 months ended 30 June 2012 and in the corresponding period, changed as a result of the following transactions:

	6 months ended 30 June 2012 (unaudited) PLN millions	6 months ended 30 June 2011 (unaudited) PLN millions
Net book value of intangible assets as at 1 January	**856.7**	**639.4**
Additions, of which:	**177.5**	**42.5**
Purchases and modernization	5.0	13.1
Obtaining control over subsidiaries	139.9	4.1
Costs of development projects in progress	32.6	25.2
Other	-	0.1
Reductions, of which:	**(71.9)**	**(46.9)**
Amortization charge for the period reported	(71.9)	(46.6)
Disposal and liquidation	-	(0.3)
Changes in presentation method	**4.6**	**-**
Foreign currency differences on translation of foreign subsidiaries	**(6.3)**	**(2.8)**
Net book value of intangible assets as at 30 June	**960.6**	**632.2**

Intangible assets increased substantially as a result of the transaction of obtaining control over Sapiens, which has been described in explanatory note 8 to these interim condensed consolidated financial statements. The amount of intangible assets recognized in the Group's balance sheet following the take-over of Sapiens reached PLN 125.8 million. This amount comprises, among others, initially measured intangible assets recognized in the accounting for the take-over transaction (including customer relations, orders backlog, and internally generated software). As at 30 June 2012, the process of purchase price allocation has not yet been completed by the Group and, therefore, the value of recognized intangible assets may be subject to change till the end of 2012.

8. Goodwill

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

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

The following table presents the values of goodwill as at 30 June 2012 and in the corresponding periods, indicating the type of cash-generating units to which it has been allocated:

Goodwill	30 June 2012 (unaudited) PLN millions	31 December 2011 (audited) PLN millions	30 June 2011 (unaudited) PLN millions
groups of companies that constitute an operating segment	**872.1**	**911.1**	**850.5**
Asseco Central Europe Group ("Slovak market" segment)	362.2	364.1	345.7
Asseco South Eastern Europe Group ("Balkan market" segment)	509.9	547.0	504.8
individual subsidiaries or groups of subsidiaries (smaller than an operating segment)	**2,097.9**	**1,653.1**	**1,713.8**
Formula Systems Group, of which	1,506.0	1,057.7	1,161.0
Magic Software Enterprises Ltd.	*494.7*	*496.9*	*n/a**
Matrix IT Ltd.	*602.0*	*560.8*	*n/a**
Sapiens International Corporation N.V.	*409.3*	-	*n/a**
Asseco DACH Group, of which	228.6	237.0	214.1
Asseco Germany A.G.	*71.2*	*73.8*	*66.8*
Matrix42 A.G.	*157.4*	*163.2*	*147.3*
Asseco South Western Europe Group, of which	34.1	40.3	36.4
Asseco Spain S.A.	*18.2*	*23.4*	*21.1*
Necomplus S.L.	*15.9*	*16.9*	*15.3*
Asseco Business Solutions S.A.	172.1	172.1	172.1
Combidata Poland Group	36.1	36.1	36.0
Asseco Denmark**	32.4	33.6	30.2
Sintagma UAB Sp. z o.o.	16.0	16.6	15.0
Gladstone Consulting Ltd	32.7	33.0	26.6
ADH-Soft Sp. z o.o.	4.2	4.2	4.0
ZUI OTAGO Sp. z o.o.	22.2	22.2	18.1
ZUI Novum Sp. z o.o.	0.3	0.3	0.3
C.K. Zeto Łódź	6.3	n/a	n/a
SKG S.A.	6.9	n/a	n/a
operating segments identified within the Parent Company	**2,041.9**	**2,041.9**	**2,041.9**
Goodwill allocated to the segment of "Banking and Finance"	864.8	864.8	864.8
Goodwill allocated to the segment of "Public Administration"	916.4	916.4	916.4
Goodwill allocated to the segment of "Enterprises"	129.7	129.7	129.7
Goodwill allocated to the segment of "Infrastructure"	131.0	131.0	131.0
	5,011.9	**4,606.1**	**4,606.2**

** As at 30 June 2011, the process of allocation of purchase price of the Formula Systems Group had not yet been finalized, hence the arising goodwill was not yet allocated to individual cash-generating units.*
***Goodwill recognized on the acquisition of Asseco Denmark and Peak Consulting.*

During the period of 6 months ended 30 June 2012, the value of goodwill changed as follows:

	Goodwill at the beginning of the period	Increases due to obtaining of control	Impairment write-downs	Foreign currency differences on translation of foreign subsidiaries (+/-)	Goodwill at the end of the period
Asseco Central Europe Group ("Slovak market" segment)	364.1	0.5	-	(2.4)	362.2
Asseco South Eastern Europe Group ("Balkan market" segment)	547.0	-	-	(37.1)	509.9
Asseco DACH Group	237.0	-	-	(8.4)	228.6
Formula Systems Group	1,057.7	444.2	-	4.1	1,506.0
Asseco South Western Europe Group	40.3	-	(4.4)	(1.8)	34.1
Asseco Business Solutions S.A.	172.1	-	-	-	172.1
Combidata Poland Group	36.1	-	-	-	36.1
Asseco Denmark**	33.6	-	-	(1.2)	32.4
Sintagma UAB Sp. z o.o.	16.6	-	-	(0.6)	16.0
Gladstone Consulting Ltd	33.0	-	-	(0.3)	32.7
ADH-Soft Sp. z o.o.	4.2	-	-	-	4.2
ZUI OTAGO Sp. z o.o.	22.2	-	-	-	22.2
ZUI Novum Sp. z o.o.	0.3	-	-	-	0.3
C.K. Zeto Łódź	-	6.3	-	-	6.3
SKG S.A.	-	6.9	-	-	6.9
			-	-	
Goodwill allocated to the segment of "Banking and Finance"	864.8	-	-	-	864.8
Goodwill allocated to the segment of "Public Administration"	916.4	-	-	-	916.4
Goodwill allocated to the segment of "Enterprises"	129.7	-	-	-	129.7
Goodwill allocated to the segment of "Infrastructure"	131.0	-	-	-	131.0
			-	-	
	4,606.1	**458.1**	**(4.4)**	**(47.9)**	**5,011.9**

***Goodwill recognized on the acquisition of Asseco Denmark and Peak Consulting.*

In the period of 6 months ended 30 June 2012, the balance of goodwill was affected by the following transactions:

❑ *Acquisition of Centrum Komputerowe ZETO*

On 31 March 2012, the Company obtained control over Centrum Komputerowe ZETO S.A. seated in Łódź, Poland, by acquiring 42,940 shares representing a 99.84% voting interest and 99.87% equity interest in ZETO. The total acquisition price amounted to PLN 42.4 million. Share purchase agreements were concluded with each shareholder separately, upon fulfilment of all the conditions laid down in the term sheet signed on 9 December 2011.

As at 30 June 2012, the Group has not yet completed the process of purchase price allocation. Presently, we review the accounting policy applied by C.K. ZETO and compare it to the accounting policy adopted by the Asseco Group in order to measure the impact of identified differences on the value of C.K. ZETO's net assets acquired. Therefore, goodwill recognized on the acquisition of Centrum Komputerowe ZETO may be subject to change till the end of 2012.

The provisional values of identifiable assets and liabilities of C.K. ZETO as at the date of obtaining control were as follows:

	Book value as at the acquisition date (unaudited) PLN millions	**Provisional value as at the acquisition date (unaudited) PLN millions**
Assets acquired		
Property, plant and equipment	11.1	26.9
Intangible assets	1.3	1.3
Trade accounts receivable	4.3	4.3
Other receivables	3.2	3.2
Inventories	1.6	1.6
Cash and cash equivalents	8.7	8.7
Total assets	**30.2**	**46.0**
Liabilities acquired		
Trade accounts payable	1.4	1.4
Other liabilities	4.4	4.7
Deferred income tax provision	-	2.8
Provision for post-employment benefits	0.3	1.0
Total liabilities	**6.1**	**9.9**
Net assets value	**24.1**	**36.1**
Equity interest acquired		99.87%
Purchase price		**42.4**
Goodwill as at the acquisition date		**6.3**

The differences between the provisional value and book value of net assets acquired resulted primarily from:

- initially estimated fair value of real property (office building);
- estimated value of provisions for unused annual leaves, jubilee bonuses and retirement gratuities;
- deferred income tax provision recognized in relation to valuation of the above-mentioned assets and liabilities.

❑ *Acquisition of SKG S.A.*

On 27 June 2012, the Company concluded an agreement to acquire 300 shares, representing 60% of the share capital of SKG S.A. (SKG) seated in Bielsko-Biała, Poland. SKG S.A. (formerly Systemy Komputerowe - Główka S.A.) has been engaged in IT operations for 26 years. The company is specialized in design and implementation of dedicated information systems and consulting on innovative technologies. It has also gained broad experience in the areas of taxes and customs duties, retail trade, auditing and data analysis. IT solutions delivered by SKG S.A. support the operations of several hundred domestic firms and institutions, including: Polish Customs Administration, Ministry of Finance, Supreme Chamber of Control, Warsaw Stock Exchange, PGNiG, Polkomtel, and LOT Polish Airlines.

The agreement has been concluded between Asseco Poland and two natural person shareholders in SKG. The acquisition price shall not exceed PLN 8.8 million. Consideration for the acquired shares has been divided into three portions. The first portion amounting to PLN 7.1 million or 80% of the acquisition price was paid on the agreement signature date; whereas, payments of the second and third portion amounting to maximum PLN 0.84 million each will depend upon net earnings achieved by SKG S.A. for 2012 and 2013, and shall be made in 2013 and 2014, respectively.

Non-controlling interests under this transaction were measured proportionally to the percentage share of such non-controlling interests in the fair value of identifiable net assets of the acquired entity.

The provisional values (equivalent to the book values) of identifiable assets and liabilities of SKG S.A. as at the date of obtaining control were as follows:

	Book value as at the acquisition date (unaudited) PLN millions	**Provisional value as at the acquisition date (unaudited) PLN millions**
Assets acquired		
Non-current assets	0.3	0.3
Trade accounts receivable	1.2	1.2
Other receivables	5.3	5.3
Cash and cash equivalents	8.1	8.1
Total assets	**14.9**	**14.9**
Liabilities acquired		
Trade accounts payable	1.2	1.2
Other liabilities	0.6	0.6
Dividends payable	10.0	10.0
Total liabilities	**11.8**	**11.8**
Net assets value	**3.1**	**3.1**
Value of non-controlling interests		**1.2**
Purchase price		**8.8**
fixed portion		*7.1*
conditional portion		*1.7*
Goodwill as at the acquisition date		**6.9**

As at 30 June 2012, the Group has not yet completed the process of purchase price allocation. Presently, we review the accounting policy applied by SKG S.A. and compare it to the accounting policy adopted by the Asseco Group, and furthermore estimate the fair value of SKG's internally generated software, orders backlog, and customer relations.

Therefore, goodwill recognized on the acquisition of SKG S.A. may be subject to change till the end of 2012.

Furthermore, the share acquisition agreement provided non-controlling shareholders with an option to sell their remaining 40% stake in SKG. This option may be exercised in the first half of 2018, whereas its exercise price shall depend on the financial results generated by SKG S.A. for the years 2014-2017. In the event non-controlling shareholders do not exercise their put option, Asseco Poland shall have the right to purchase all the non-controlling interests for a price to be determined on the basis of the financial results generated by SKG S.A. for the years 2014-2017. As at 30 June 2012, the liability resulting from such put option on non-controlling interests in SKG amounted to PLN 6.3 million.

❑ *Acquisition of NZ Servis, s.r.o.*

On 1 April 2012, Asseco Solutions, a subsidiary of Asseco Central Europe, signed an agreement to acquire 100% of shares in NZ Servis, s.r.o. The total acquisition price shall not exceed EUR 670 thousand, of which EUR 565 thousand was paid on the agreement signature date, while the remaining consideration, amounting to EUR 105 thousand, was deferred and shall depend upon net earnings achieved by NZ Servis in the coming years.

As at 30 June 2012, the Group has not yet completed the process of purchase price allocation. Presently, we review the accounting policy applied by the acquired company and compare it to the accounting policy adopted by the Asseco Group, and furthermore estimate the fair value of NZ Servis's internally generated software, orders backlog, and customer relations. Therefore, goodwill recognized on the acquisition of NZ Servis, s.r.o. may be subject to change till the end of 2012.

The provisional values of identifiable assets and liabilities of NZ Servis, s.r.o. as at the date of obtaining control were as follows:

	Provisional value as at the acquisition date (unaudited) EUR thousands	Provisional value as at the acquisition date (unaudited) PLN millions
Assets acquired		
Non-current assets	24	0.1
Intangible assets	639	2.8
Trade accounts receivable and other receivables	177	0.7
Cash and cash equivalents	103	0.4
Total assets	**943**	**4.0**
Liabilities acquired		
Bank loans and borrowings	58	0.2
Trade accounts payable	200	0.9
Deferred income tax liability	119	0.5
Total liabilities	**377**	**1.6**
Net assets value	**566**	**2.4**
Equity interest acquired	100%	100%
Purchase price	**670**	**2.9**
Goodwill as at the acquisition date	**104**	**0.5**

The differences between the provisional value and book value of net assets acquired resulted primarily from:

- initially estimated value of intangible assets, including customer relations and internally generated software;
- deferred income tax provision recognized in relation to valuation of the above-mentioned intangible assets.

Goodwill arising from the acquisition of NZ Servis, s.r.o. shall increase the value of goodwill allocated to the "Slovak market" operating segment.

❑ *Acquisition of Exzac Inc by Matrix IT*

On 2 January 2012, Matrix IT signed an agreement to acquire 60% of shares in Exzac Inc. The purchase price for such controlling interest shall not exceed USD 9.25 million, of which the amount of USD 6.75 million has been already paid, on the agreement execution date; whereas, the remaining amount was deferred and shall depend on future financial results generated by the acquired company.

In addition, under the Exzac shares acquisition agreement, both the parties (i.e. non-controlling shareholders in Exzac and the acquirer Matrix IT) have been granted put or call options, respectively, for all the remaining non-controlling interests.

As at 30 June 2012, the liability resulting from such put option on non-controlling interests in Exzac amounted to PLN 64.3 million (NIS 74.4 million).

Exzac is an American consulting company and a leading provider of risk management solutions for financial institutions and service applications in three main areas: prevention of fraud and abuse, protection against money laundering, and solutions to support compliance with regulatory requirements for the prevention of fraud and money laundering practices.

The company employs nearly 80 people. Exzac's major clients include such financial institutions as Citi, Deutsche Bank, the U.S. Commodity Futures Trading Commission, HSBC, Wells Fargo, UBS, Barclays Capital, Bank of Tokyo-Mitsubishi UFJ, Nomura, and BNP Paribas.

In the accounting for the take-over of control over Exzac, the Group opted to apply fair value measurement of the non-controlling interest.

As at 30 June 2012, the Group has not yet completed the process of purchase price allocation. Presently, we review the accounting policy applied by the acquired company and compare it to the accounting policy adopted by the Asseco Group, and furthermore estimate the fair value of Exzac's intangible assets. Therefore, goodwill recognized on the acquisition of Exzac may be subject to change till the end of 2012.

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

	Provisional value as at the acquisition date	
	(unaudited)	(unaudited)
	NIS millions	PLN millions
Assets acquired		
Property, plant and equipment	0.4	0.3
Intangible assets recognized under purchase price allocation	4.0	3.3
Trade accounts receivable	12.9	10.7
Other receivables	0.6	0.5
Total assets	**17.9**	**14.8**
Liabilities acquired		
Trade accounts payable	0.4	0.3
Other liabilities	6.4	5.3
Bank loans and borrowings	6.1	5.1
Total liabilities	**12.9**	**10.7**
Provisional value of net assets	**5.0**	**4.1**
Fair value of non-controlling interests	**23.6**	**19.6**
Purchase price	**35.3**	**29.2**
fixed portion	*26.6*	*22.0*
conditional portion	*8.7*	*7.2*
Goodwill as at the acquisition date	**53.9**	**44.7**

Goodwill arising from the acquisition of Exzac Inc shall increase the value of goodwill allocated to the Matrix IT Group.

❑ *Acquisition of Netwise Applications Ltd by Matrix IT*

On 1 April 2012, Matrix IT acquired 100% of shares in Netwise Applications Ltd (hereinafter "Netwise"). The share acquisition price amounted to PLN 15 million (NIS 17.5 million) and was paid in full on the transaction date. Netwise is a provider of Internet website and portal development and management services. Matrix IT had no connections with the former owners of Netwise company.

As at 30 June 2012, the Group has not yet completed the process of purchase price allocation. Presently, we review the accounting policy applied by the acquired company and compare it to the accounting policy adopted by the Asseco Group, and furthermore estimate the fair value of intangible assets generated by Netwise. Therefore, goodwill recognized on the acquisition of Netwise may be subject to change till the end of 2012.

	Provisional value as at the acquisition date	
	(unaudited)	(unaudited)
	NIS millions	PLN millions
Assets acquired		
Property, plant and equipment	0.9	0.8
Intangible assets recognized under purchase price allocation	1.5	1.3
Trade accounts receivable	17.3	14.8
Other receivables	0.6	0.5
Deferred income tax assets	2.0	1.7
Cash and cash equivalents	2.1	1.8
Total assets	**24.4**	**20.9**
Liabilities acquired		
Provision for post-employment benefits	5.1	4.4
Trade accounts payable	2.1	1.8
Other liabilities	6.6	5.7
Bank loans and borrowings	6.1	5.2
Total liabilities	**19.9**	**17.1**
Provisional value of net assets	**4.5**	**3.8**
Purchase price	**17.5**	**15.0**
Goodwill as at the acquisition date	**13.0**	**11.2**

Goodwill arising from the acquisition of Netwise shall increase the value of goodwill allocated to the Matrix IT Group.

❑ *Regaining of control over Sapiens International Corporation (hereinafter "Sapiens")*

As a result of several acquisitions of Sapiens shares conducted between September 2011 and January 2012, Formula Systems (a subsidiary of the Parent Company) surpassed a 50% equity interest in Sapiens on 27 January 2012 and thereby obtained control over that company. Until 27 January 2012, Sapiens used to be an associated company and therefore it was consolidated in the Group's financial statements using the equity valuation method. As at the date of obtaining control, the value of the Group's shareholding was remeasured at fair value, while the difference between the value of such investment under the equity method and its fair value was recognized in the Group's financial results (financial income). The fair value of shareholding, representing the purchase price for the purposes of full consolidation, was measured by multiplying the number of shares held in Sapiens by their closing price quoted on the date of obtaining control, i.e. USD 4.28 per share.

In the accounting for the take-over of control over Sapiens, the Group opted to apply fair value measurement of the non-controlling interest.

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

	Provisional value as at the acquisition date	
	(unaudited)	(unaudited)
	USD millions	PLN millions
Book value of net assets acquired	39.9	125.0
Initial measurement of intangible assets recognized under purchase price allocation	10.6	33.2
Deferred income tax provision	(2.7)	(8.5)
Provisional value of net assets	**47.8**	**149.7**
Fair value of non-controlling interests	**83.6**	**261.8**
Purchase price	**88.2**	**276.2**
Goodwill as at the acquisition date	**124.0**	**388.3**

As at 30 June 2012, the Group has not yet completed the process of purchase price allocation. Presently, we review the accounting policy applied by Sapiens and compare it to the accounting policy adopted by the Asseco Group, and furthermore estimate the fair value of Sapiens's internally generated software, orders backlog, and customer relations. Therefore, goodwill recognized on the acquisition of Sapiens may be subject to change till the end of 2012.

The following table presents selected financial data of companies, in which the Group obtained control during the period of 6 months ended 30 June 2012:

	For the period of 6 months ended 30 June 2012		From the date of obtaining control till 30 June 2012	
	Sales revenues	Net profit for shareholders of the Parent Company	Sales revenues	Net profit for shareholders of the Parent Company
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	PLN millions	PLN millions	PLN millions	PLN millions
Take-overs made by the Asseco Central Europe Group	1.5	0.1	0.9	0.1
Take-overs made by the Matrix IT Group	862.9	8.8	42.2	1.3
Sapiens International Corporation N.V.	172.5	4.4	145.4	3.8
C.K. Zeto Łódź	26.0	1.7	12.1	0.6
SKG S.A.	5.2	1.1	-	-
	1,068.1	**16.1**	**200.6**	**5.8**

Indications of possible impairment

Both as at 30 June 2012 and during the 6-month period ended 30 June 2012, the stock market capitalization of Asseco Poland remained under the book value of the Group's assets. The Management Board of Asseco considered such situation as an indication of possible impairment of our cash-generating units, to which goodwill has been allocated.

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 only 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, the Management Board shall first verify the assumptions adopted in the last annual impairment testing and, if necessary, carry out an impairment test on a given cash-generating unit also at the interim balance sheet date. The procedures followed in interim impairment testing are consistent with those applied for annual impairment tests performed as at 31 December.

In the case of cash-generating units constituted by companies or groups of companies quoted on an active market, factors indicating potential impairment may include: low market capitalization of a given cash-generating unit (i.e. surplus of its book value over its market value); achievement of lower financial results than assumed for a given cash-generating unit in the latest annual impairment test; or a substantial increase in discount rates resulting from changes in the market parameters used for determination of such discount rates (including risk-free interest rates, inflation rate).

In the case of cash-generating units constituted by companies or groups of companies not quoted on an active market, factors indicating potential impairment may include: achievement of lower financial results than assumed for a given cash-generating unit in the latest annual impairment test; or a substantial increase in discount rates resulting from changes in the market parameters used for determination of such discount rates (including risk-free interest rates, inflation rate).

As at 30 June 2012, we identified indications of possible impairment of the following companies or groups of companies: Asseco Central Europe (indication: low capitalization), Asseco South Eastern Europe (indication: low capitalization), Combidata Poland Sp. z o.o. (indication: higher discount rate, earnings lower than assumed), Asseco Spain S.A. (indication: higher discount rate, earnings lower than assumed), Necomplus S.L. (indication: higher discount rate, earnings lower than assumed), Asseco Lithuania UAB (indication: higher discount rate, earnings lower than assumed), and Asseco Denmark A/S (indication: higher discount rate, earnings lower than assumed).

The impairment test conducted as at 30 June 2012 showed that we should only recognize an impairment charge on goodwill allocated to Asseco Spain S.A. which was subsequently written down by PLN 4.4 million.

The Group also carried out a sensitivity analysis in relation to goodwill impairment tests conducted as at 30 June 2012, in order to find out how much the selected parameters applied in the model could be changed so that the estimated value in use of cash-generating units equalled the net book value of operating assets.

Such sensitivity analysis examined the impact of changes in the applied:

a. real discount rate, and

b. percentage growth of sales revenues (in real value terms),

as factors with influence on the recoverable value of a cash-generating unit, assuming other factors remain unchanged.

The results of the conducted sensitivity analysis are presented in the table below:

	Surplus of value in use over carrying amount	Discount rate (in real value terms)		Sales revenue growth rate (in real value terms)	
		applied in the model	terminal rate	applied in the model	terminal rate
Asseco Central Europe Group	13.6%	7.8%	8.3%	4.4%	(2.1%)
Asseco South Eastern Europe Group		10.6%	*	6.5%	*
Necomplus S.L.	14.4%	13.2%	14.9%	8.5%	6.0%
Asseco Spain	n/a	13.2%	n/a	15.4%	n/a
Combidata Poland Sp. z o.o.	5.8%	9.3%	9.7%	0.0%	(1.2%)
Asseco Denmark A/S and Peak Consulting Group APS	5.5%	6.4%	6.5%	5.1%	4.0%
Asseco Lithuania	26.4%	12.1%	15.6%	7.0%	0.2%

**Any reasonable modification of the key assumptions adopted in the model would not indicate a necessity of an impairment charge.*

In relation to the impairment test performed for the cash-generating unit constituted by Asseco Spain, we have additionally carried out a sensitivity analysis in order to examine how the amount of recognized impairment write-down would change in response to changes in the applied discount rate and sales revenue growth rate. The results of the conducted sensitivity analysis are presented in the table below:

		Change in discount rate		
		2.0%	*1.0%*	*0.0%*
Change in revenue growth rate	*(3.0%)*	(18.2)	(13.4)	(7.7)
	(2.0%)	(17.5)	(12.4)	(6.6)
	(1.0%)	(16.6)	(11.4)	(5.5)
	0.0%	(15.7)	(10.5)	**(4.4)**
	1.0%	(14.8)	(9.5)	(3.4)
	2.0%	(14.0)	(8.6)	(2.4)
	3.0%	(13.2)	(7.7)	(1.4)

9. Financial assets

As at 30 June 2012 and in the corresponding periods, the Group held the following financial assets:

	Note	30 June 2012 (unaudited)		31 Dec. 2011 (audited)		30 June 2011 (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
Financial assets held to maturity, of which:		**-**	**25.2**	**-**	**4.3**	**-**	**8.2**
Treasury bonds		-	25.2	-	4.3	-	8.2
Loans granted, of which:		**40.7**	**12.2**	**41.0**	**65.9**	**38.3**	**25.3**
Loans granted to personally related entities	Błąd! Nie można odnaleźć źródła odwołania.	35.4	0.7	35.4	0.5	33.4	0.9
Loans granted to employees		0.8	0.8	0.5	0.7	0.5	0.9
Loans granted to other entities		3.6	4.6	4.2	6.5	3.6	5.8
Term cash deposits		0.9	6.1	0.9	58.2	0.8	17.7
Financial assets carried at fair value through profit or loss, of which:		**15.8**	**46.7**	**18.7**	**55.3**	**11.2**	**66.1**
Currency forward contracts		15.8	2.1	18.7	0.2	11.2	0.1
Corporate bonds		-	17.1	-	16.7	-	26.0
Treasury bonds		-	22.4	-	22.2	-	30.9
Shares in companies quoted on active markets		-	5.1	-	6.0	-	9.1

Participation units in open-end investment funds	-	-	-	10.2	-	-
Financial assets available for sale, of which:	**20.6**	**3.1**	**20.1**	**4.4**	**19.9**	**6.3**
Shares in companies quoted on active markets	2.1	0.7	2.2	0.6	4.3	0.6
Shares in companies not listed on stock markets	10.5	0.1	10.3	-	9.1	-
Corporate bonds (quoted on active markets)	-	0.8	7.6	2.2	6.4	4.4
Treasury bonds	8.0	1.5	-	1.5	-	1.2
Other financial assets available for sale	-	-	-	0.1	0.1	0.1
Total	**77.1**	**87.2**	**79.8**	**129.9**	**69.4**	**105.9**

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

Loans granted to related entities are presented in explanatory note 17 to these interim condensed consolidated financial statements.

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

Financial assets held to maturity are measured at amortized cost at each balance sheet date.

This category includes investments in Treasury bonds quoted on an active market.

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 financial assets portfolio 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 listed on active markets are measured at their purchase cost adjusted by any impairment charges.

10. Deferred expenses

	30 June 2012 (unaudited)		31 Dec. 2011 (audited)		30 June 2011 (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:	37.0	112.0	43.4	89.2	36.5	90.2
Prepaid maintenance services and license fees	*18.9*	*80.5*	*27.5*	*63.5*	*21.6*	*61.5*
Prepaid sponsoring	*16.3*	*14.5*	*14.2*	*14.5*	*13.1*	*14.5*
Prepaid rents and averaging of instalments under operating leases	*1.3*	*3.1*	*1.3*	*3.8*	*1.3*	*2.7*
Prepaid insurance policies	*0.1*	*4.6*	*-*	*2.3*	*-*	*3.1*
Other prepaid services	*0.4*	*9.3*	*0.4*	*5.1*	*0.5*	*8.4*
Expenses related to services performed for which revenues have not been recognized yet	-	3.5	-	4.0	-	-
Other deferred expenses	-	10.0	0.1	3.8	0.3	8.4
Total	**37.0**	**125.5**	**43.5**	**97.0**	**36.8**	**98.6**

As at 30 June 2012 as well as the end of corresponding periods, deferred expenses comprised mainly:

- costs of prepaid maintenance services and licensing fees that will be gradually expensed in the profit and loss account in future periods;
  - prepaid marketing and advertising expenses, mostly in favour of Arka Gdynia Basketball Club (sponsoring agreement will remain in effect till 31 July 2015) and Asseco Resovia (sponsoring agreement effective till 31 May 2016).

11. Long-term and short-term receivables

	30 June 2012 (unaudited)		31 Dec. 2011 (audited)		30 June 2011 (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
Trade accounts receivable						
from related companies	-	4.6	-	7.5	-	3.7
from other companies	4.0	1,030.9	4.4	1,161.4	4.4	801.7
Revaluation write-downs on trade accounts receivable	-	(54.2)	-	(43.9)	-	(33.8)
	4.0	**981.3**	**4.4**	**1,125.0**	**4.4**	**771.6**
Corporate income tax recoverable	**-**	**54.0**	-	**40.5**	-	**27.2**
Receivables from the State budget						
Value added tax (VAT)	-	7.1	-	12.3	-	4.4
Other	-	11.7	-	14.5	-	6.4
	-	**18.8**	**-**	**26.8**	**-**	**10.8**
Other receivables						
Receivables arising from valuation of IT contracts	-	171.2	-	120.9	-	154.0
Receivables from non-invoiced deliveries	-	184.2	-	187.0	-	170.6
Receivables under finance leases	0.8	0.8	1.1	0.9	0.9	1.9
Receivables from guarantees of due performance of contracts	-	4.6	-	3.7	3.2	12.6
Receivables from grants	-	19.8	-	40.0	-	39.7
Receivables from advance payments and deposits	9.6	52.3	8.7	26.2	19.0	23.2
Prepayments for the acquisition of shares	-	250.0	-	-	-	1.6
Receivables from employees	-	2.3	-	1.5	-	3.6
Receivables from disposal of tangible fixed assets	-	7.9	1.4	2.2	1.4	20.6
Receivables from disposal of shares in subsidiary companies	3.3	21.8	3.9	22.9	4.7	-
Other receivables	5.5	12.5	5.2	9.3	12.3	20.5
Revaluation write-downs on other receivables	-	(9.7)	(2.4)	(6.2)	(2.3)	(6.8)
	19.2	**717.7**	**17.9**	**408.4**	**39.2**	**441.5**

Transactions with related companies are presented in explanatory note 17 to these interim condensed consolidated financial statements.

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

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

Receivables relating to guarantees of due performance of contracts constitute a security in cash transferred to customers in order to compensate for any potential losses should the company fail to fulfil its contractual obligations.

Receivables relating to prepayments for the acquisition of shares represent cash deposited in a separate bank account in connection with a tender offer for the acquisition of 100% of shares in Sygnity at PLN 21 per share that was announced by the Parent Company on 22 February 2012. The original deadline for the acceptance of tenders to sell shares in Sygnity was set at 10 April 2012; however, until that date the Company has not obtained a required regulatory approval from the Office of Competition and Consumer Protection, and thus the above-mentioned deadline was extended till 9 July 2012. The OCCP's approval was obtained on 11 July 2012, which was after the said tender offer had been already terminated (without acquiring any shares) as the maximum legally permitted period of 120 days to submit tenders to sell shares expired on 9 July 2012.

Receivables from disposal of shares in subsidiaries include receivables from sale of shares in the companies of Koma Nord and Uniquare. These receivables are interest bearing.

12. Cash and cash equivalents

	30 June 2012 (unaudited) PLN millions	31 December 2011 (audited) PLN millions	30 June 2011 (unaudited) PLN millions
Cash at bank	413.7	446.0	320.1
Cash on hand	1.1	1.4	1.5
Short-term bank deposits (up to 3 months)	339.0	526.6	312.6
Cash equivalents	-	0.8	0.9
Total cash and cash equivalents as disclosed in the balance sheet	**753.8**	**974.8**	**635.1**
Interest accrued on cash and cash equivalents	(0.2)	(0.2)	(0.2)
Bank overdraft facilities utilized for current liquidity management	(142.0)	-	-
Total cash and cash equivalents as disclosed in the cash flow statement	**611.6**	**974.6**	**634.9**

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

Bank overdraft facilities amounting to PLN 142.0 million have been deemed as cash equivalents by the Parent Company, because they are used for managing our current liquidity needs. Liabilities under such overdraft facilities are subject to frequent fluctuations as they are reduced by collections of invoices from customers or increased by any payments made by us.

13. Interest-bearing bank loans and debt securities issued

	Credit currency	Effective interest rate	Repayment date	Outstanding debt as at: 30 June 2012 (unaudited) PLN millions	Outstanding debt as at: 31 Dec. 2011 (audited) PLN millions	Maximum debt as at: 30 June 2012 (unaudited) PLN millions	Maximum debt as at: 31 Dec. 2011 (audited) PLN millions
Bank overdraft facilities	***EUR***	EONIA+margin	3Q 2012	7.5	16.1	23.5	24.4
		EURIBOR+margin	3Q 2011	-	-	-	8.8
			1Q 2012	-	-	-	4.4
			2Q 2012	-	-	-	1.3
			3Q 2012	4.4	12.0	30.3	24.7
			4Q 2012	7.6	5.0	13.9	10.0
			1Q 2013	-	-	2.1	-
			2Q 2013	12.6	8.9	22.1	9.9
		fixed interest rate	1Q 2012	-	-	-	0.1
			2Q 2013	-	-	2.1	-
			2014	-	-	1.7	1.8
	HUF	BUBOR+margin	1Q 2013	1.0	0.9	1.1	1.1
	MKD	fixed interest rate	2Q 2012	-	-	0.2	0.1
	PLN	WIBOR+margin	2Q 2012	-	0.1	-	16.5
			3Q 2012	35.3	-	150.0	150.0
			4Q 2012	61.2	-	150.0	150.0
			2Q 2013	17.3	10.3	25.0	13.0
			4Q 2013	24.5	-	150.0	150.0
			2014	21.2	-	70.0	70.0
	multi-currency	EURIBOR/LIBOR/ BUBOR+margin	2Q 2013	-	-	10.7	8.0
	NIS	Prime (Israel) + margin	not specified	13.7	16.9	not specified	not specified
				206.3	**70.2**	**652.7**	**644.1**

	Credit currency	Effective interest rate	Repayment date	30 June 2012 (unaudited)		31 Dec. 2011 (audited)	
				short-term	long-term	short-term	long-term
				PLN millions	PLN millions	PLN millions	PLN millions
Non-revolving credits	*EUR*	EURIBOR+margin	4Q 2012	1.2	-	2.5	-
			2Q 2013	8.9	-	8.8	4.7
			3Q 2013	0.5	0.8	1.0	0.8
			2014	1.7	3.3	2.2	4.1
			2015	0.6	3.2	1.3	3.3
			2017	0.1	0.6	0.1	0.6
			2022	-	0.2	-	0.2
		fixed interest rate	3Q 2012	1.6	-	3.3	-
			4Q 2012	1.4	-	2.7	-
			3Q 2013	0.6	0.6	1.2	0.8
	NIS	fixed interest rate	1Q 2012	-	-	0.4	-
			2Q 2012	-	-	2.0	-
			2016	3.5	11.3	3.6	13.5
			2017	6.4	33.8	6.4	38.5
			2018	8.6	49.2	6.4	38.5
			2019	3.7	21.9	-	-
		Prime (Israel) + margin	1Q 2012	-	-	0.6	-
			2Q 2012	-	-	3.6	-
			3Q 2012	0.9	-	2.9	-
			2Q 2013	0.5	-	-	-
	PLN	WIBOR+margin	2022	1.4	192.8	1.0	150.4
	USD	LIBOR + margin	4Q 2012	13.8	-	13.9	-
			4Q 2013	-	13.6	-	13.7
			2014	-	13.6	-	13.7
				55.4	**344.9**	**63.9**	**282.8**

	Credit currency	Effective interest rate	Repayment date	30 June 2012 (unaudited)		31 Dec. 2011 (audited)	
				short-term	long-term	short-term	long-term
				PLN millions	PLN millions	PLN millions	PLN millions
Loans	***EUR***	EURIBOR+margin	not specified	-	2.2	-	2.1
		fixed interest rate	1Q 2012	-	-	6.1	-
			2Q 2012	-	-	0.2	-
			3Q 2012	-	-	0.2	-
			4Q 2012	-	-	0.1	-
			1Q 2013	0.1	-	0.2	-
			2014	0.2	0.6	0.2	0.7
			2015	1.1	2.1	-	-
			2018	0.1	19.3	-	20.0
	TRY	fixed interest rate	2Q 2012	0.2	-	-	-
	USD	fixed interest rate	3Q 2012	0.2	-	0.5	-
				1.9	**24.2**	**7.5**	**22.8**

The Group's liabilities under non-revolving credits and loans amounted to PLN 426.4 million as at 30 June 2012, of which PLN 369.1 million represented liabilities with maturity over 12 months. Whereas, as at 31 December 2011, liabilities under non-revolving credits and loans amounted to PLN 377.0 million, of which PLN 305.6 million represented long-term liabilities.

In the period reported, the margins realized by lenders to the Asseco Group companies ranged from 0.095 to 4.05 percentage points on an annual basis. Whereas, in the corresponding period such margins ranged from od 0.095 to 3.65 percentage points per annum.

As at 30 June 2012, the Group carried liabilities by virtue of issuance of debt securities. The table below presents basic parameters of debt securities outstanding as at the balance sheet date:

	Division into short- and long-term portion	30 June 2012 (unaudited) PLN millions	31 Dec. 2011 (audited) PLN millions	Effective interest rate	Currency	Redemption date
Debt securities issued by Matrix IT Ltd	long-term portion	50.5	51.7	5.20%	NIS	2013-12-31
	short-term portion	53.3	107.6			2012-12-31
		103.8	**159.3**			

These debt securities were issued in August 2007 by Matrix Ltd. and are supposed to be redeemed in four equal portions of NIS 50 million on the following dates: 31 December 2010, 31 December 2011, 31 December 2012, and 31 December 2013.

The first portion was redeemed in December 2010, while the second one was repaid on 2 January 2012. The remaining portions shall be redeemed during the next years. As of 21 February 2008, these securities have been listed on TASE.

Hence, the Group's total liabilities under all bank credits and loans taken out and debt securities issued aggregated at PLN 736.5 million as at 30 June 2012, as compared with PLN 606.5 million outstanding as at 31 December 2011.

Assets serving as security for bank credit facilities:

Category of assets	Net value of assets		Utilized amount of loan facility secured with assets	
	30 June 2012 (unaudited) PLN millions	31 December 2011 (audited) PLN millions	30 June 2012 (unaudited) PLN millions	31 December 2011 (audited) PLN millions
Intangible assets - software	1.7	1.8	0.2	0.5
Tangible assets - land and buildings	201.7	201.8	137.0	152.3
Long-term investments	122.0	123.0	40.7	41.0
Cash deposits	15.5	16.1	13.1	19.8
Current and future receivables	32.0	13.8	7.7	10.7
Total	**372.9**	**356.5**	**198.7**	**224.3**

Assets serving as security for bank guarantee facilities:

Category of assets	Net value of assets		Amount of granted guarantee secured with assets	
	30 June 2012 (unaudited) PLN millions	31 December 2011 (audited) PLN millions	30 June 2012 (unaudited) PLN millions	31 December 2011 (audited) PLN millions
Cash deposits	5.6	-	-	-
Current and future trade accounts receivable	-	0.5	-	-
Other receivables (restricted cash)	6.0	1.4	2.9	1.0
Total	**11.6**	**1.9**	**2.9**	**1.0**

Some loans taken out in 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 June 2012 and in the corresponding periods, we did not default on any of such financial covenants.

14. Financial liabilities

	30 June 2012 (unaudited)		31 Dec. 2011 (audited)		30 June 2011 (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
Liabilities due to currency forward contracts concluded	-	0.1	-	0.8	-	-
Dividend payment liabilities	-	23.8	-	2.0	-	13.7
Liabilities due to the acquisition of shares – deferred payments for controlling interests	13.6	16.6	10.2	23.9	14.9	21.8
Liabilities due to the acquisition of non-controlling interests in subsidiaries (put options)	151.2	9.5	101.7	11.3	90.3	6.0
Other financial liabilities	0.8	0.2	1.0	0.2	0.8	0.3
Total	**165.6**	**50.2**	**112.9**	**38.2**	**106.0**	**41.8**

As at 30 June 2012, dividend payment liabilities comprised basically dividends payable to non-controlling shareholders in subsidiaries and indirect subsidiaries of the Parent Company.

As at 30 June 2012 as well as in the corresponding periods, the Group carried estimated liabilities by virtue of deferred payments for controlling interests in companies that were acquired by Asseco Poland, Asseco Central Europe, Matrix IT, Magic Software, and Asseco South Eastern Europe in the years 2010-2012.

As at 30 June 2012 and in the corresponding periods, the Group recognized estimated liabilities by virtue of put options it had granted to non-controlling shareholders of the following companies:

	Liabilities under put options granted to non-controlling shareholders		
Name of company	**30 June 2012 (unaudited) PLN millions**	**31 December 2011 (audited) PLN millions**	**30 June 2011 (unaudited) PLN millions**
Statlogics Zrt.	-	11.3	6.0
Sintagma UAB Sp. z o.o.	9.5	22.1	11.8
Asseco South Eastern Europe S.A.[1)]	40.3	39.7	47.3
Multicard d.o.o.	1.6	1.3	1.1
Companies of Matrix IT Group[2)]	103.0	38.6	30.1
SKG S.A.	6.3	n/a	n/a
Total	**160.7**	**113.0**	**96.3**

1) Option extended in favour of the European Bank for Reconstruction and Development

2) As at 30 June 2012, this liability resulted from the acquisition of shares in Babcom Centers, Matchpoint, K.B.I.S., and Exzac; whereas, as at 31 December 2011 and 30 June 2011 this liability arose from the acquisition of shares in Babcom Centers, Matchpoint, and K.B.I.S.

The amounts of the above-mentioned liabilities have been estimated using the formula for calculation of option exercise price, as defined in the option agreements, which corresponds to a given company's net profit for the contractual term multiplied by a predetermined coefficient.

15. Long-term and short-term trade accounts payable and other liabilities

As at 30 June 2012 and in the corresponding periods, the Group held the following liabilities:

	30 June 2012 (unaudited)		31 Dec. 2011 (audited)		30 June 2011 (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
Trade accounts payable						
to related companies	-	1.1	-	2.4	-	3.7
to other companies	-	289.7	-	364.7	0.4	269.8
	-	**290.8**	**-**	**367.1**	**0.4**	**273.5**
Corporate income tax payable	**-**	**20.3**	**-**	**62.5**	**-**	**28.4**
Liabilities to the State budget						
Value added tax (VAT)	-	51.0	-	88.6	-	40.9
Personal income tax (PIT)	-	8.2	-	10.8	-	7.6
Social Insurance Institution (ZUS)	-	20.1	-	16.9	-	18.0
Withholding income tax	-	0.1	-	1.3	-	10.9
Other	-	24.5	-	1.4	-	21.0
	-	**103.9**	**-**	**119.0**	**-**	**98.4**
Other liabilities						
Liabilities arising from valuation of IT contracts	-	18.5	-	79.9	-	20.5
Liabilities due to non-invoiced deliveries	-	19.9	-	27.5	-	14.3
Liabilities due to guarantees of due performance of contracts	0.1	0.9	-	0.7	0.2	0.1
Liabilities to employees relating to salaries and wages	-	115.1	-	102.8	-	90.9
Trade prepayments received	-	28.2	-	24.4	-	18.5
Liabilities due to purchases of tangible assets and intangible assets	-	5.9	0.6	14.8	0.5	0.7
Other liabilities	0.4	6.6	0.1	8.9	0.2	6.1
	0.5	**195.1**	**0.7**	**259.0**	**0.9**	**151.1**

Trade accounts payable are not interest-bearing. Transactions with related companies are presented in explanatory note 17 to these interim condensed consolidated financial statements.

16. Accrued expenses and deferred income

	30 June 2012 (unaudited)		31 Dec. 2011 (audited)		30 June 2011 (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
Accrued expenses						
Provision for unused annual leaves	-	72.0	-	54.1	-	60.5
Provision for employee and management bonuses	-	76.0	-	101.3	-	54.3
Provision for expenses	-	94.5	-	84.8	-	74.5
	-	**242.5**	**-**	**240.2**	**-**	**189.3**
Deferred income						
Prepaid maintenance services and license fees	23.2	224.7	34.4	152.9	29.1	142.3
Other prepaid services	-	46.7	-	38.9	4.6	44.8
Grants for the construction of assets	45.9	5.3	37.9	8.3	19.3	17.3
Averaging of instalments under operating leases	-	-		-		0.3
Other	0.5	0.1	0.1	0.2	0.2	0.4
	69.6	**276.8**	**72.4**	**200.3**	**53.2**	**205.1**

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

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

17. Transactions with related companies

	Sales to related entities in the period of:		Purchases from related entities in the period of:		Trade accounts receivable and other receivables as at		Trade accounts payable and other liabilities as at	
	6 months ended 30 June 2012 (unaudited) PLN millions	6 months ended 30 June 2011 (unaudited) PLN millions	6 months ended 30 June 2012 (unaudited) PLN millions	6 months ended 30 June 2011 (unaudited) PLN millions	30 June 2012 (unaudited) PLN millions	31 December 2011 (audited) PLN millions	30 June 2012 (unaudited) PLN millions	31 December 2011 (audited) PLN millions
Associated companies								
Prvni Certifikacani Autorita, a.s. (I.CA)	-	-	-	0.1	-	-	-	-
Postdata S.A.	4.2	3.2	-	-	2.0	4.7	-	-
CodeConnexion Ltd.	-	-	-	0.9	-	-	-	0.1
Sapiens International Corporation Group	n/a	n/a	n/a	n/a	n/a	0.2	n/a	1.6
	4.2	**3.2**	**-**	**1.0**	**2.0**	**4.9**	**-**	**1.7**
Entities excluded from consolidation								
Higher School of Finance and Administration in Sopot	-	-	-	0.2	2.5	2.5	-	-
	-	**-**	**-**	**0.2**	**2.5**	**2.5**	**-**	**-**
Transactions with entities related through the Group's Key Management Personnel								
Polnord S.A.	3.0	-	-	-	-	-	-	-
Gdyński Klub Koszykówki Arka S.A.	0.1	-	4.7	-	-	-	-	-
Asseco Resovia S.A.	-	-	4.4	-	-	-	-	-
Centrum ZANA S.A.	-	-	1.0	1.0	-	-	-	0.1
Matrix42 Inc.	0.4	0.1	5.6	5.3	4.2	2.0	-	-
Matrix42 Ukraine	-	-	1.4	1.1	-	-	0.3	-
UAB Linkas	-	-	0.6	0.5	-	-	0.3	0.3
MB Distribution	-	-	0.8	-	-	-	0.1	0.1
Temnet	-	-	0.9	-	-	-	0.1	-
Informaticke djelatnosti	-	-	0.6	-	-	-	-	-
MHM	-	-	2.8	-	-	-	0.1	-
SNET	-	-	-	-	-	7.6	-	-
Scop Computers	-	-	-	-	-	-	-	1.3
Other entities	0.1	0.1	1.3	0.3	-	-	-	0.7
	3.6	**0.2**	**24.1**	**8.2**	**4.2**	**9.6**	**0.9**	**2.4**
Transactions with the Group's Key Management Personnel	**4.6**	**-**	**1.5**	**0.8**	**-**	**-**	**0.2**	**-**

The following table discloses loans granted to related entities:

Loans granted to related entities	30 June 2012 (unaudited) PLN millions	31 Dec. 2011 (audited) PLN millions	30 June 2011 (unaudited) PLN millions
Matrix Inc.	23.5	24.0	20.3
Gambit Sp. z o.o.	11.4	11.0	12.7
Higher School of Finance and Administration in Sopot	1.0	0.5	0.4
Loan granted to a co-owner of jointly controlled company E-MON d.o.o. Podgorica	0.2	0.4	-
Loans granted to Key Management Personnel	-	-	0.6
PIW Postinfo Sp. z o.o.	-	-	0.3
	36.1	**35.9**	**34.3**

18. Notes to the statement of cash flows

Cash flows - operating activities

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

Changes in working capital	6 months ended 30 June 2012 (unaudited) PLN millions	6 months ended 30 June 2011 (unaudited) PLN millions
Change in inventories	(16.3)	8.7
Change in receivables	170.2	92.9
Change in liabilities	(223.3)	(273.6)
Change in deferred and accrued expenses	(21.1)	(9.1)
Change in provisions	(7.3)	(17.8)
	(97.8)	**(198.9)**

Cash flows - investing activities

In the period of 6 months ended 30 June 2012, the balance of cash flows in investing activities was affected primarily by the following proceeds and expenditures:

- Proceeds from disposal of property, plant and equipment and intangible assets amounting to PLN 7.1 million, including the sale of the corporate airplane for approx. PLN 5.1 million;
- Acquisition of property, plant and equipment and intangible assets for PLN 133.1 million, with the largest amounts corresponding to the costs of continued construction of the Parent Company's new office building in Warsaw's Wilanów amounting to PLN 60.5 million, as well as expenditures for ongoing development projects reaching PLN 30.7 million. The remaining outflows related primarily to purchases of transportation vehicles, computer hardware, and intangibles for internal purposes of the Asseco companies. The difference between the value of investment in non-current assets and expenditures for such assets resulted from a change in the amount of liabilities due to purchases of tangible and intangible fixed assets.
- Grants for purchases of non-current assets (PLN 14.7 million) comprise basically subsidies received by the Parent Company for the Wilanów IT Center project.

- Expenditures for the acquisition of subsidiary and associated companies, and cash and cash equivalents of subsidiary companies acquired:

Name of subsidiary or associated company acquired	Expenditures for the acquisition of subsidiary and associated companies (unaudited) PLN millions	Cash and cash equivalents as at the date of obtaining control (unaudited) PLN millions
Acquisitions made by the Formula Systems Group	(66.9)	79.2
Acquisitions made by the Asseco Central Europe Group	(2.7)	0.4
C.K. ZETO S.A.	(42.4)	8.7
SKG S.A.	(7.0)	4.2
	(119.0)	**92.5**

- Prepayments made for the acquisition of shares represent cash deposited in a separate bank account in order to finance the acquisition of 100% of shares in Sygnity S.A., under the tender offer that was announced by the Parent Company on 22 February 2012.
- Net proceeds from disposal of shares in related companies include a partial repayment of the sale price of Uniquare. Uniquare company, a former subsidiary of Asseco Central Europe, was sold in the second quarter of 2010.

Cash flows - financing activities

- Proceeds from issuance of shares by subsidiaries – this item includes capital raised from the issuance of shares by Magic Software and Sapiens International;
- Redemption of debt securities – this item corresponds to the redemption of a successive portion of corporate bonds issued by Matrix IT (these debt securities are described in explanatory note 13 to these interim condensed consolidated financial statements);
- Dividends paid out – this item includes dividend payments made by the Parent Company or subsidiary companies in favour of their non-controlling shareholders, primarily in Matrix IT.

19. Off-balance-sheet liabilities in favour of related companies

As at 30 June 2012, guarantees and sureties extended by Asseco Poland for its indirectly owned subsidiary Asseco Germany in order to secure its bank loans and borrowings were as follows:

- surety in the amount of PLN 10.7 million (EUR 2.5 million) issued in favour of Deutsche Bank AG to back up a current account overdraft facility. As at 30 June 2012, liabilities under this overdraft facility amounted to PLN 3.2 million as compared with PLN 6.6 million and PLN 3.8 million in respective corresponding periods. This surety was extended for an indefinite period of time.
- surety in the amount of PLN 10.7 million (EUR 2.5 million) issued in favour of BW Bank to back up a current account overdraft facility. As at 30 June 2012, liabilities under this overdraft facility amounted to PLN 4.3 million as compared with PLN 9.4 million and PLN 8.6 million in respective corresponding periods. This surety was extended for an indefinite period of time.

As at 30 June 2012, guarantees and sureties extended by Asseco Poland for its indirectly owned subsidiary Matrix42 AG in order to secure its bank loans and borrowings were as follows:

- surety in the amount of PLN 12.8 million (EUR 3.0 million) issued in favour of Deutsche Bank AG to back up an operating loan facility. As at 30 June 2012, there were no liabilities under this loan facility. Whereas, as at 31 December 2011 and 30 June 2011, liabilities under this loan facility amounted to PLN 4.4 million and null, respectively.

As at 30 June 2012, guarantees and sureties extended by Asseco Poland for its personnel-related Arka Gdynia Basketball Club were as follows:

- surety in the amount of PLN 1.3 million (EUR 0.3 million) issued in favour of Euroleague Properties NV in order to secure the participation of Arka Gdynia Basketball Club in the Euroleague.

As at 30 June 2012, guarantees and sureties extended by Asseco Central Europe a.s. were as follows:

- guarantee for the amount of EUR 2.8 million granted to subsidiary Slovanet a.s. to back up its liabilities towards Tatra Banka under a framework loan agreement. The guarantee value was estimated at PLN 11.9 million as at 30 June 2012, PLN 17.3 million as at 31 December 2011, and PLN 16.2 million as at 30 June 2011.
- guarantee for the amount of EUR 0.3 million extended for subsidiary Slovanet a.s. to back up a loan taken out from Tatra Banka. It is a short-term loan to be repaid until the end of 2012. The guarantee value was estimated at PLN 1.3 million as at 30 June 2012, PLN 2.5 million as at 31 December 2011, and PLN 3.3 million as at 30 June 2011.

As at 30 June 2012, no guarantees were granted to any other related companies.

20. Off-balance-sheet liabilities and contingent receivables to/from other companies

Within its commercial activities the Asseco Group uses bank guarantees, letters of credit, contract performance guarantees as well as tender deposits as forms of securing its business transactions with miscellaneous organizations, companies, and public administration bodies. The resulting contingent liabilities equalled PLN 158.7 million as at 30 June 2012, PLN 146.2 million as at 31 December 2011, and PLN 139.4 million as at 30 June 2011.

Additionally, 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 June 2012 (unaudited) PLN millions	31 Dec. 2011 (audited) PLN millions	30 June 2011 (unaudited) PLN millions
Liabilities under leases of space			
In the period up to 1 year	90.8	90.5	77.3
In the period from 1 to 5 years	217.2	195.8	204.3
Over 5 years	15.7	10.4	14.0
	323.7	**296.7**	**295.6**

	30 June 2012 (unaudited) PLN millions	31 Dec. 2011 (audited) PLN millions	30 June 2011 (unaudited) PLN millions
Liabilities under operating leases			
In the period up to 1 year	52.7	53.4	46.6
In the period from 1 to 5 years	50.4	51.8	46.9
Over 5 years	0.1	0.4	0.3
	103.2	**105.6**	**93.8**

As at 30 June 2012, ASEE Serbia, a subsidiary of the Asseco South Eastern Europe Group, held contingent receivables of PLN 4.2 million in the form of a promissory note issued by its subcontractors to secure due performance of a contract performed for the European Union Delegation in Serbia. By virtue of this contract, ASEE Serbia also has contingent liabilities amounting to PLN 7.1 million in favour of the project beneficiary.

21. Employment

Average workforce in the period reported, recalculated into full-time salaried jobs:	6 months ended 30 June 2012 (unaudited)	6 months ended 30 June 2011 (unaudited)
Management Board of the Parent Company	11	11
Management Boards of the Group companies	126	135
Production departments	13,267	11,630
Sales departments	1,067	1,035
Administration departments	1,200	1,249
Total	**15,671**	**14,060**

Numbers of employees in the Group companies as at:	30 June 2012 (unaudited)	31 Dec. 2011 (audited)	30 June 2011 (unaudited)
Asseco Poland S.A.	3,151	3,196	3,239
Asseco Central Europe Group	1,576	1,541	1,532
Asseco South Eastern Europe Group	1,256	1,201	1,213
Formula Systems Group	7,917	6,323	6,254
Asseco DACH Group	346	355	350
Asseco South Western Europe Group	439	457	470
Asseco Business Solutions S.A.	616	645	684
Combidata Poland Sp. z o.o.	186	191	190
Asseco Lithuania UAB Sp. z o.o.	139	139	135
Asseco Denmark A/S	30	34	38
Peak Consulting ApS	18	19	15
Gladstone Consulting Ltd.	-	-	-
ADH-Soft Sp. z o.o.	46	44	44
ZUI Novum Sp. z o.o.	54	54	53
ZUI OTAGO Sp. z o.o.	103	88	73
C.K. Zeto Łódź S.A.	162	n/a	n/a
SKG S.A.	42	n/a	n/a
Total	**16,081**	**14,287**	**14,290**

22. Seasonal and cyclical nature of business

The Group's sales revenues are subject to some seasonality in individual quarters of a year. The fourth quarter revenues tend to be somewhat higher than in the remaining periods, as bulk of such turnover is generated from the IT services contracts executed for large enterprises and public institutions. Such entities make their purchases of hardware and licenses usually in the months of a year.

23. Significant events after the balance sheet date

Asseco Poland

❑ *Appointment of a Member of the Supervisory Board of Asseco Poland S.A.*

The Extraordinary General Meeting of Shareholders of Asseco Poland S.A. that was held in Warsaw on 2 August 2012 appointed Mr. Wiesław Walendziak to the position of Member of the Supervisory Board of Asseco Poland S.A. The above-mentioned Member of the Supervisory Board has been appointed to serve during the five-year joint term of office spanning from 2012 to 2016.

❑ *OCCP's consent to the concentration of Asseco Poland and Sygnity*

On 11 July 2012, the Company received a decision issued by President of the Office of Competition and Consumer Protection ("OCCP") on 11 July 2012 concerning the concentration of Asseco Poland S.A. and Sygnity S.A.

President of OCCP gave consent to carry out the concentration of businesses, excluding the possibility that Asseco Poland S.A. and Sygnity S.A. operating jointly would gain a dominant position once Asseco Poland S.A. takes control over Sygnity S.A. Furthermore, OCCP's President confirmed that the examined concentration of businesses would not in any way restrict free competition in any of the analyzed markets. The approval shall be effective for two years.

Obtaining OCCP's approval was a necessary condition to effect the tender offer to acquire up to 100% of shares in Sygnity S.A. as earlier announced by Asseco Poland S.A. However, this approval was granted after the said tender offer had been already terminated (without acquiring any shares) as the maximum legally permitted period of 120 days to submit tenders to sell shares expired on 9 July 2012.

❑ *Closure of the tender offer. The Company did not acquire any shares in Sygnity S.A.*

The maximum legally permitted period of 120 days to accept tenders for the sale of shares in Warsaw-based Sygnity S.A., under the tender offer to acquire up to 100% of shares in Sygnity S.A. announced by the Company on 22 February 2012, expired on 9 July 2012.

Until 9 July 2012 (inclusive), neither of the below mentioned conditions for effective execution of the tender offer has been fulfilled:

a) obtaining by Asseco Poland S.A. of an unconditional approval of a competent anti-monopoly authority for taking control over Sygnity S.A. (or expiry of the statutory deadline for giving such approval);

b) submission of tenders to sell not less than 7,951,900 shares (representing 66.9% of the total number of votes at the general meeting of shareholders) of Sygnity S.A.;

whereas the Company required both the above-mentioned conditions to be met jointly.

Until 9 July 2012 (inclusive), the Company has not obtained any regulatory approval of the planned business concentration from the Office of Competition and Consumer Protection, and the statutory deadline for giving such approval has not expired. Furthermore, shareholders of Sygnity S.A. have not tendered enough shares to meet the required minimum shareholding threshold. The decision not to acquire any shares in Sygnity S.A., in the event the condition specified in item a) above is not fulfilled, has been dictated by the Company's belief that such acquisition, providing no voting rights

from the acquired shares, would fail to reach the objectives behind the announcement of the Tender Offer. Asseco Poland S.A. planned to acquire a controlling interest in Sygnity S.A. and have a decisive impact on business operations of that company, which is only possible when exercising voting rights from the acquired shares. With regard to the above, the Tender Offer has not come to effect.

Asseco Business Solutions

❑ *Changes in the corporate authorities*

On 2 July 2012, the Supervisory Board of Asseco Business Solutions appointed Mr. Jarosław Adamski to serve as Member of the Management Board during its ongoing term of office. The Management Board Member has been appointed for a definite period of time, until official registration of a resolution of the company's Extraordinary General Meeting of Shareholders to be held on 25 July 2012. On such registration date, Jarosław Adamski, acting as Member of the Management Board, shall be dismissed from the said position and his mandate shall expire.

On 2 July 2012, the Supervisory Board of Asseco Business Solutions S.A. passed a resolution on appointing Mr. Romuald Rutkowski (Member of the Supervisory Board) to serve as Chairman of the Supervisory Board of Asseco Business Solutions S.A., and a resolution on appointing Mr. Adam Góral (Member of the Supervisory Board) to act as Vice Chairman of the Supervisory Board of Asseco Business Solutions S.A.

Asseco Central Europe Group

❑ *Buy-out the remaining non-controlling interests in GlobeNet*

All the contractual conditions precedent to the purchase of a minority interest (representing a 30% equity and voting interest) in GlobeNet for EUR 1.2 million were fulfilled in August 2012.

24. Significant events related to prior years

Until the date of preparing these financial statements for the period of 6 months ended 30 June 2012, this is until 24 August 2012, there occurred no significant events related to prior years, which have not but should have been included in these financial statements.

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