solutions for demanding business

ASSECO GROUP

Semi-Annual Report
for the period of 6 months
ended 30 June 2015

Present in more than

40

countries

3,305 **mPLN**

in sales revenues

19,609

highly committed employees

138 **mPLN**

in net profit for Shareholders of the Parent Company

6,069 **mPLN**

in order backlog for 2015

6th

largest software vendor in Europe

SEMI-ANNUAL REPORT OF ASSECO GROUP

for the period of 6 months ended 30 June 2015

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FINANCIAL HIGHLIGHTS OF ASSECO GROUP

for the period of 6 months ended 30 June 2015

FINANCIAL HIGHLIGHTS OF ASSECO GROUP

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

	6 months ended 30 June 2015 PLN millions	6 months ended 30 June 2014 PLN millions	6 months ended 30 June 2015 EUR millions	6 months ended 30 June 2014 EUR millions
Sales revenues	3,305.1	2,913.0	799.5	697.2
Operating profit	333.6	295.3	80.7	70.7
Profit before tax and share of profits of associates	308.2	306.9	74.6	73.4
Net profit	231.9	252.1	56.1	60.3
Net profit attributable to Shareholders of the Parent Company	**138.0**	**183.2**	**33.4**	**43.8**
Net cash provided by (used in) operating activities	295.8	305.6	71.6	73.1
Net cash provided by (used in) investing activities	(138.9)	(233.0)	(33.6)	(55.8)
Net cash provided by (used in) financing activities	(414.7)	31.0	(100.3)	7.4
Cash and cash equivalents at the end of period	1,090.0	1,084.5	259.9	260.6
Basic earnings per ordinary share attributable to Shareholders of the Parent Company (in PLN/EUR)	1.66	2.21	0.40	0.53

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

- Items of the interim condensed consolidated income statement and statement of cash flows have been translated into EUR at the arithmetic average of mid exchange rates as published by the National Bank of Poland and in effect on the last day of each month. These exchange rates were respectively:
  - for the period from 1 January 2015 to 30 June 2015: EUR 1 = PLN 4.1341
  - for the period from 1 January 2014 to 30 June 2014: EUR 1 = PLN 4.1784
- The Group's cash and cash equivalents as at the end of the reporting period and the comparable period of the previous year have been translated into EUR at daily mid exchange rates as published by the National Bank of Poland. These exchange rates were respectively:
  - exchange rate effective on 30 June 2015: EUR 1 = PLN 4.1944
  - exchange rate effective on 30 June 2014: EUR 1 = PLN 4.1609

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF ASSECO GROUP

for the period of 6 months ended 30 June 2015
prepared in conformity with the International Accounting Standard 34 *Interim Financial Reporting*
as endorsed by the European Union

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

of Asseco Group for the period of 6 months ended 30 June 2015

These interim condensed consolidated financial statements have been approved for publication by the Management Board of Asseco Poland S.A. on 27 August 2015.

Management Board:

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

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

ASSECO GROUP

	Note	3 months ended 30 June 2015 (unaudited) PLN millions	6 months ended 30 June 2015 (unaudited) PLN millions	3 months ended 30 June 2014 (unaudited) PLN millions	6 months ended 30 June 2014 (unaudited) PLN millions
Continuing operations					
Sales revenues	1	1,713.1	3,305.1	1,499.1	2,913.0
Cost of sales	1	(1,298.3)	(2,501.4)	(1,141.7)	(2,204.8)
Gross profit on sales		**414.8**	**803.7**	**357.4**	**708.2**
Selling costs	1	(112.9)	(213.4)	(94.7)	(180.6)
General and administrative expenses	1	(127.0)	(247.4)	(110.2)	(229.7)
Net profit on sales		**174.9**	**342.9**	**152.5**	**297.9**
Other operating income		9.9	17.7	9.8	15.6
Other operating expenses		(15.7)	(27.0)	(11.8)	(18.2)
Operating profit		**169.1**	**333.6**	**150.5**	**295.3**
Financial income	2	4.5	19.1	7.4	43.4
Financial expenses	2	(28.7)	(44.5)	(15.1)	(31.8)
Profit before tax and share of profits of associates from continuing operations		**144.9**	**308.2**	**142.8**	**306.9**
Corporate income tax *(current and deferred tax expense)*	3	(39.2)	(76.1)	(30.3)	(65.9)
Share of profits of associates		-	(0.2)	0.7	1.5
Profit from continuing operations for the reporting period		**105.7**	**231.9**	**113.2**	**242.5**
Discontinued operations					
Profit from discontinued operations for the reporting period	4	-	-	8.9	9.6
Net profit for the reporting period		**105.7**	**231.9**	**122.1**	**252.1**
Attributable to:					
Shareholders of the Parent Company		**60.4**	**138.0**	**86.6**	**183.2**
Non-controlling interests	11	45.3	93.9	35.5	68.9
Basic consolidated earnings per share from continuing operations for the reporting period (in PLN)	5	0.73	1.66	0.94	2.10
Basic consolidated earnings per share for the reporting period (in PLN)	5	0.73	1.66	1.04	2.21

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ASSECO GROUP

	3 months ended 30 June 2015 (unaudited) PLN millions	6 months ended 30 June 2015 (unaudited) PLN millions	3 months ended 30 June 2014 (unaudited) PLN millions	6 months ended 30 June 2014 (unaudited) PLN millions
Net profit for the reporting period	**105.7**	**231.9**	**122.1**	**252.1**
Other comprehensive income:				
Components that may be reclassified to profit or loss				
Net profit/loss on valuation of financial assets available for sale, net of deferred income tax	(0.4)	0.3	(0.4)	(0.6)
Exchange differences on translation of foreign operations	72.1	209.7	4.5	17.7
Components that will not be reclassified to profit or loss				
Amortization of intangible assets recognized directly in equity	(0.2)	(0.4)	(0.2)	(0.4)
Actuarial gains/losses	4.3	5.6	0.9	(2.2)
Income tax relating to components of other comprehensive income	(1.0)	(1.4)	(0.3)	0.5
Total other comprehensive income	**74.8**	**213.8**	**4.5**	**15.0**
TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD	**180.5**	**445.7**	**126.6**	**267.1**
Attributable to:				
Shareholders of the Parent Company	*118.2*	*93.4*	*95.3*	*193.4*
Non-controlling interests	*62.3*	*352.3*	*31.3*	*73.7*

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSECO GROUP

ASSETS	Note	30 June 2015 (unaudited) PLN millions	31 Dec. 2014 (audited, restated) PLN millions	30 June 2014 (unaudited, restated) PLN millions
Non-current assets				
Property, plant and equipment	7	771.1	724.1	729.5
Intangible assets	8	976.7	954.5	963.7
Investment property		27.0	27.0	32.8
Goodwill	9	5,435.4	5,207.0	5,038.6
Investments in associates accounted for using the equity method		12.5	17.6	16.3
Long-term receivables	14	53.4	33.3	36.0
Deferred tax assets		83.9	77.2	81.8
Long-term financial assets	12	169.3	165.6	139.6
Long-term prepayments and accrued income	13	36.7	32.4	33.4
		7,566.0	**7,238.7**	**7,071.7**
Current assets				
Inventories		89.3	59.8	61.1
Prepayments and accrued income	13	122.3	105.4	100.8
Trade receivables	14	1,770.1	1,767.3	1,454.0
Corporate income tax receivable	14	59.5	61.0	54.1
Receivables from the state and local budgets	14	34.6	28.1	24.3
Other receivables	14	58.4	36.3	59.2
Other non-financial assets		17.9	3.5	14.9
Financial assets	12	127.9	142.9	90.2
Cash and short-term deposits	15	1,090.0	1,223.8	1,084.5
Non-current assets classified as held for sale		6.7	13.2	15.0
		3,376.7	**3,441.3**	**2,958.1**
TOTAL ASSETS		**10,942.7**	**10,680.0**	**10,029.8**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSECO GROUP

EQUITY AND LIABILITIES	Note	30 June 2015 (unaudited) PLN millions	31 Dec. 2014 (audited, restated) PLN millions	30 June 2014 (unaudited, restated) PLN millions
Equity (attributable to shareholders of the Parent Company)				
Share capital		83.0	83.0	83.0
Share premium		4,180.1	4,180.1	4,180.1
Transactions with non-controlling interests		(36.0)	(32.7)	(66.4)
Exchange differences on translation of foreign operations		(132.4)	(87.1)	48.4
Retained earnings		899.6	781.2	781.9
Net profit for the reporting period attributable to shareholders of the Parent Company		138.0	358.4	183.2
		5,132.3	**5,282.9**	**5,210.2**
Non-controlling interests		**2,920.1**	**2,690.5**	**2,343.6**
Total equity		**8,052.4**	**7,973.4**	**7,553.8**
Non-current liabilities				
Interest-bearing bank loans, borrowings and debt securities	16	463.9	514.7	540.4
Long-term finance lease liabilities		102.4	110.1	117.8
Long-term financial liabilities	17	119.6	103.7	134.8
Deferred tax liabilities		147.5	135.2	132.3
Long-term provisions		52.6	49.4	46.3
Long-term deferred income	19	61.3	65.6	62.5
Other long-term liabilities	18	18.9	12.6	8.3
		966.2	**991.3**	**1,042.4**
Current liabilities				
Interest-bearing bank loans, borrowings and debt securities	16	392.7	211.8	183.8
Finance lease liabilities		23.0	21.4	20.4
Financial liabilities	17	95.2	64.8	61.6
Trade payables	18	510.1	579.5	428.4
Corporate income tax payable	18	21.3	29.0	21.5
Liabilities to the state and local budgets	18	104.5	130.4	110.5
Other liabilities	18	205.1	161.5	156.8
Provisions		61.6	39.4	33.9
Deferred income	19	302.5	261.3	254.4
Accruals	19	208.1	216.2	162.3
		1,924.1	**1,715.3**	**1,433.6**
TOTAL LIABILITIES		**2,890.3**	**2,706.6**	**2,476.0**
TOTAL EQUITY AND LIABILITIES		**10,942.7**	**10,680.0**	**10,029.8**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ASSECO GROUP

	Share capital	Share premium	Transactions with non-controlling interests	Exchange differences on translation of foreign operations	Retained earnings and current net profit	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions
As at 1 January 2015 (audited)	**83.0**	**4,180.1**	**(32.7)**	**(87.1)**	**1,139.6**	**5,282.9**	**2,690.5**	**7,973.4**
Net profit for the reporting period	-	-	-	-	138.0	**138.0**	93.9	**231.9**
Total other comprehensive income for the reporting period			-	(45.3)	0.7	**(44.6)**	258.4	**213.8**
Dividend for the year 2014	-	-	-	-	(240.7)	**(240.7)**	(87.8)	**(328.5)**
Share-based payment transactions with employees	-	-	-	-	-	**-**	6.0	**6.0**
Transactions with non-controlling interests (including settlement of contingent financial liabilities to non-controlling interests (put options)	-	-	(3.3)	-	-	**(3.3)**	(41.0)	**(44.3)**
Obtaining control over subsidiaries	-	-	-	-	-	**-**	0.1	**0.1**
As at 30 June 2015 (unaudited)	**83.0**	**4,180.1**	**(36.0)**	**(132.4)**	**1,037.6**	**5,132.3**	**2,920.1**	**8,052.4**
As at 1 January 2014 (audited)	**83.0**	**4,180.1**	**(51.5)**	**37.3**	**998.6**	**5,247.5**	**2,177.1**	**7,424.6**
Net profit for the reporting period	-	-	-	-	183.2	**183.2**	68.9	**252.1**
Total other comprehensive income for the reporting period			-	11.1	(0.9)	**10.2**	4.8	**15.0**
Dividend for the year 2013	-	-	-	-	(215.8)	**(215.8)**	(53.7)	**(269.5)**
Share-based payment transactions with employees	-	-	-	-	-	**-**	10.3	**10.3**
Transactions with non-controlling interests (including settlement of contingent financial liabilities to non-controlling interests (put options)	-	-	(14.9)	-	-	**(14.9)**	153.6	**138.7**
Loss of control over subsidiaries						**-**	(18.1)	**(18.1)**
Obtaining control over subsidiaries	-	-	-	-	-	**-**	0.7	**0.7**
As at 30 June 2014 (unaudited, restated)	**83.0**	**4,180.1**	**(66.4)**	**48.4**	**965.1**	**5,210.2**	**2,343.6**	**7,553.8**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ASSECO GROUP (continued)

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

ASSECO GROUP

	Note	6 months ended 30 June 2015 (unaudited) PLN millions	6 months ended 30 June 2014 (unaudited, restated) PLN millions
Cash flows – operating activities			
Profit before tax and share of profits of associates from continuing operations		308.2	306.9
Profit before tax from discontinued operations for the reporting period	4	-	15.2
Total adjustments:		**79.9**	**57.6**
Depreciation and amortization	1	130.1	135.4
Changes in working capital	21	(72.8)	(52.6)
Interest income/expenses		12.6	11.1
Gain/loss on foreign exchange differences		6.0	(0.7)
Gain/loss on financial assets (valuation, disposal, impairment, etc.)		(4.9)	(31.8)
Other financial income/expenses		0.5	(1.8)
Gain/loss on disposal of property, plant and equipment and intangible assets		3.2	(2.7)
Gain on disposal of discontinued operations	4	-	(9.6)
Costs of share-based payment transactions with employees	1	6.0	10.3
Other adjustments to profit before tax		(0.8)	-
Cash provided by (used in) operating activities		**388.1**	**379.7**
Corporate income tax paid		(92.3)	(74.1)
Net cash provided by (used in) operating activities		**295.8**	**305.6**
Cash flows – investing activities			
Disposal of property, plant and equipment, intangible assets, and investment property		11.6	3.5
Disposal of assets classified as held for sale		-	4.5
Acquisition of property, plant and equipment and intangible assets	21	(90.2)	(107.1)
Acquisition of subsidiaries and associates	21	(87.1)	(39.9)
Cash and cash equivalents in subsidiaries acquired	21	7.9	2.3
Disposal of shares in related companies		4.5	4.4
Cash and cash equivalents in subsidiaries disposed of (discontinued operations)	4	-	3.9
Disposal/settlement of financial assets carried at fair value through profit or loss		1.3	1.8
Acquisition/settlement of financial assets carried at fair value through profit or loss		(3.7)	(0.4)
Disposal of financial assets available for sale		3.8	1.2
Acquisition of financial assets available for sale	12	(26.2)	(106.6)
Acquisition of financial assets held to maturity		-	(4.9)
Loans granted	21	(35.8)	(13.3)
Loans collected	21	65.9	10.8
Interest received		8.1	5.7
Dividends received		1.0	1.0
Other cash flows from investing activities		-	0.1
Net cash provided by (used in) investing activities		**(138.9)**	**(233.0)**

(continued)	Note	6 months ended 30 June 2015 (unaudited) PLN millions	6 months ended 30 June 2014 (unaudited, restated) PLN millions
Cash flows – financing activities			
Proceeds from transactions with non-controlling interests		2.0	171.6
Expenditures for the acquisition of non-controlling interests	21	(20.4)	(40.4)
Proceeds from bank loans and borrowings	21	28.7	250.5
Repayment of bank loans and borrowings		(67.9)	(62.7)
Finance lease liabilities paid		(11.2)	(11.6)
Interest paid		(19.4)	(15.0)
Dividends paid out by the Parent Company	6	(240.7)	(207.6)
Dividends paid out to non-controlling shareholders	11	(85.8)	(54.1)
Grants received for purchases of property, plant and equipment and/or development projects		-	0.2
Other cash flows from financing activities		-	0.1
Net cash provided by (used in) financing activities		**(414.7)**	**31.0**
Net increase (decrease) in cash and cash equivalents		**(257.8)**	**103.6**
Net foreign exchange differences		42.4	5.1
Net cash and cash equivalents as at 1 January		1,220.7	956.4
Net cash and cash equivalents as at 30 June	15	**1,005.3**	**1,065.1**

SUPPLEMENTARY INFORMATION TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

I. GENERAL INFORMATION

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

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

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

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

The period of the Company’s operations is indefinite.

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

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

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

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

1. Basis for preparation

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

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

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

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

2. Compliance statement

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

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

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

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

3. Estimates

In the period of 6 months ended 30 June 2015, our approach to making estimates was not subject to any substantial change.

4. Professional judgement

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

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

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

The Group has concluded that despite the lack of an absolute majority of voting rights at the general meeting of shareholders of Magic Software Enterprise Ltd (hereinafter "Magic"), Formula Systems (1985) Ltd (hereinafter "Formula") and Asseco Business Solutions S.A., these companies are still controlled by the Group in accordance with IFRS 10.

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

1. Governing bodies of Magic:

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

2. Shareholder structure of Magic:

- the Magic's shareholder structure may be considered as dispersed because, apart from Formula, just one shareholder holds more than 5% of voting rights (approx. 9%) and the next major shareholder holds approx. 2% of voting rights;
- there is no evidence that any shareholders have or had any agreement for common voting at the general meeting;
- over the last three years from 2012 to 2014, the company's general meetings were attended by shareholders representing in total between 60% and 65% of total voting rights. This means that the level of activity of the company's shareholders is relatively moderate or low. Bearing in mind that Formula presently holds approx. 46% of total voting rights, the attendance from shareholders would have to be higher than 90% in order to deprive Formula of an absolute majority of votes at the general meeting. The Management believes that achieving such high attendance seems unlikely.

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

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

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

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

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

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

ii. Valuation of IT contracts and measurement of their completion

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

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

iii. Rates of depreciation and amortization

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

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

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

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

The interim impairment test has been described in detail in explanatory note 10 to these interim condensed consolidated financial statements.

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

As at 30 June 2015, the Group recognized liabilities resulting from future payments to non-controlling shareholders. Determination of the amounts payable under such liabilities required making estimates of future financial results of our subsidiaries. As at 30 June 2015, such liabilities amounted to PLN 140.0 million (see explanatory note 17 to these interim condensed consolidated financial statements).

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

As at 30 June 2015, the Group recognized liabilities for deferred contingent payments for controlling interests in subsidiaries in the amount of PLN 43.9 million. Determination of the amounts payable under such liabilities required making estimates of future financial results of our subsidiaries (see explanatory note 17 to these interim condensed consolidated financial statements).

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

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

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

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

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

ix. Internally generated intangible assets

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

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

In the period of 6 months ended 30 June 2015, the Group capitalized PLN 38.7 million of project development costs.

5. Accounting policies applied

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

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

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

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

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

- IFRS 9 *Financial Instruments* – effective for annual periods beginning on or after 1 January 2018 – not yet endorsed by the EU till the date of approval of these financial statements;
- Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions* – effective for annual periods beginning on or after 1 July 2014 – to be applied in the EU at the latest for annual periods beginning on or after 1 February 2015;
- Annual Improvements to IFRSs: 2010-2012 Cycle – some amendments are effective for annual periods beginning on or after 1 July 2014, and some prospectively for transactions occurring on or after 1 July 2014 – to be applied in the EU at the latest for annual periods beginning on or after 1 February 2015;
- IFRS 14 *Regulatory Deferral Accounts* – effective for annual periods beginning on or after 1 January 2016, however it has not yet been decided when EFRAG shall perform specific steps for the endorsement of this standard – not yet endorsed by the EU till the date of approval of these financial statements;
- Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations* – effective for annual periods beginning on or after 1 January 2016 – not yet endorsed by the EU till the date of approval of these financial statements;
- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortization* – effective for annual periods beginning on or after 1 January 2016 – not yet endorsed by the EU till the date of approval of these financial statements;

- IFRS 15 *Revenue from Contracts with Customers* – effective for annual periods beginning on or after 1 January 2018 – not yet endorsed by the EU till the date of approval of these financial statements;
- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants* – effective for annual periods beginning on or after 1 January 2016 – not yet endorsed by the EU till the date of approval of these financial statements;
- Amendments to IAS 27 *Equity Method in Separate Financial Statements* – effective for annual periods beginning on or after 1 January 2016 – not yet endorsed by the EU till the date of approval of these financial statements;
- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – effective for annual periods beginning on or after 1 January 2016, however this deadline has been initially postponed by IASB and it has not yet been decided when EFRAG shall perform specific steps for the endorsement of these amendments – not yet endorsed by the EU till the date of approval of these financial statements;
- Annual Improvements to IFRSs: 2012-2014 Cycle – effective for annual periods beginning on or after 1 July 2016 – not yet endorsed by the EU till the date of approval of these financial statements;
- Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception* – effective for annual periods beginning on or after 1 January 2016 – not yet endorsed by the EU till the date of approval of these financial statements;
- Amendments to IAS 1 *Disclosure Initiative* – effective for annual periods beginning on or after 1 January 2016 – not yet endorsed by the EU till the date of approval of these financial statements.

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

7. Changes in the presentation methods applied

In the reporting period, the applied methods of presentation were changed as follows:

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

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

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

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

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

8. Corrections of material errors

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

9. Changes in comparable data

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

a. *Changes resulting from the application of new presentation methods*

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

b. *Changes resulting from purchase price allocation*

In connection with business acquisitions performed by some of the Group's companies during the first half of 2015, the Group carried out the purchase price allocation process which resulted in changing the amount of goodwill arising from the acquisition of Silverback MDM Pty Ltd. by Matrix42 AG. This necessitated a restatement of certain items of assets and liabilities reported as at 31 December 2014.

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

c. *Changes related to operating segments*

Bearing in mind that, starting from 1 January 2015, the financial results of Sintagma UAB have been reviewed by the Management Board of Asseco Poland as part of the Western European market, the financial results of this company both for the first half of 2015 and the comparable period are presented in that segment. This is a change in relation to the financial statements published for the period of 6 months ended 30 June 2014 when Sintagma UAB was included in the Eastern European market.

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

Restatement of comparable data as at 31 December 2014	Statement of financial position as at 31 Dec. 2014 (audited) PLN millions	Changes in presentation methods PLN millions	Changes resulting from purchase price allocation PLN millions	Restated statement of financial position as at 31 Dec. 2014 (audited, restated) PLN millions
Non-current assets	**7,238.3**	**-**	**0.4**	**7,238.7**
Property, plant and equipment	724.1	-	-	724.1
Intangible assets	954.5	-	-	954.5
Investment property	27.0	-	-	27.0
Goodwill	5,206.6	-	0.4	5,207.0
Investments in associates	17.6	-	-	17.6
Long-term receivables	33.3	-	-	33.3
Deferred tax assets	77.2	-	-	77.2
Financial assets	165.6	-	-	165.6
Prepayments and accrued income	32.4	-	-	32.4
Current assets	**3,441.3**	**-**	**-**	**3,441.3**
Inventories	59.8	-	-	59.8
Prepayments and accrued income	105.4	-	-	105.4
Trade receivables	1,326.7	440.6	-	1,767.3
Corporate income tax receivable	61.0	-	-	61.0
Receivables from the state and local budgets	28.1	-	-	28.1
Other receivables	476.9	(440.6)	-	36.3
Other non-financial assets	3.5	-	-	3.5
Financial assets	142.9	-	-	142.9
Cash and cash equivalents	1,223.8	-	-	1,223.8
Assets held for sale	13.2	-	-	13.2
TOTAL ASSETS	**10,679.6**	**-**	**0.4**	**10,680.0**

Restatement of comparable data as at 31 December 2014	Statement of financial position as at 31 Dec. 2014 (audited) PLN millions	Changes in presentation methods PLN millions	Changes resulting from purchase price allocation PLN millions	Restated statement of financial position as at 31 Dec. 2014 (audited, restated) PLN millions
Total equity	**7,973.4**	**-**	**-**	**7,973.4**
Equity (Parent Company)	5,282.9	-	-	5,282.9
Non-controlling interests	2,690.5	-	-	2,690.5
Non-current liabilities	**988.3**	**-**	**3.0**	**991.3**
Interest-bearing bank loans and borrowings	514.7	-	-	514.7
Finance lease liabilities	110.1	-	-	110.1
Financial liabilities	100.7	-	3.0	103.7
Deferred tax liabilities	135.2	-	-	135.2
Provisions	48.6	0.8	-	49.4
Deferred income	65.6	-	-	65.6
Other liabilities	13.4	(0.8)	-	12.6
Current liabilities	**1,717.9**	**-**	**(2.6)**	**1,715.3**
Interest-bearing bank loans and borrowings	211.8	-	-	211.8
Finance lease liabilities	21.4	-	-	21.4
Financial liabilities	64.8	-	-	64.8
Trade payables	416.7	165.4	(2.6)	579.5
Corporate income tax payable	29.0	-	-	29.0
Liabilities to the state and local budgets	130.4	-	-	130.4
Other liabilities	233.9	(72.4)	-	161.5
Provisions	29.3	10.1	-	39.4
Deferred income	261.3	-	-	261.3
Accruals	319.3	(103.1)	-	216.2
TOTAL LIABILITIES	**2,706.2**	**-**	**0.4**	**2,706.6**
TOTAL EQUITY AND LIABILITIES	**10,679.6**	**-**	**0.4**	**10,680.0**

Restatement of comparable data as at 30 June 2014	Statement of financial position as at 30 June 2014 (unaudited)	Changes in presentation methods	Changes resulting from purchase price allocation	Restated statement of financial position as at 30 June 2014 (unaudited, restated)
	PLN millions	PLN millions	PLN millions	PLN millions
Non-current assets	**7,071.3**	**-**	**0.4**	**7,071.7**
Property, plant and equipment	726.9	-	2.6	729.5
Intangible assets	963.7	-	-	963.7
Investment property	32.8	-	-	32.8
Goodwill	5,040.8	-	(2.2)	5,038.6
Investments in associates	16.3	-	-	16.3
Long-term receivables	36.0	-	-	36.0
Deferred tax assets	81.8	-	-	81.8
Financial assets	139.6	-	-	139.6
Prepayments and accrued income	33.4	-	-	33.4
Current assets	**2,958.1**	**-**	**-**	**2,958.1**
Inventories	61.1	-	-	61.1
Prepayments and accrued income	100.8	-	-	100.8
Trade receivables	1,011.8	442.2	-	1,454.0
Corporate income tax receivable	54.1	-	-	54.1
Receivables from the state and local budgets	24.3	-	-	24.3
Other receivables	501.4	(442.2)	-	59.2
Other non-financial assets	14.9	-	-	14.9
Financial assets	90.2	-	-	90.2
Cash and cash equivalents	1,084.5	-	-	1,084.5
Assets held for sale	15.0	-	-	15.0
TOTAL ASSETS	**10,029.4**	**-**	**0.4**	**10,029.8**

Restatement of comparable data as at 30 June 2014	Statement of financial position as at 30 June 2014 (unaudited)	Changes in presentation methods	Changes resulting from purchase price allocation	Restated statement of financial position as at 30 June 2014 (unaudited, restated)
	PLN millions	PLN millions	PLN millions	PLN millions
Total equity	**7,553.7**	**-**	**0.1**	**7,553.8**
Equity (Parent Company)	5,210.2	-	-	5,210.2
Non-controlling interests	2,343.5	-	0.1	2,343.6
Non-current liabilities	**1,041.9**	**-**	**0.5**	**1,042.4**
Interest-bearing bank loans and borrowings	540.4	-	-	540.4
Finance lease liabilities	117.8	-	-	117.8
Financial liabilities	134.8	-	-	134.8
Deferred tax liabilities	131.8	-	0.5	132.3
Provisions	45.5	0.8	-	46.3
Deferred income	62.5	-	-	62.5
Other liabilities	9.1	(0.8)	-	8.3
Current liabilities	**1,433.8**	**-**	**(0.2)**	**1,433.6**
Interest-bearing bank loans and borrowings	183.8	-	-	183.8
Finance lease liabilities	20.4	-	-	20.4
Financial liabilities	61.6	-	-	61.6
Trade payables	272.7	155.7	-	428.4
Corporate income tax payable	21.5	-	-	21.5
Liabilities to the state and local budgets	110.5	-	-	110.5
Other liabilities	207.1	(50.3)	-	156.8
Provisions	27.5	6.4	-	33.9
Deferred income	254.6	-	(0.2)	254.4
Accruals	274.1	(111.8)	-	162.3
TOTAL LIABILITIES	**2,475.7**	**-**	**0.3**	**2,476.0**
TOTAL EQUITY AND LIABILITIES	**10,029.4**	**-**	**0.4**	**10,029.8**

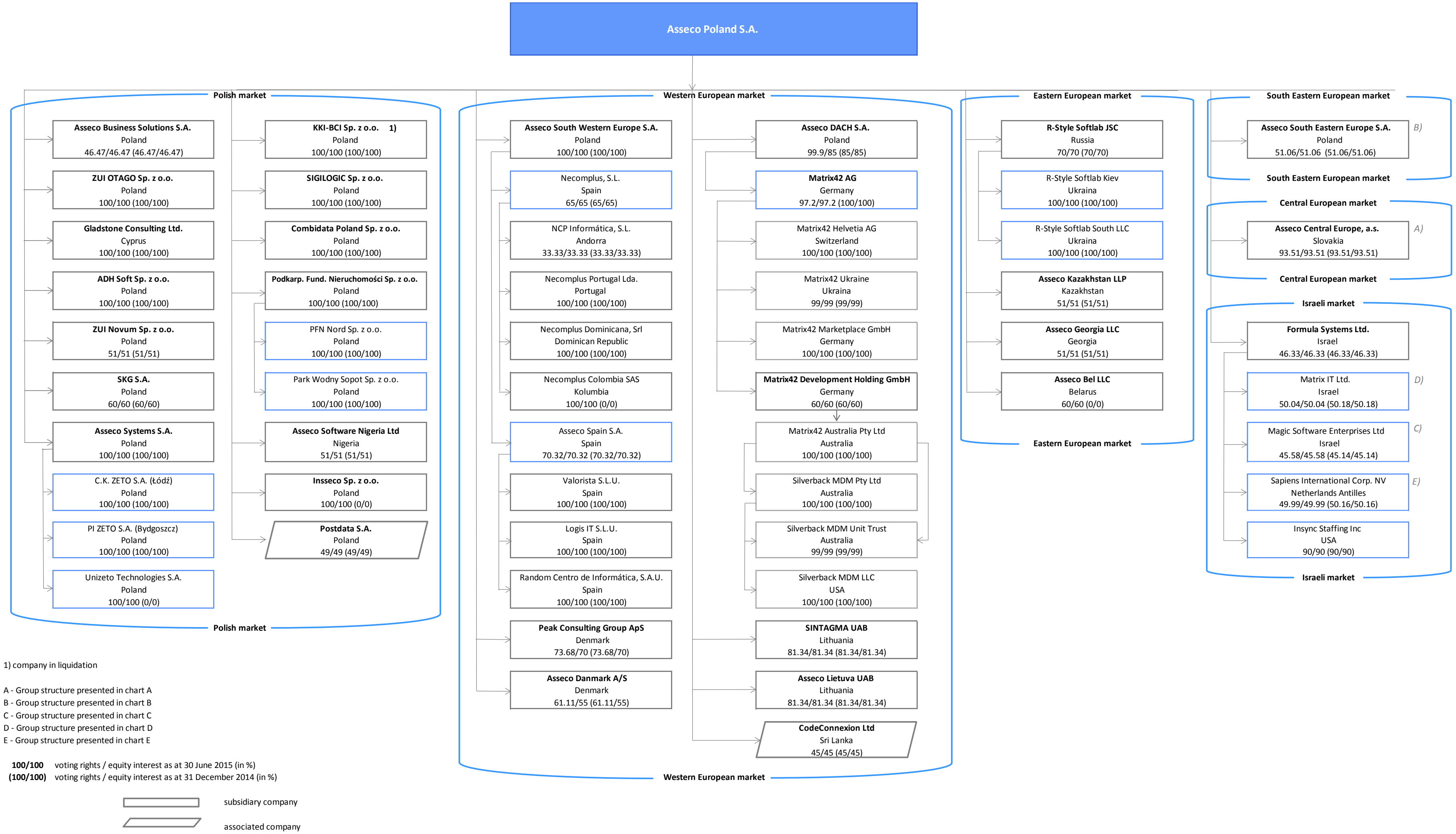
Changes in the presentation of operating segments:

Restatement of comparable data for the period of 6 months ended 30 June 2014	Western European market (unaudited) PLN millions	Changes in presentation methods PLN millions	Western European market (unaudited, restated) PLN millions
Sales to external customers	**219.8**	**17.3**	**237.1**
Inter-segment sales	0.1	-	0.1
Operating profit (loss) of operating segment	**14.4**	**1.6**	**16.0**
Interest income	0.6	-	0.6
Interest expenses	(0.7)	-	(0.7)
Corporate income tax	**(3.4)**	**(0.3)**	**(3.7)**
Non-cash items:			
Depreciation and amortization (continuing operations)	**(7.0)**	**(0.2)**	**(7.2)**
Impairment write-downs on segment assets:	(0.2)	(0.2)	(0.4)
write-down on goodwill	-	-	-
net write-down on operating assets	(0.2)	(0.2)	(0.4)
Share of profits of associates and jointly controlled companies	0.2	-	0.2
Net profit/loss attributable to shareholders of the Parent Company	**8.2**	**1.1**	**9.3**
Cash provided by (used in) operating activities	**23.0**	**(0.8)**	**22.2**
Goodwill	**216.7**	**15.6**	**232.3**

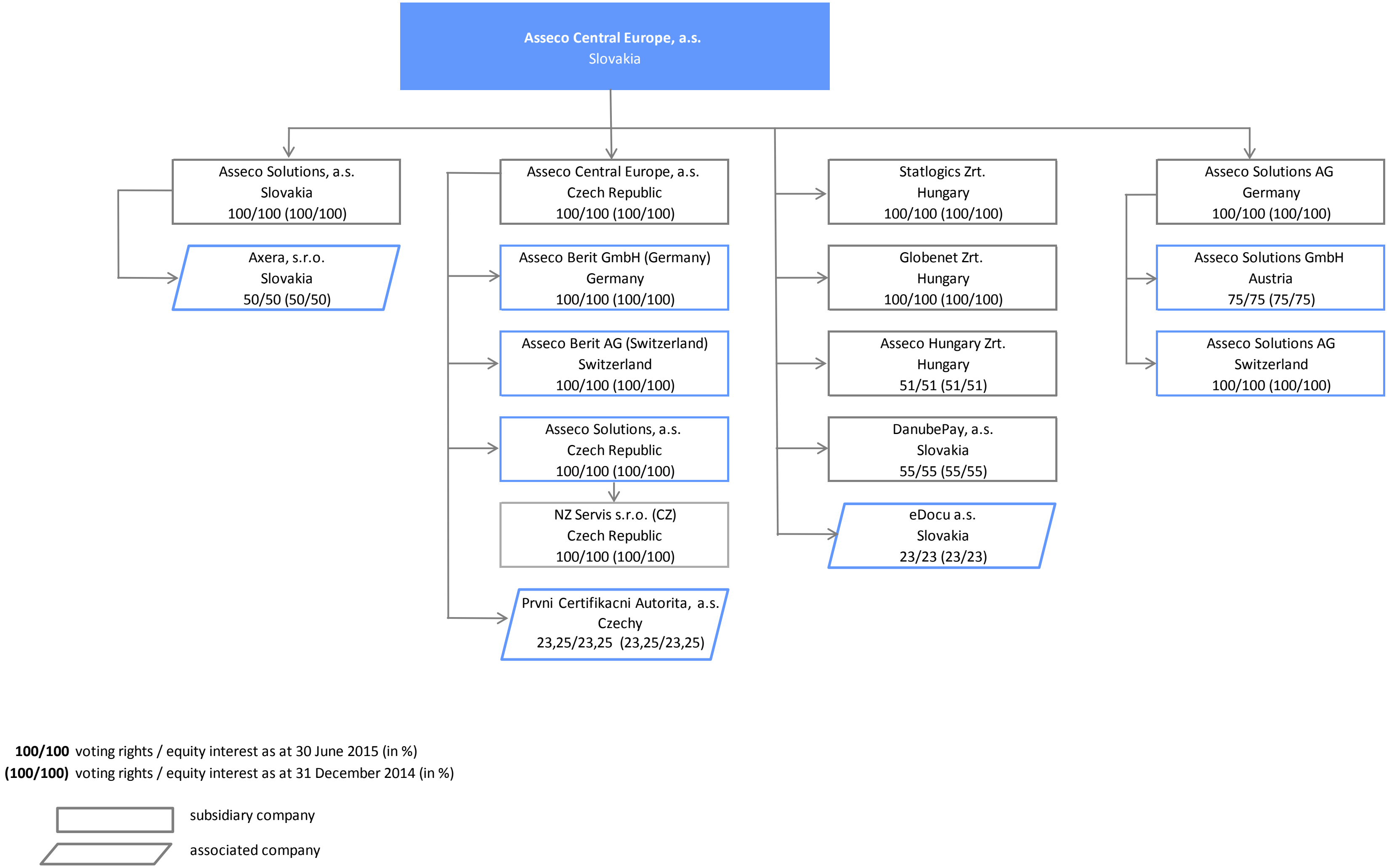
Restatement of comparable data for the period of 6 months ended 30 June 2014	Eastern European market (unaudited) PLN millions	Changes in presentation methods PLN millions	Eastern European market (unaudited, restated) PLN millions
Sales to external customers	**62.5**	**(17.3)**	**45.2**
Inter-segment sales	-	-	-
Operating profit (loss) of operating segment	**(1.1)**	**(1.6)**	**(2.7)**
Interest income	0.2	-	0.2
Interest expenses	-	-	-
Corporate income tax	**(0.1)**	**0.3**	**0.2**
Non-cash items:			
Depreciation and amortization (continuing operations)	**(4.4)**	**0.2**	**(4.2)**
Impairment write-downs on segment assets:	(0.8)	0.2	(0.6)
write-down on goodwill	-	-	**-**
net write-down on operating assets	(0.8)	0.2	(0.6)
Share of profits of associates and jointly controlled companies	-	-	-
Net profit/loss attributable to shareholders of the Parent Company	**(0.2)**	**(1.1)**	**(1.3)**
Cash provided by (used in) operating activities	**3.7**	**0.8**	**4.5**
Goodwill	**18.0**	**(15.6)**	**2.4**

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

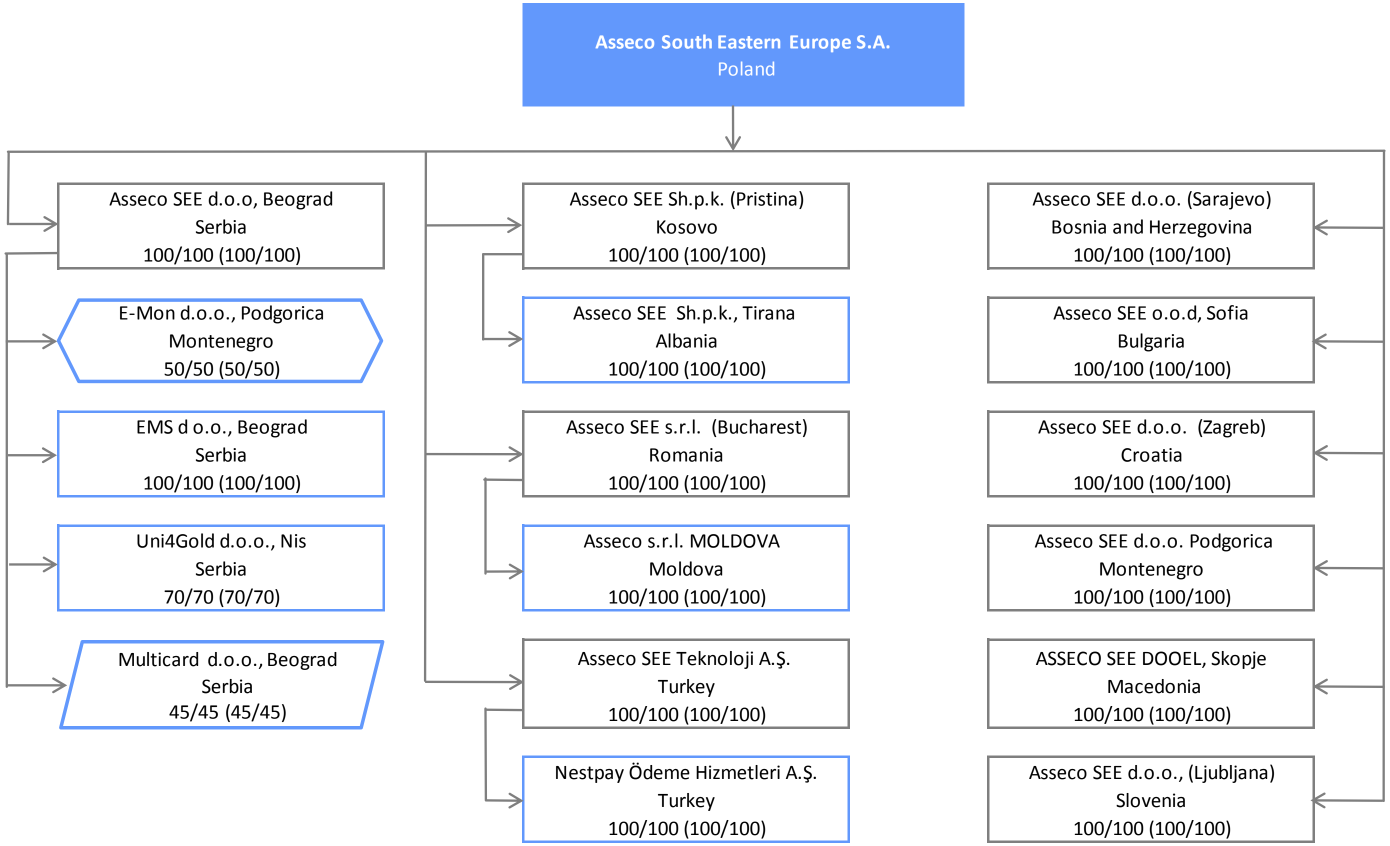
The chart below presents the organizational structure of Asseco Group as at 30 June 2015 and in the comparable period:



A. Organizational structure of Asseco Central Europe Group



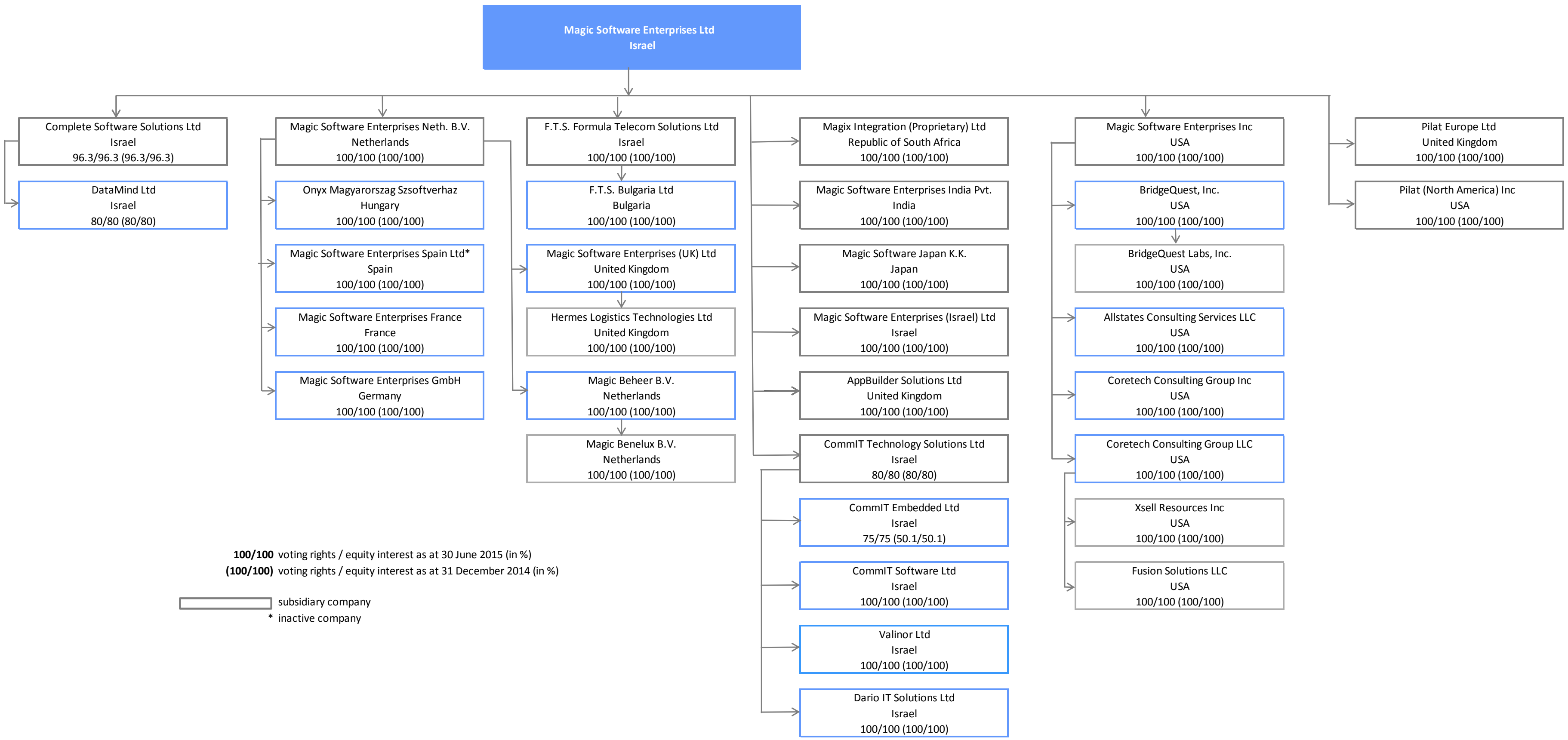
B. Organizational structure of Asseco South Eastern Europe Group



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

subsidiary company
jointly controlled company
associated company

C. Organizational structure of Magic Software Enterprises Group



D. Organizational structure of Matrix IT Group

Matrix IT Ltd
Israel

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

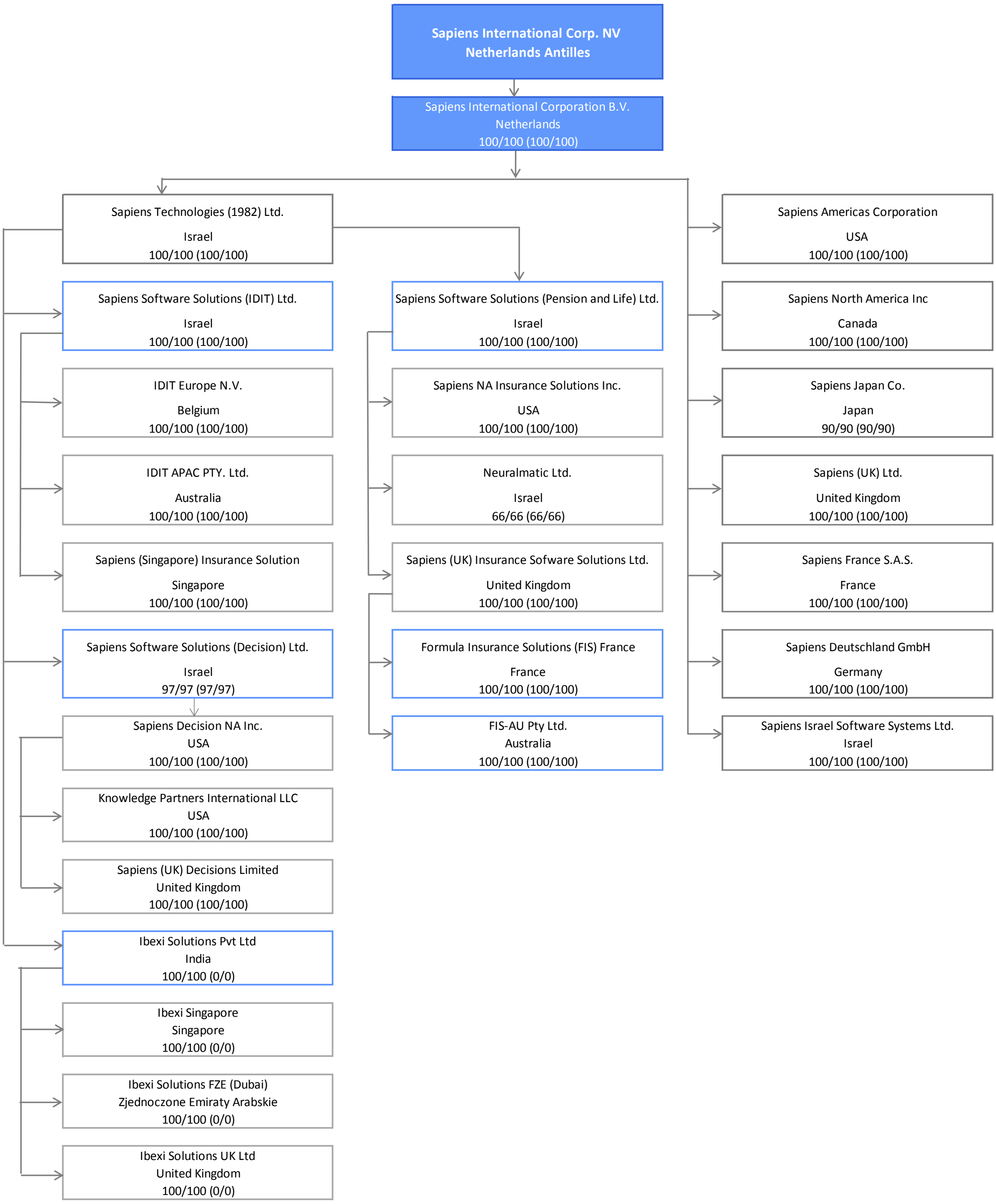
100/100 voting rights / equity interest as at 30 June 2015 (in %)
(100/100) voting rights / equity interest as at 31 December 2014 (in %)

subsidiary company

* liquidated company
** company in liquidation
*** company liquidated following the merger with w ramach grupy Matrix

All figures in PLN millions, unless stated otherwise

E. Organizational structure of Sapiens International Corp. Group



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

subsidiary company

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

During the period of 6 months ended 30 June 2015, the Group's composition changed as follows:

Asseco Poland

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

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

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

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

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

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

❑ *Establishing of Insseco Sp. z o.o.*

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

Asseco DACH

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

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

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

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

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

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

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

In addition, on 18 May 2015, Asseco Dach concluded an agreement with one of its minority shareholders to purchase shares in Matrix42 AG, a subsidiary of Asseco Dach. This transaction concerned 10,241 shares in Matrix42 AG, representing 2.8% of the share capital of that company. The selling price was established at EUR 1.1 million. Following this transaction, the equity interest and voting rights held by Asseco DACH S.A. in Matrix42 AG decreased from 100% to 97.2% as at 30 June 2015.

Matrix IT Ltd.

❑ *Acquisition of SEEV Solutions Ltd.*

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

❑ *Acquisition of Tiltan Systems Engineering Ltd.*

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

❑ *Acquisition of Hyndus Ltd.*

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

❑ *Acquisition of Ono Apps Ltd.*

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

Sapiens International Corp. N.V.

❑ *Acquisition of IBEXI Solutions Private Limited*

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

The allocation of the purchase price of the above-mentioned company has been described in detail in explanatory note 9 to these interim condensed consolidated financial statements.

Magic Software Enterprises Ltd. (hereinafter "Magic")

❑ *Acquisition of an IT company operating in Israel*

During the period of 6 months ended 30 June 2015, Magic acquired 70% of shares in an Israel-based company specialized in the provision of IT services for large corporate clients and government organizations. The acquired company has a broad base of blue chip customers and Magic expects this acquisition to bring significant synergies, especially in the area of AppBuilder solutions offered by Magic.

Formula Systems Ltd (hereinafter "Formula")

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

During the period of 6 months ended 30 June 2015, Formula Systems purchased (on the stock market) minority stakes of shares in its subsidiaries, namely Magic and Sapiens, which resulted in increasing the equity interests and voting rights held by Formula Systems in these companies.

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

IV. INFORMATION ON OPERATING SEGMENTS

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

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

Polish market – this segment groups our companies which generate revenues mostly in the domestic market. Performance of this segment is analyzed on a regular basis by the Parent Company's Management Board acting as the chief operating decision maker. The Polish market segment comprises the following companies: Asseco Poland, Asseco Business Solutions, Combidata, ZUI Novum, ADH Soft, ZUI Otago, Asseco Systems, CK ZETO, SKG, PI ZETO Bydgoszcz, Podkarpacki Fundusz Nieruchomości, and Gladstone Consulting. The aforementioned companies offer comprehensive IT services intended for a broad range of clients operating in the sectors of financial institutions, public institutions and general business.

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

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

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

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

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

Revenues from none of our clients exceeded 10% of the Group's total turnover in the period of 6 months ended 30 June 2015.

6 months ended 30 June 2015 (unaudited)	**Polish market** PLN millions	**Central European market** PLN millions	**South Eastern European market** PLN millions	**Israeli market** PLN millions	**Western European market** PLN millions	**Eastern European market** PLN millions	**Eliminations** PLN millions	**Total** PLN millions
Sales to external customers	**762.8**	**235.6**	**219.7**	**1,770.8**	**274.0**	**42.2**		**3,305.1**
Inter-segment sales	*3.8*	*0.5*	*0.7*	-	*0.1*	-	*(5.1)*	-
Operating profit (loss) of operating segment	**129.8**	**25.7**	**23.9**	**144.0**	**9.2**	**2.9**	**(1.9)**	**333.6**
Interest income [1]	5.3	0.4	0.9	3.8	0.6	0.5	(2.8)	**8.7**
Interest expenses [2]	(8.8)	(0.1)	(0.9)	(15.3)	(0.4)	-	2.8	**(22.7)**
Corporate income tax	**(30.2)**	**(7.7)**	**(4.3)**	**(28.4)**	**(4.6)**	**(0.9)**	**-**	**(76.1)**
Non-cash items:								
Depreciation and amortization (continuing operations)	(43.4)	(7.7)	(14.2)	(53.4)	(8.9)	(3.4)	0.9	**(130.1)**
Impairment write-downs on segment assets:	(10.9)	(0.3)	(1.4)	(1.2)	(0.1)	-	-	**(13.9)**
write-down on goodwill	-	-	-	-	-	-	-	**-**
net write-down on operating assets	*(10.9)*	*(0.3)*	*(1.4)*	*(1.2)*	*(0.1)*	-	-	***(13.9)***
Share of profits of associates and jointly controlled companies	(0.2)	0.3	0.1	-	(0.4)	-	-	**(0.2)**
Net profit/loss attributable to shareholders of the Parent Company	**86.0**	**18.6**	**10.1**	**15.7**	**7.3**	**2.2**	**(1.9)**	**138.0**
Cash provided by (used in) operating activities [3]	**111.3**	**14.7**	**22.5**	**246.0**	**(6.3)**	**(0.1)**	**-**	**388.1**
Goodwill	**2,421.1**	**402.5**	**513.1**	**1,847.2**	**247.3**	**4.2**	**-**	**5,435.4**

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

6 months ended 30 June 2014 (unaudited, restated)	Polish market PLN millions	Central European market PLN millions	South Eastern European market PLN millions	Israeli market PLN millions	Western European market PLN millions	Eastern European market PLN millions	Eliminations PLN millions	Total PLN millions
Sales to external customers	**812.1**	**222.7**	**219.5**	**1,376.4**	**237.1**	**45.2**		**2,913.0**
Inter-segment sales	*2.1*	*0.2*	*0.8*	-	*0.1*	-	**(3.2)**	-
Operating profit (loss) of operating segment	**152.1**	**25.9**	**18.3**	**85.8**	**16.0**	**(2.7)**	**(0.1)**	**295.3**
Interest income [1]	6.6	0.3	0.6	2.1	0.6	0.2	(1.2)	**9.2**
Interest expenses [2]	(7.6)	(0.4)	(0.6)	(13.2)	(0.7)	-	1.2	**(21.3)**
Corporate income tax	**(36.8)**	**(6.3)**	**(2.5)**	**(16.8)**	**(3.7)**	**0.2**	**-**	**(65.9)**
Non-cash items:								
Depreciation and amortization (continuing operations)	(45.6)	(10.2)	(10.3)	(46.5)	(7.2)	(4.2)	1.2	**(122.8)**
Impairment write-downs on segment assets:	(0.7)	(0.9)	0.5	1.0	(0.4)	(0.6)	-	**(1.1)**
write-down on goodwill	-	-	-	-	-	-	-	**-**
net write-down on operating assets	*(0.7)*	*(0.9)*	*0.5*	*1.0*	*(0.4)*	*(0.6)*	-	***(1.1)***
Share of profits of associates and jointly controlled companies	1.0	0.9	0.2	(0.8)	0.2	-	-	**1.5**
Net profit/loss attributable to shareholders of the Parent Company	**131.5**	**29.0**	**8.2**	**6.8**	**9.3**	**(1.3)**	**(0.3)**	**183.2**
Cash provided by (used in) operating activities [3]	**159.2**	**55.1**	**26.8**	**113.1**	**22.2**	**4.5**	**(1.2)**	**379.7**
Goodwill	**2,388.2**	**398.8**	**520.7**	**1,496.2**	**232.3**	**2.4**	**-**	**5,038.6**

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

V. EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Sales revenues and operating costs

Operating revenues generated and operating costs incurred during the periods of 3 and 6 months ended 30 June 2015 and in the comparable periods were as follows:

	3 months ended 30 June 2015 (unaudited) PLN millions	6 months ended 30 June 2015 (unaudited) PLN millions	3 months ended 30 June 2014 (unaudited) PLN millions	6 months ended 30 June 2014 (unaudited) PLN millions
Sales revenues by type of products				
Proprietary software and services	1,400.4	2,722.3	1,201.4	2,343.9
Third-party software and services	127.4	221.7	113.9	207.7
Hardware and infrastructure	183.4	358.3	182.5	359.1
Other sales	1.9	2.8	1.3	2.3
Total	**1,713.1**	**3,305.1**	**1,499.1**	**2,913.0**
Sales revenues by sectors				
Banking and Finance	583.2	1,156.3	528.6	1,020.5
General Business	771.4	1,452.3	581.7	1,161.7
Public Institutions	358.5	696.5	388.8	730.8
Total	**1,713.1**	**3,305.1**	**1,499.1**	**2,913.0**
Operating costs				
Cost of goods and third-party services sold	(265.4)	(499.4)	(241.5)	(485.5)
Employee benefits	(806.4)	(1,577.9)	(698.3)	(1,380.8)
Depreciation and amortization*	(65.4)	(128.4)	(62.6)	(122.6)
Third-party services	(242.0)	(456.2)	(216.0)	(379.2)
Other	(159.0)	(300.3)	(128.2)	(247.0)
Total	**(1,538.2)**	**(2,962.2)**	**(1,346.6)**	**(2,615.1)**
Cost of sales	(1,298.3)	(2,501.4)	(1,141.7)	(2,204.8)
Selling costs	(112.9)	(213.4)	(94.7)	(180.6)
General and administrative expenses	(127.0)	(247.4)	(110.2)	(229.7)
Total	**(1,538.2)**	**(2,962.2)**	**(1,346.6)**	**(2,615.1)**

* *Additionally, we recognized a depreciation charge of PLN 1.7 million in other operating activities.*

In the period of 6 months ended 30 June 2015, other operating costs were incurred primarily for business trips in the amount of PLN 42.9 million, as well as for maintenance of property and business cars in the amount of PLN 193.2 million. Whereas, in the comparable period, other operating costs included primarily business trips in the amount of PLN 33.7 million, as well as maintenance of property and business cars in the amount of PLN 172.1 million.

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

- PLN 25.0 million within 1 year,
- PLN 57.7 million within 1 to 5 years, and
- PLN 4.9 million within more than 5 years.

i. Costs of employee benefits

	3 months ended 30 June 2015 (unaudited) PLN millions	6 months ended 30 June 2015 (unaudited) PLN millions	3 months ended 30 June 2014 (unaudited) PLN millions	6 months ended 30 June 2014 (unaudited) PLN millions
Salaries	(671.4)	(1,305.2)	(580.2)	(1,132.7)
Social insurance contributions	(51.3)	(100.1)	(46.1)	(88.7)
Retirement benefit expenses	(60.5)	(122.8)	(74.2)	(109.8)
Costs of share-based payment transactions with employees	(3.7)	(6.0)	(3.9)	(10.3)
Other costs of employee benefits	(19.5)	(43.8)	6.1	(39.3)
Total employee benefit expenses	**(806.4)**	**(1,577.9)**	**(698.3)**	**(1,380.8)**

The average level of employment during the reporting period expressed in full-time salaried jobs, i.e. employment in full-time jobs adjusted for (reduced by) positions which are not salaried by the Group companies (such as an unpaid leave, maternity leave, etc.), exclusive of companies whose financial results are disclosed under other operating activities or discontinued operations, however inclusive of companies which joined the Group during the reporting period (calculated proportionally to the period of their consolidation) equalled 18,499 persons as compared with 17,433 persons in the comparable period.

ii. Share-based payment transactions with employees

The costs of share-based payment transactions with employees correspond to stock option plans that were awarded to employees and management members of companies incorporated within Formula Systems Group. During the period of 6 months ended 30 June 2015, such costs amounted to PLN 6 million as compared with PLN 10.3 million in the comparable period.

	6 months ended 30 June 2015 (unaudited) PLN millions	6 months ended 30 June 2014 (unaudited) PLN millions
Stock option plan for managers of Formula Systems	(2.9)	(7.6)
Stock option plan for managers and employees of Matrix IT Group	(0.7)	(0.5)
Stock option plan for managers and employees of Magic Software Enterprises Group	(0.3)	(0.5)
Stock option plan for managers and employees of Sapiens International Corporation Group	(2.1)	(1.7)
Total costs of share-based payment transactions with employees	**(6.0)**	**(10.3)**

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

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

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

In June 2013, all these options were exercised into shares and subsequently deposited with the trustee. As at the exercise date, this is as at 3 June 2013, the vesting period for 175,435 options has already lapsed, whereas rights to the remaining 947,347 options shall be acquired on a quarterly basis, during the period from 1 April 2013 till 31 December 2019. Following the issuance of 1,122,782 shares by Formula Systems, the equity interest held by Asseco Poland in Formula Systems dropped from 50.19% to 46.33%.

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

Consequently, taking into account the principles of voting by the trustee and the fact that as at 30 June 2015 all of these 1,122,782 shares remained deposited with the trustee, Asseco Poland S.A. retained an absolute majority of voting rights at the general meeting of shareholders of Formula Systems in the period of 6 months ended 30 June 2015.

iii. Reconciliation of depreciation and amortization charges

The table below presents the reconciliation of depreciation and amortization charges reported in the income statement with those disclosed in the tables of changes in property, plant and equipment (note 7) and in intangible assets (note 8):

	Note	3 months ended 30 June 2015 (unaudited) PLN millions	6 months ended 30 June 2015 (unaudited) PLN millions	3 months ended 30 June 2014 (unaudited) PLN millions	6 months ended 30 June 2014 (unaudited) PLN millions
Depreciation charge for the year as disclosed in the table of changes in property, plant and equipment	7	(25.6)	(50.4)	(30.5)	(58.3)
Amortization charge for the year as disclosed in the table of changes in intangible assets	8	(40.9)	(81.3)	(40.8)	(80.8)
Amortization charge recognized directly in other comprehensive income		0.2	0.4	0.2	0.4
Reduction of amortization charge due to recognition of a grant to internally generated licenses		0.6	1.0	2.1	3.2
Amortization charges capitalized for development projects in progress		0.1	0.2	-	0.1
Total depreciation and amortization charges disclosed in the statement of cash flows		**(65.6)**	**(130.1)**	**(69.0)**	**(135.4)**
Depreciation charge transferred to other operating activities		0.2	1.7	-	0.2
Depreciation and amortization charges recognized in discontinued operations		-	-	6.4	12.6
Total depreciation and amortization charges recognized in operating costs		**(65.4)**	**(128.4)**	**(62.6)**	**(122.6)**

2. Financial income and expenses

Financial income earned during the periods of 3 and 6 months ended 30 June 2015 as well as in the comparable periods was as follows:

Financial income	3 months ended 30 June 2015 (unaudited) PLN millions	6 months ended 30 June 2015 (unaudited) PLN millions	3 months ended 30 June 2014 (unaudited) PLN millions	6 months ended 30 June 2014 (unaudited) PLN millions
Interest income on loans granted, debt securities, finance leases, trade receivables, and bank deposits	3.2	8.7	3.5	9.2
Other interest income	0.2	0.4	0.1	0.2
Foreign exchange differences	-	1.0	0.5	1.0
Valuation/revaluation of financial assets and equity investments at the balance sheet date	-	5.4	-	28.1
Exercise and/or valuation of financial assets carried at fair value through profit or loss	-	2.0	-	0.1
Revaluation of deferred payments for controlling interests in subsidiaries	0.4	0.4	1.0	2.0
Other financial income	0.7	1.2	2.3	2.8
Total financial income	**4.5**	**19.1**	**7.4**	**43.4**

In the period of 6 months ended 30 June 2015, "Gain on valuation/revaluation of financial assets" includes income arising from the reversal of an allowance for a loan granted to Matrix42 Inc. As described in section III of these interim condensed consolidated financial statements, on 8 January 2015, Matrix42 AG (a subsidiary of Asseco DACH) acquired 223,435,293 shares in Asseco DACH S.A. as a result of satisfying its receivables from Matrix42 Inc by taking over shares in Asseco DACH, which were provided as the loan collateral. The shares acquired in this transaction were formerly held by Mr. Herbert Uhl, the key shareholder and manager of Matrix42 Inc. As at the transaction date, the nominal amount of receivables from Matrix42 Inc amounted to PLN 29.4 million (EUR 6.9 million), whereas their carrying value (this is net of allowances recognized in previous years) was PLN 23.8 million (EUR 5.6 million). The Group believes that the shares taken over in Asseco DACH are worth no less than the nominal amount of receivables from Matrix42 Inc, hence the Group has reversed the previously recognized allowance amounting to PLN 5.4 million (EUR 1.3 million).

In the period of 6 months ended 30 June 2014, in the line "Valuation/revaluation of financial assets and equity investments at the balance sheet date", the Group recognized PLN 28.1 million of income resulting from the reversal of allowances for commercial papers and other receivables from Prokom Investments as such receivables were settled by Prokom. Moreover, following the settlement of our receivables by Prokom, the Group recognized an interest income of PLN 3.0 million representing formerly unrecognized interest on receivables from Prokom.

Financial expenses incurred during the periods of 3 and 6 months ended 30 June 2015 as well as in the comparable periods were as follows:

Financial expenses	3 months ended 30 June 2015 (unaudited) PLN millions	6 months ended 30 June 2015 (unaudited) PLN millions	3 months ended 30 June 2014 (unaudited) PLN millions	6 months ended 30 June 2014 (unaudited) PLN millions
Interest expense on bank loans, borrowings, debt securities, finance leases and trade payables	(11.6)	(22.7)	(10.8)	(21.3)
Other interest expenses	(0.3)	(0.6)	(1.2)	(2.3)
Foreign exchange differences	(14.8)	(14.4)	(1.2)	(2.8)
Expenses related to obtaining control over subsidiaries	-	(1.0)	-	(0.4)
Valuation/revaluation of financial assets at the balance sheet date	-	-	(0.4)	(0.4)
Exercise and/or valuation of financial assets carried at fair value through profit or loss	(0.1)	(2.9)	(1.3)	(1.8)
Revaluation of deferred payments for controlling interests in subsidiaries	0.7	(0.3)	0.7	(1.8)
Dividends paid out to non-controlling shareholders	(1.2)	(1.2)	-	-
Expense on unwinding of discounts	(0.8)	(0.8)	-	-
Other financial expenses	(0.6)	(0.6)	(0.9)	(1.0)
Total financial expenses	**(28.7)**	**(44.5)**	**(15.1)**	**(31.8)**

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

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

3. Corporate income tax

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

	3 months ended 30 June 2015 (unaudited) PLN millions	6 months ended 30 June 2015 (unaudited) PLN millions	3 months ended 30 June 2014 (unaudited) PLN millions	6 months ended 30 June 2014 (unaudited) PLN millions
Current corporate income tax and prior years adjustments	(43.9)	(69.2)	(30.9)	(55.4)
Deferred portion of income tax	4.7	(6.9)	0.6	(10.5)
Income tax expense as disclosed in the income statement	**(39.2)**	**(76.1)**	**(30.3)**	**(65.9)**

During the period of 6 months ended 30 June 2015, the effective tax rate equalled 24.7% as compared with 21.5% in the comparable period last year.

4. Discontinued operations

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

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

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

5. Earnings per share

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

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

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

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

	3 months ended 30 June 2015 (unaudited)	6 months ended 30 June 2015 (unaudited)	3 months ended 30 June 2014 (unaudited)	6 months ended 30 June 2014 (unaudited)
Weighted average number of ordinary shares outstanding, used for calculation of basic earnings per share	83,000,303	83,000,303	83,000,303	83,000,303
Net profit attributable to shareholders of the Parent Company from continuing operations for the reporting period (in PLN millions)	60.4	138.0	78.4	174.5
Consolidated earnings per share from continuing operations for the reporting period (in PLN)	**0.73**	**1.66**	**0.94**	**2.10**
Net profit attributable to shareholders of the Parent Company for the reporting period (in PLN millions)	60.4	138.0	86.6	183.2
Consolidated earnings per share for the reporting period (in PLN)	**0.73**	**1.66**	**1.04**	**2.21**

6. Information on dividends paid out

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

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

7. Property, plant and equipment

The net book value of property, plant and equipment, during the period of 6 months ended 30 June 2015 and in the comparable period, changed as a result of the following transactions:

	6 months ended 30 June 2015 (unaudited) PLN millions	6 months ended 30 June 2014 (unaudited) PLN millions
Net book value of property, plant and equipment at the beginning of the period	**724.1**	**707.2**
Additions, of which:	**93.8**	**164.6**
purchases and modernization	46.0	66.0
obtaining control over subsidiaries*	44.2	92.1
finance leases	2.1	4.1
transfers from inventories	1.5	2.4
Reductions, of which:	**(52.8)**	**(142.8)**
depreciation charges for the reporting period	(50.4)	(58.3)
losing control over subsidiaries**	-	(81.6)
disposal and liquidation	(2.4)	(2.9)
Exchange differences on translation of foreign operations	**6.0**	**0.5**
Net book value of property, plant and equipment as at 30 June	**771.1**	**729.5**

** of which: in the period of 6 months ended 30 June 2015, the amount of PLN 43.7 million represents the value of property, plant and equipment in Unizeto Technologies; whereas, in the period of 6 months ended 30 June 2014, the amount of PLN 86.9 million represents the value of property, plant and equipment in the company Park Wodny Sopot.*

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

8. Intangible assets

The net book value of intangible assets, during the period of 6 months ended 30 June 2015 and in the comparable period, changed as a result of the following transactions:

	6 months ended 30 June 2015 (unaudited) PLN millions	6 months ended 30 June 2014 (unaudited) PLN millions
Net book value of intangible assets at the beginning of the period	**954.5**	**1,006.0**
Additions, of which:	**67.4**	**44.3**
purchases and modernization	10.2	3.7
obtaining control over subsidiaries	18.5	5.6
capitalization of project development costs*	38.7	35.0
Reductions, of which:	**(85.6)**	**(98.1)**
amortization charges for the reporting period	(81.3)	(80.8)
disposal and liquidation	(4.3)	(1.0)
losing control over subsidiaries**	-	(16.3)
Exchange differences on translation of foreign operations	**40.4**	**11.5**
Net book value of intangible assets as at 30 June	**976.7**	**963.7**

** In the period of 6 months ended 30 June 2015 including: PLN 14.3 million in the Polish market, PLN 2.6 million in the South Eastern European market, PLN 18.5 million in the Israeli market, and PLN 3.3 million in the Western European market. Whereas, in the period of 6 months ended 30 June 2014 including: PLN 6.3 million in the Polish market, PLN 4.7 million in the South Eastern European market, PLN 16.1 million in the Israeli market, PLN 5.0 million in the Eastern European market, and PLN 2.9 million in the Western European market.*

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

9. Goodwill

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

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

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

	30 June 2015 (unaudited) PLN millions	31 Dec. 2014 (audited, restated) PLN millions	30 June 2014 (unaudited, restated) PLN millions
groups of companies that constitute an operating segment	**915.6**	**926.1**	**919.5**
Asseco Central Europe Group	402.5	402.7	398.8
Asseco South Eastern Europe Group	513.1	523.4	520.7
individual subsidiaries or groups of subsidiaries (narrower than a segment)	**2,438.2**	**2,203.7**	**2,024.6**
Israeli market (Formula Systems Group), of which:	**1,847.2**	**1,650.3**	**1,496.2**
Magic Software Enterprises Ltd.	619.3	569.4	493.7
Matrix IT Ltd.	762.4	660.1	620.9
Sapiens International Corporation N.V.	465.5	420.8	381.6
Western European market, of which:	**247.3**	**251.4**	**234.5**
Matrix42 A.G.	165.8	168.5	153.7
Asseco Spain S.A.	17.9	18.2	17.8
Necomplus S.L.	16.1	16.3	15.9
Sintagma UAB [2)]	15.7	16.0	15.6
Asseco Danmark A/S[1)]	31.8	32.4	31.5
Eastern European market, of which:	**4.2**	**4.4**	**2.4**
Asseco Georgia LLC	2.3	2.6	2.4
Asseco Kazakhstan LLP	1.9	1.8	n/a
Polish market, of which:	**339.5**	**297.6**	**291.5**
Asseco Business Solutions S.A.	172.3	172.3	172.3
Combidata Poland Sp. z o.o.	36.1	36.1	36.1
Gladstone Consulting Ltd	36.3	33.8	29.2
ADH-Soft Sp. z o.o.	4.2	4.2	4.2
ZUI OTAGO Sp. z o.o	22.0	22.0	22.0
ZUI Novum Sp. z o.o	0.3	0.3	0.3
C.K. Zeto Łódź S.A.	3.1	3.1	3.1
SKG S.A.	4.4	4.4	4.4
P.I. Zeto Bydgoszcz S.A.	19.9	19.9	19.9
Asseco Software Nigeria Ltd.	1.5	1.5	n/a
Unizeto Technologies S.A.	39.4	n/a	n/a
operating segments identified within the Parent Company	**2,081.6**	**2,077.2**	**2,094.5**
Goodwill allocated to the segment of "Banking and Finance" [3)]	904.5	900.1	917.4
Goodwill allocated to the segment of "Public Administration"	916.4	916.4	916.4
Goodwill allocated to the segment of "General Business"	129.7	129.7	129.7
Goodwill allocated to the segment of "Infrastructure"	131.0	131.0	131.0
	5,435.4	**5,207.0**	**5,038.6**

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

During the period of 6 months ended 30 June 2015, the following changes in goodwill arising from consolidation were observed (the table includes changed items only):

Goodwill as allocated to reportable segments:	Goodwill at the beginning of the period (audited, restated) PLN millions	Increases due to obtaining of control PLN millions	Decrease due to loss of control PLN millions	Foreign exchange differences (+/-) PLN millions	Goodwill at the end of the period (unaudited) PLN millions
Polish market					
Gladstone Consulting Ltd	**33.8**	-	-	2.5	**36.3**
Unizeto Technologies S.A.	**n/a**	39.4	-	-	**39.4**
Goodwill allocated to the segment of "Banking and Finance"	**900.1**	-	-	4.4	**904.5**
Central European market					
Asseco Central Europe Group	**402.7**	-	-	(0.2)	**402.5**
South Eastern European market					
Asseco South Eastern Europe Group	**523.4**	-	-	(10.3)	**513.1**
Israeli market					
Magic Software Enterprises Ltd.	**569.4**	7.2	-	42.7	**619.3**
Matrix IT Ltd.	**660.1**	28.4	-	73.9	**762.4**
Sapiens International Corporation N.V.	**420.8**	9.6	-	35.1	**465.5**
Western European market					
Matrix42 A.G.	**168.5**	-	-	(2.7)	**165.8**
Asseco Spain S.A.	**18.2**	-	-	(0.3)	**17.9**
Necomplus S.L.	**16.3**	-	-	(0.2)	**16.1**
Asseco Danmark A/S	**32.4**	-	-	(0.6)	**31.8**
Sintagma UAB	**16.0**	-	-	(0.3)	**15.7**
Eastern European market					
Asseco Georgia LLC	**2.6**	-	-	(0.3)	**2.3**
Asseco Kazakhstan LLC	**1.8**	-	-	0.1	**1.9**
Total changes	**3,766.1**	**84.6**	**-**	**143.8**	**3,994.5**

In the period of 6 months ended 30 June 2015, the balance of goodwill arising from consolidation was affected by the following transactions:

i. Acquisitions made by Matrix IT Group

Acquisition of SEEV Solutions Ltd.

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

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

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

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

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

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

Acquisition of Tiltan Systems Engineering Ltd.

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

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

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

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

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

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

Acquisition of Hyndus Ltd.

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

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

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

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

Acquisition of Ono Apps Ltd.

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

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

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

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

	Provisional value as at the acquisition date (unaudited) NIS thousands	Provisional value as at the acquisition date (unaudited) PLN millions
Assets acquired		
Property, plant and equipment	243	0.2
Intangible assets	-	-
Trade receivables	2,117	2.0
Cash and cash equivalents	458	0.4
Other assets	708	0.7
Total assets	**3,526**	**3.3**
Liabilities acquired		
Bank loans and borrowings	-	-
Trade payables	95	0.1
Other liabilities	6,839	6.4
Deferred tax liabilities	299	0.3
Total liabilities	**7,233**	**6.8**
Net assets value	**(3,707)**	**(3.5)**
Value of non-controlling interests	**-**	**-**
Equity interest acquired	100%	100%
Purchase price	**4,590**	**4.3**
Goodwill as at the acquisition date	**8,297**	**7.8**

ii. Acquisition of IBEXI Solutions Private Limited

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

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

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

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

	Provisional value as at the acquisition date (unaudited) USD thousands	Provisional value as at the acquisition date (unaudited) PLN millions
Assets acquired		
Property, plant and equipment	48.5	0.2
Intangible assets	1,314.1	4.7
Trade receivables	1,054.3	3.8
Cash and cash equivalents	883.2	3.2
Other assets	1,208.6	4.4
Total assets	**4,508.7**	**16.3**
Liabilities acquired		
Other liabilities	6.0	0
Provisions	2,083.2	7.5
Deferred tax liabilities	238.0	0.9
Total liabilities	**2,327.2**	**8.4**
Net assets value	**2,181.5**	**7.9**
Value of non-controlling interests	-	-
Equity interest acquired	100%	100%
Purchase price	**4,764.5**	**17.2**
Goodwill as at the acquisition date	**2,583.0**	**9.3**

iii. Acquisition of Unizeto Technologies S.A.

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

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

As at 30 June 2015, the process of purchase price allocation has not yet been completed by the Group. Therefore, goodwill recognized on the acquisition of Unizeto Technologies S.A. may be subject to change till the end of 2015.

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

	Provisional value as at the acquisition date (unaudited) PLN millions
Assets acquired	
Property, plant and equipment	43.7
Intangible assets	6.3
Deferred tax assets	1.4
Trade receivables and other receivables	10.1
Cash and cash equivalents	0.9
Other assets	2.2
Total assets	**64.6**
Liabilities acquired	
Bank loans	29.0
Finance lease liabilities	4.5
Provisions	27.4
Trade payables and other liabilities	18.8
Other liabilities	1.9
Total liabilities	**81.6**
Net assets value	**(17.0)**
Value of non-controlling interests	**-**
Equity interest acquired	**100%**
Purchase price	**22.4**
Goodwill as at the acquisition date	**39.4**

iv. Allocation of the purchase price of Silverback MDM Pty Ltd.

As described in the consolidated financial statements for the year ended 31 December 2014, Matrix Development Holding GmbH, a subsidiary of Matrix42 AG, acquired 100% of shares in the Australian company Silverback MDM Pty Ltd. on 23 September 2014.

Due to the purchase price allocation process performed by the Group during the first half of 2015, the amount of goodwill recognized on the acquired company has been changed, and therefore the comparable data presented in these interim condensed consolidated financial statements as at 31 December 2014 needed to be restated as described above (in explanatory note 9 to these interim condensed consolidated financial statements). As at 30 June 2015, the process of purchase price allocation has not yet been completed. Therefore, till 23 September 2015, this is till the end of the period of 12 months from the acquisition date, goodwill recognized on the acquisition of Silverback MDM Pty Ltd may be subject to change.

The provisional values of identifiable assets and liabilities of Silverback MDM Pty Ltd as at the date of obtaining control were as follows:

	Provisional value as at the acquisition date (unaudited) EUR'000	Provisional value as at the acquisition date (unaudited) PLN millions
Assets acquired		
Property, plant and equipment	19	0.1
Intangible assets	1,430	6.0
Trade receivables	365	1.5
Cash and cash equivalents	73	0.3
Other assets	145	0.6
Total assets	**2,032**	**8.5**
Liabilities acquired		
Total liabilities	**-**	**-**
Net assets value	**2,032**	**8.5**
Value of non-controlling interests	**-**	**-**
Equity interest acquired	100%	100%
Purchase price	**4,619**	**19.3**
Goodwill as at the acquisition date	**2,587**	**10.8**

10. Impairment testing

In line with the Group's policy, each year as at 31 December, the Management Board of the Parent Company performs an annual impairment test on cash-generating units or groups of cash-generating units to which goodwill or/and 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 or group of cash-generating units 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.

Each impairment test requires making estimates of the recoverable amount of a cash-generating unit or a group of cash-generating units to which goodwill is allocated.

In the case of cash-generating units constituted by 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).

Both as at 30 June 2015 and during the period of 6 months ended 30 June 2015, 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.

Our companies or groups of companies quoted on an active market include: Asseco Central Europe a.s., Asseco Business Solutions S.A., Magic Software Enterprises Ltd, Matrix IT Ltd, Sapiens International Corporation N.V., and Asseco South Eastern Europe S.A.

The table below compares the market values of our cash-generating units constituted by companies or groups of companies quoted on an active market against their book values as at 30 June 2015:

30 June 2015	**Asseco Central Europe a.s.**	**Asseco South Eastern Europe S.A.**	**Asseco Business Solutions S.A.**	**Magic Software Enterprises Ltd.**	**Matrix IT Ltd.**	**Sapiens International Corporation N.V.**
(unaudited)	**PLN millions**	**PLN millions**	**PLN millions**	**PLN millions**	**PLN millions**	**PLN millions**
carrying value of cash-generating unit	501.4	692.3	210.2	890.1	1,222.8	555.2
fair value	369.3	490.2	486.4	1,092.6	1,274.7	1,627.1
surplus (+) / deficit (-) of fair value over book value	**(132.1)**	**(202.1)**	**276.2**	**202.5**	**51.9**	**1,071.9**

For Asseco South Eastern Europe Group which constitutes a cash-generating unit whose carrying value exceeds its fair value, the Group reviewed the assumptions adopted for the impairment test performed as at 31 December 2014 and concluded that:

- the real discount rate applicable in determining the present value of expected future cash flows (i.e. the estimated weighted average cost of capital) as at 30 June 2015 would not surpass the level of respective terminal rates for those cash-generating units which were estimated from analyzing the sensitivity of the results of the impairment test carried out as at 31 December 2014;
- cash flows applied in the value-in-use model prepared as at 31 December 2014 were based on the annual budget for 2014; the actual budget execution in the period of 6 months ended 30 June 2015 does not pose any risk for reaching the annual budget targets.

With regard to the above, there is still a considerable surplus of the value in use of this cash-generating unit over its carrying value, hence it was deemed unnecessary to perform an interim impairment test for this cash-generating unit.

Our cash-generating unit constituted by Asseco Central Europe was tested for impairment by estimating its value in use as at 30 June 2015.

In the case of cash-generating units constituted by 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 last 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 2015, in this group we identified indications of possible impairment of the following companies: Combidata Poland Sp. z o.o., Necomplus S.L., ADH Soft Sp. z o.o, Matrix42 AG, Asseco Danmark, Peak Consulting, Sintagma UAB, P.I. Zeto Bydgoszcz S.A., SKG S.A., and Asseco Kazakhstan LLP. In each of the above cases, such indications correspond to the necessary reduction of forecasted future results, because the actual results achieved in the first half of 2015 were lower than assumed in the impairment test performed as at 31 December 2014.

The conducted impairment test did not indicate a necessity for the Parent Company to recognize any impairment charges on any of its cash-generating units as at 30 June 2015.

Moreover, in relation to the conducted goodwill impairment tests, the Group carried out a sensitivity analysis 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 their carrying values. Such sensitivity analysis examined the impact of changes in:

a. real discount rate applied for the residual period, i.e. cash flows generated after 2019;
b. average annual effective rate of change in free cash flows over the forecast period, i.e. in the years 2015-2019;

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

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

	Carrying value of cash-generating unit	Discount rate		Average effective rate of change in cash flows	
		applied for the residual period	terminal	applied for the residual period	terminal
	PLN millions	%	%	%	%
Cash-generating units constituted by companies or groups of companies					
Asseco Central Europe Group	501.4	7.9%	15.4%	26.4%	17.1%
Matrix42 A.G.	179.8	7.8%	8.5%	(4.1%)	(7.3%)
Necomplus S.L.	52.5	11.1%	16.0%	3.3%	(4.0%)
Combidata Poland Sp. z o.o.	53.5	10.4%	12.5%	99.2%	96.8%
Asseco Danmark and Peak Consulting	57.8	8.1%	8.6%	0.2%	(1.5%)
Sintagma UAB	21.4	12.2%	14.6%	48.4%	42.9%
P.I. Zeto Bydgoszcz S.A.	74.8	10.4%	43.5%	1.9%	(17.4%)
SKG S.A.	14.6	12.2%	29.7%	6.4%	(6.3%)
ADH-Soft Sp. z o.o.	6.9	12.2%	∞	11.3%	(25.8%)
Asseco Kazakhstan LLP	3.9	19.9%	∞	31.5%	0.4%
Cash-generating units constituted by operating segments identified by the Parent Company					
Goodwill allocated to the segment of “Banking and Finance”	1,360.9	8.6%	8.6%	25.4%	25.4%
Goodwill allocated to the segment of “Public Administration”	1,332.2	8.6%	9.7%	25.0%	24.1%
Goodwill allocated to the segment of “General Business”	277.3	8.6%	60.5%	12.8%	(13.3%)
Goodwill allocated to the segment of “Infrastructure”	167.6	8.6%	9.4%	25.4%	24.5%

∞ - means that the terminal discount rate for the residual period is greater than 100%.

11. Entities with significant non-controlling interests

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

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

The tables below present selected financial data of entities with significant individually held non-controlling interests for the period of 6 months ended 30 June 2015 and as at 30 June 2015. These figures do not include eliminations of intercompany transactions.

	for the period of 6 months ended 30 June 2015 (unaudited)						
	Asseco South Eastern Europe S.A.	Asseco Business Solutions S.A.	Magic Software Enterprises Ltd.	Matrix IT Ltd.	Sapiens International Corporation N.V.	Other individually insignificant	Total
	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions
Sales revenues	220.4	72.2	308.7	1,097.3	314.7	629.3	**2,642.6**
Operating profit	23.9	17.7	41.6	75.8	41.5	38.9	**239.4**
Net profit for the reporting period	8.1	14.8	29.7	43.0	19.0	27.6	**142.2**
Profit for the reporting period attributable to non-controlling interests	**9.7**	**7.9**	**23.8**	**33.2**	**17.8**	**1.5**	**93.9**
Net cash provided by (used in) operating activities	18.1	15.7	59.8	73.7	75.9	(19.7)	**223.5**
Net cash provided by (used in) investing activities	(26.4)	(4.7)	(42.0)	(22.3)	(41.8)	59.3	**(77.9)**
Net cash provided by (used in) financing activities	(3.6)	(28.3)	(16.0)	(71.7)	(22.3)	(99.9)	**(241.8)**
Dividends paid out to non-controlling shareholders	**-**	**(15.2)**	**(8.0)**	**(26.9)**	**(12.1)**	**(23.6)**	**(85.8)**

	as at 30 June 2015 (unaudited)					
	Asseco South Eastern Europe S.A.	Asseco Business Solutions S.A.	Magic Software Enterprises Ltd.	Matrix IT Ltd.	Sapiens International Corporation N.V.	Other individually insignificant
	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions
Current assets	225.4	70.9	528.2	874.1	339.5	651.7
Current liabilities	(142.0)	(16.6)	(118.3)	(682.6)	(197.5)	(400.8)
Working capital	**83.4**	**54.3**	**409.9**	**191.5**	**142.0**	**250.9**
Non-current assets	605.5	193.6	348.8	668.6	558.1	439.7
Non-current liabilities	(25.5)	(0.7)	(28.7)	(254.9)	(28.7)	(261.1)
Cash and cash equivalents	74.9	40.2	272.2	135.5	200.0	295.8
Long-term and short-term debt	(41.7)	-	(14.6)	(365.5)	-	(302.3)
Net cash (+)/Net debt (-)	**33.2**	**40.2**	**257.6**	**(230.0)**	**200.0**	**(6.5)**

The tables below present selected financial data of entities with significant individually held non-controlling interests for the period of 6 months ended 30 June 2014 and as at 30 June 2014. These figures do not include eliminations of intercompany transactions.

	for the period of 6 months ended 30 June 2014 (unaudited, restated)						
	Asseco South Eastern Europe S.A.	Asseco Business Solutions S.A.	Magic Software Enterprises Ltd.	Matrix IT Ltd.	Sapiens International Corporation N.V.	Other individually insignificant	Total
	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions
Sales revenues	220.3	70.3	249.2	876.5	229.9	549.6	**2,195.8**
Operating profit	18.3	15.5	31.1	49.3	19.9	36.5	**170.6**
Net profit for the reporting period	16.1	13.1	24.8	31.4	18.8	29.0	**133.2**
Profit for the reporting period attributable to non-controlling interests	**7.9**	**7.0**	**19.8**	**24.2**	**14.7**	**(4.7)**	**68.9**
Net cash provided by (used in) operating activities	24.0	16.3	42.8	35.3	38.7	39.4	**196.5**
Net cash provided by (used in) investing activities	(38.0)	(6.3)	(20.6)	(10.1)	(120.0)	(55.9)	**(250.9)**
Net cash provided by (used in) financing activities	20.6	(26.7)	152.8	(37.7)	4.0	85.2	**198.2**
Dividends paid out to non-controlling shareholders	**-**	**(14.3)**	**(6.7)**	**(17.2)**	**-**	**(15.9)**	**(54.1)**

	as at 30 June 2014 (unaudited, restated)					
	Asseco South Eastern Europe S.A.	Asseco Business Solutions S.A.	Magic Software Enterprises Ltd.	Matrix IT Ltd.	Sapiens International Corporation N.V.	Other individually insignificant
	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions
Current assets	215.3	65.9	406.9	718.7	229.7	692.5
Current liabilities	(134.5)	(15.3)	(86.0)	(529.9)	(126.5)	(388.8)
Working capital	**80.8**	**50.6**	**320.9**	**188.8**	**103.2**	**303.7**
Non-current assets	600.0	195.2	284.8	569.9	449.4	411.9
Non-current liabilities	(28.8)	(0.4)	(25.2)	(261.8)	(13.7)	(236.3)
Cash and cash equivalents	66.7	37.9	281.4	118.1	139.0	348.2
Long-term and short-term debt	(38.1)	-	(9.4)	(304.2)	-	(260.0)
Net cash (+)/Net debt (-)	**28.6**	**37.9**	**272.0**	**(186.1)**	**139.0**	**88.2**

12. Financial assets

As at 30 June 2015 and in the comparable periods, the Group held the following financial assets (in addition to receivables which are presented in explanatory note 14 to these interim condensed consolidated financial statements):

	30 June 2015 (unaudited)		31 Dec. 2014 (audited)		30 June 2014 (unaudited)	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions
Loans, of which:						
loans granted to entities related through the key management personnel	-	0.1	23.8	-	-	18.5
granted to employees	0.5	2.1	0.7	0.5	3.7	0.6
granted to other entities	7.6	4.0	7.8	1.8	9.9	7.9
term cash deposits	1.1	8.2	1.9	38.8	1.8	4.3
	9.2	**14.4**	**34.2**	**41.1**	**15.4**	**31.3**
Financial assets carried at fair value through profit or loss, of which:						
currency forward contracts (EUR & USD)	1.5	3.4	2.7	3.5	4.2	3.5
corporate bonds (quoted on active markets)	-	24.2	-	17.1	-	17.6
Treasury bonds	-	20.8	-	25.0	-	22.4
shares in companies quoted on active markets	-	15.9	-	13.3	-	12.5
other assets	-	3.4	-	0.1	-	0.6
	1.5	**67.7**	**2.7**	**59.0**	**4.2**	**56.6**
Financial assets available for sale, of which:						
shares in companies quoted on active markets	3.1	0.9	3.1	0.8	1.9	0.7
shares in companies not listed on stock markets	9.5	-	9.5	-	13.4	-
Treasury and corporate bonds (quoted on active markets)	146.0	44.9	116.1	42.0	104.7	1.6
	158.6	**45.8**	**128.7**	**42.8**	**120.0**	**2.3**
Total	**169.3**	**127.9**	**165.6**	**142.9**	**139.6**	**90.2**

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

Loans granted to related parties

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

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

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

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

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

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

Financial assets available for sale increased substantially mainly because our subsidiary Sapiens International acquired long-term corporate bonds for the amount of PLN 26 million (USD 7 million). The company chose this form of investing its spare cash as an alternative to bank deposits, because bonds are expected to bring a higher return than bank deposits. All the purchased bonds are investment grade and are measured at fair value on the basis of their market quoted prices (level 1). As at 30 June 2015, the fair value of such bonds amounted to PLN 147.1 million, of which PLN 146.0 million represented long-term assets.

13. Prepayments and accrued income

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

	30 June 2015 (unaudited)		31 Dec. 2014 (audited)		30 June 2014 (unaudited)	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions
Prepaid services, of which:	36.7	111.0	32.4	100.7	32.0	91.1
maintenance services and license fees	*34.8*	*86.8*	*30.5*	*80.7*	*30.3*	*68.4*
rents and averaging of instalments under operating leases	*0.4*	*4.6*	-	*5.7*	-	*4.6*
insurance	*0.1*	*7.4*	-	*3.4*	-	*5.9*
other services	*1.4*	*12.2*	*1.9*	*10.9*	*1.7*	*12.2*
Expenses related to services performed for which revenues have not been recognized yet	-	2.3	-	2.0	0.8	1.7
Other prepayments and accrued income	-	9.0	-	2.7	0.6	8.0
Total	**36.7**	**122.3**	**32.4**	**105.4**	**33.4**	**100.8**

14. Long-term and short-term receivables

	30 June 2015 (unaudited)		31 Dec. 2014 (audited, restated)		30 June 2014 (unaudited, restated)	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions
Trade receivables, of which:						
Invoiced receivables	**1.0**	**1,291.3**	**0.8**	**1,384.6**	**0.3**	**1,052.0**
from related parties	-	11.4	-	6.1	-	3.3
from other entities	1.0	1,279.9	0.8	1,378.5	0.3	1,048.7
Uninvoiced receivables	**-**	**278.0**	**-**	**200.3**	**-**	**222.1**
from related parties	-	0.4	-	-	-	-
from other entities	-	277.6	-	200.3	-	222.1
Receivables from valuation of IT contracts	**-**	**271.7**	**-**	**240.3**	**-**	**220.1**
from related parties	-	0.5	-	-	-	-
from other entities	-	271.2	-	240.3	-	220.1
Allowance for doubtful receivables (-)	**-**	**(70.9)**	**-**	**(57.9)**	**-**	**(40.2)**
	1.0	**1,770.1**	**0.8**	**1,767.3**	**0.3**	**1,454.0**
Corporate income tax receivable	**-**	**59.5**	**-**	**61.0**	**-**	**54.1**
Receivables from the state and local budgets						
Value added tax	-	19.1	-	14.7	-	11.6
Other	-	15.5	-	13.4	-	12.7
	-	**34.6**	-	**28.1**	**-**	**24.3**
Other receivables						
Other receivables	52.8	60.6	32.5	40.6	35.7	69.9
Allowance for other uncollectible receivables (-)	(0.4)	(2.2)	-	(4.3)	-	(10.7)
	52.4	**58.4**	**32.5**	**36.3**	**35.7**	**59.2**

Related party transactions have been presented in explanatory note 20 to these interim condensed consolidated financial statements.

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

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

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

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

15. Cash and cash equivalents

	30 June 2015 (unaudited) PLN millions	31 Dec. 2014 (audited) PLN millions	30 June 2014 (unaudited) PLN millions
Cash at bank	751.0	702.3	652.0
Cash on hand	0.8	0.8	0.7
Short-term bank deposits (up to 3 months)	338.2	520.7	431.8
Total cash and cash equivalents as disclosed in the balance sheet	**1,090.0**	**1,223.8**	**1,084.5**
Interest accrued on cash and cash equivalents	(0.1)	(0.3)	(0.2)
Bank overdraft facilities utilized for current liquidity management	(84.6)	(2.8)	(19.2)
Total cash and cash equivalents as disclosed in the cash flow statement	**1,005.3**	**1,220.7**	**1,065.1**

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

16. Interest-bearing bank loans and debt securities issued

	Loan currency	Effective interest rate	Repayment date	Outstanding debt as at: 30 June 2015 (unaudited) PLN millions	Outstanding debt as at: 31 Dec. 2014 (audited) PLN millions	Maximum debt as at: 30 June 2015 (unaudited) PLN millions	Maximum debt as at: 31 Dec. 2014 (audited) PLN millions
Bank overdraft facilities	***EUR***	EONIA + margin	not specified	3.3	0.4	8.4	2.1
		EURIBOR + margin	Q1 2015	-	2.7	-	12.1
			Q2 2015	-	0.2	-	2.1
			Q3 2015	-	-	1.9	-
			Q4 2015	4.0	-	10.5	1.3
			Q1 2016	0.1	-	-	-
			Q2 2016	12.4	-	26.4	-
			not specified	-	-	4.2	-
		fixed interest rate	Q1 2015	-	-	-	2.4
			Q4 2015	-	-	4.2	-
			Q2 2016	2.4	-	2.7	-
			Q3 2016	-	-	0.1	-
	MKD	fixed interest rate	Q4 2014	-	-	-	0.2
	PLN	WIBOR + margin	Q2 2015	-	6.4	4.0	25.5
			Q3 2015	4.0	-	4.0	-
			Q4 2015	42.1	-	170.0	150.0
			Q1 2016	8.7	-	70.0	70.0
			Q2 2016	8.8	-	10.5	-
			Q3 2016	27.7	-	300.0	300.0
			not specified	-	-	-	0.5
	Multi-currency	EURIBOR + margin	Q2 2015	-	-	-	6.4
			2017	-	-	-	4.3
	USD	fixed interest rate	Q1 2015	-	-	-	19.2
	NIS	Prime (Israel) + margin	not specified	82.6	55.2	not specified	not specified
				196.1	**64.9**	**616.9**	**596.1**

	Loan currency	Effective interest rate	Repayment date	30 June 2015 Long-term (unaudited) PLN millions	30 June 2015 Short-term (unaudited) PLN millions	31 Dec. 2014 Long-term (audited) PLN millions	31 Dec. 2014 Short-term (audited) PLN millions
Non-revolving bank loans	***EUR***	EURIBOR + margin	Q1 2015	-	-	0.5	1.8
			Q2 2015	-	-	-	5.2
			Q3 2015	-	0.1	-	0.7
			Q1 2016	-	1.3	-	-
			Q2 2016	-	5.0	-	-
			2017	1.7	0.7	1.9	1.3
			2018	1.2	0.5	1.5	0.5
			2020	5.5	-	-	-
			2022	0.1	-	0.1	-
		fixed interest rate	2018	-	-	0.9	0.4
	NIS	Prime (Israel) + margin	Q4 2015	-	15.7	-	15.7
			Q1 2016	-	0.1	-	0.1
			Q2 2016	0.9	1.2	1.4	1.1
		fixed interest rate	Q2 2015	-	15.0	13.5	-
			Q1 2016	-	0.1	-	0.2
			Q2 2016	-	10.0	4.5	9.0
			Q3 2016	1.0	4.0	2.7	3.6
			2017	29.2	21.8	36.9	17.9
			2018	82.0	34.0	89.3	30.5
			2019	48.8	15.1	50.5	13.7
			2020	174.2	31.1	180.4	4.8
	PLN	WIBOR + margin	2022	83.6	13.2	90.3	13.1
	USD	fixed interest rate	Q4 2016	-	10.5	-	9.8
	TRY	-	Q1 2015	-	-	-	0.2
			Q3 2016	-	0.5	-	-
	HRK/EUR	12M Treasury bonds + margin	Q4 2016	0.9	1.8	1.9	1.9
		EURIBOR + margin	2017	2.5	3.3	4.2	3.4
			2019	10.0	3.0	11.9	2.6
	BAM	fixed interest rate	2017	0.5	0.2	0.5	0.4
	RSD	fixed interest rate	Q1 2016	-	3.0	0.4	4.8
				442.1	**191.2**	**493.3**	**142.7**

	Loan currency	Effective interest rate	Repayment date	30 June 2015 Long-term (unaudited) PLN millions	30 June 2015 Short-term (unaudited) PLN millions	31 Dec. 2014 Long-term (audited, restated) PLN millions	31 Dec. 2014 Short-term (audited, restated) PLN millions
Borrowings	***EUR***	fixed interest rate	2018	10.4	4.8	11.6	4.0
			2019	0.2	0.1	0.3	0.1
			2020	6.8	0.5	7.4	0.1
			2021	0.2	-	0.2	-
			2022	0.2	-	0.2	-
	NIS	fixed interest rate	Not specified	4.0	-	1.7	-
				21.8	**5.4**	**21.4**	**4.2**

The Group's liabilities under non-revolving bank loans and borrowings amounted to PLN 660.5 million as at 30 June 2015, of which PLN 463.9 million represented debt with maturities of over 12 months. As at 31 December 2014, liabilities under non-revolving bank loans and borrowings amounted to PLN 661.6 million, of which PLN 514.7 million represented long-term debt.

In the reporting period, the margins realized by lenders to Asseco Group companies ranged from 0.4 to 5.14 percentage points on an annual basis. Whereas, in the comparable period such margins ranged from 1.0 to 6.99 percentage points per annum.

Both as at 30 June 2015 and 31 December 2014, the Group had no liabilities resulting from any debt securities issued.

Hence, the Group's total liabilities under all bank loans and borrowings taken out and debt securities issued aggregated at PLN 856.6 million as at 30 June 2015, as compared with PLN 726.5 million outstanding as at 31 December 2014. The total amount of debt increased primarily due to revolving bank loans drawn by the Parent Company.

Assets serving as security for bank loan facilities:

Category of assets	Net value of assets		Utilized amount of loan facility secured with assets	
	30 June 2015 (unaudited) PLN millions	31 Dec. 2014 (audited) PLN millions	30 June 2015 (unaudited) PLN millions	31 Dec. 2014 (audited) PLN millions
Land and buildings	211.3	208.7	119.0	105.5
Computers and other office equipment	4.4	4.5	1.1	8.2
Long-term investments	727.8	560.8	241.0	221.2
Inventories	1.0	1.1	-	-
Current and future receivables	43.9	72.2	3.2	10.7
Total	**988.4**	**847.3**	**364.3**	**345.6**

Some loans taken from Polish and Israeli banks come with the so-called covenants which impose an obligation to maintain certain financial ratios at the levels required by the bank. These ratios are related to the level of indebtedness, e.g. debt to EBITDA or debt to equity ratios, or to achieving the expected operating results. 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 margin on the loan. 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 2015 and in the comparable periods, we did not default on any of such financial covenants.

17. Financial liabilities

	30 June 2015 (unaudited)		31 Dec. 2014 (audited)		30 June 2014 (unaudited)	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions
Dividend payment liabilities	-	27.3	-	14.9	-	18.3
Liabilities for the acquisition of shares – deferred and contingent payments for controlling interests	25.1	18.8	13.4	11.6	7.2	42.9
Liabilities for the acquisition of shares in subsidiaries (put options)	94.5	45.5	90.3	37.2	127.6	-
Other financial liabilities	-	3.6	-	1.1	-	0.4
	119.6	**95.2**	**103.7**	**64.8**	**134.8**	**61.6**

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

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

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

Liabilities for deferred and/or contingent payments for controlling interests	**30 June 2015 (unaudited) PLN millions**	**31 Dec. 2014 (audited) PLN millions**	**30 June 2014 (unaudited) PLN millions**
Liabilities for acquisitions made by Asseco Central Europe Group	1.4	1.4	1.5
Liabilities for acquisitions made by Asseco South Eastern Europe Group	1.8	1.9	1.8
Liabilities for acquisitions made by Magic Software Enterprises Group	5.4	1.6	7.7
Liabilities for acquisitions made by Matrix IT Group	19.1	11.4	39.1
Liabilities for acquisitions made by Sapiens International Group	8.4	-	-
Liabilities for acquisitions made by Matrix 42 AG Group	7.8	8.7	n/a
	43.9	**25.0**	**50.1**

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

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

Liabilities under put options granted to non-controlling shareholders	**30 June 2015 (unaudited) PLN millions**	**31 Dec. 2014 (audited) PLN millions**	**30 June 2014 (unaudited) PLN millions**
Asseco Lietuva UAB	0.8	0.8	0.8
Asseco South Eastern Europe S.A.[1)]	45.5	37.2	40.0
Companies of Matrix IT Group [2)]	40.8	35.1	38.7
Companies of Magic Software Enterprises Group [3)]	2.4	2.2	2.1
Companies of Sapiens International Group	0.9	0.6	n/a
SKG S.A.	5.4	6.9	7.1
R-Style Softlab JSC	36.8	36.8	38.9
Asseco Kazakhstan LLP	3.2	3.2	n/a
Asseco Solutions A.G.	4.2	4.7	n/a
	140.0	**127.5**	**127.6**

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

2) *Liabilities related to the acquisition of companies: Babcom Centers, Matchpoint, K.B.I.S., China, and SEEV.*

3) *Liabilities related to the acquisition of CommIT Software Ltd.*

18. Long-term and short-term liabilities

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

	30 June 2015		31 Dec. 2014		30 June 2014	
	(unaudited)		(audited, restated)		(unaudited, restated)	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions
Trade payables, of which						
Invoiced payables	**0.1**	**329.4**	**0.2**	**414.1**	**0.2**	**272.7**
from related parties	-	1.0	-	1.0	-	1.7
from other entities	0.1	328.4	0.2	413.1	0.2	271.0
Uninvoiced payables	**6.8**	**165.1**	**1.1**	**145.8**	**-**	**137.7**
from related parties	-	-	-	-	-	-
from other entities	6.8	165.1	1.1	145.8		137.7
Liabilities arising from valuation of IT contracts	**-**	**15.6**	**-**	**19.6**	**-**	**18.0**
from related parties	-	0.1	-	-	-	-
from other entities	-	15.5	-	19.6	-	18.0
	6.9	**510.1**	**1.3**	**579.5**	**0.2**	**428.4**
Corporate income tax payable	**-**	**21.3**	**-**	**29.0**	**-**	**21.5**
Liabilities to the state and local budgets						
Value added tax (VAT)	-	56.5	-	86.6	-	57.1
Personal income tax (PIT)	-	16.7	-	17.5	-	16.0
Social Insurance	-	24.2	-	22.7	-	24.9
Income tax on dividends paid out			-	-	-	8.1
Withholding income tax	-	1.3	-	2.9	-	3.3
Other	-	5.8	-	0.7	6.4	1.1
	-	**104.5**	**-**	**130.4**	**6.4**	**110.5**
Other liabilities						
Liabilities to employees (including salaries payable)	-	179.6	-	138.7	-	135.3
Other liabilities	12.0	25.5	11.3	22.8	1.7	21.5
	12.0	**205.1**	**11.3**	**161.5**	**1.7**	**156.8**

Trade payables are non-interest bearing. Related party transactions have been presented in explanatory note 20 to these interim condensed consolidated financial statements.

19. Accruals and deferred income

	30 June 2015 (unaudited)		31 Dec. 2014 (audited, restated)		30 June 2014 (unaudited, restated)	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions	PLN millions
Accruals, of which:						
Accrual for unused holiday leaves	-	106.0	-	81.9	-	88.0
Accrual for employee and management bonuses	-	102.1	-	134.3	-	74.3
	-	**208.1**	**-**	**216.2**	**-**	**162.3**
Deferred income, of which:						
Maintenance services and license fees	26.1	263.1	23.8	224.5	14.0	218.1
Other prepaid services	-	33.4	6.6	33.1	13.0	30.6
Grants for the development of assets	35.1	4.0	35.2	2.4	35.5	5.7
Other	0.1	2.0	-	1.3	-	-
	61.3	**302.5**	**65.6**	**261.3**	**62.5**	**254.4**

The balance of accruals comprises accruals for unused holiday leaves as well as accruals for remunerations of the current period to be paid out in future periods which result from the bonus incentive schemes applied by the Group.

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

20. Related party transactions

Asseco Group sales to related parties: Name of entity		6 months ended 30 June 2015 (unaudited) PLN millions	6 months ended 30 June 2014 (unaudited) PLN millions
Transactions with associates and jointly controlled companies			
Postdata S.A.	*sale of goods and services related to implemented IT projects*	2.7	3.4
E-mon d.o.o.	*sale of goods and services related to implemented IT projects*	0.2	0.2
Multicard d.o.o.	*sale of goods and services related to implemented IT projects*	0.2	0.1
	Total	**3.1**	**3.7**
Transactions with entities related through the Group's Key Management Personnel			
Decsoft S.A.[1)]	*sale of goods and services related to implemented IT projects*	8.3	0.9
Matrix42 Inc.[2)]	*sale of goods and services related to implemented IT projects*	-	0.1
Virte a.s.[3)]	*sale of goods and services related to implemented IT projects*	-	1.9
Konferenta UAB[4)]	*Sale of services related to implemented IT projects and other activities*	0.2	-
Other entities related through the key management personnel		-	0.4
	Total	**8.5**	**3.3**
Transactions with Members of Management Boards and Supervisory Boards and Commercial Proxies of other Group companies		**-**	**0.1**
	Total related party transactions	**11.6**	**7.1**

1) *In the period of 6 months ended 30 June 2015, Mr. Jacek Duch, Chairman of the Company's Supervisory Board, served as Member of the Supervisory Board of Decsoft S.A.*

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

3) *In the period of 6 months ended 30 June 2014 as well as in the comparable period, Mr. Juraj Kováčik performed managerial functions in Virte, a.s. and in Slovanet a.s. (a subsidiary of Asseco Central Europe).*

4) *In the period of 6 months ended 30 June 2015 as well as in the comparable period, shareholders in Konferenta UAB, Mr. Albertas Sermokas and Mr. Evaldas Drasutis were non-controlling shareholders in our subsidiary Sintagma UAB and Asseco Lietuva UAB. Furthermore, they both served as members of the managerial stuff of Sintagma UAB and Asseco Lietuva UAB.*

Asseco Group purchases from related parties: **Name of entity**		**6 months ended 30 June 2015** (unaudited) PLN millions	**6 months ended 30 June 2014** (unaudited) PLN millions
Transactions with associates			
Postdata S.A.	*purchase of goods and services related to implemented IT projects*	0.3	0.3
	Total	**0.3**	**0.3**
Transactions with entities related through the Group's Key Management Personnel			
Koma Nord Sp. z o.o. [1)]	*purchase of services related to implemented IT projects*	0.1	0.2
Top Fin Sp. z o.o.[2)]	*rental of apartments (including reception, cleaning and security services, etc.) with parking lot spaces for the accommodation of employees on business trips*	1.3	0.4
Matrix42 Ukraine[3)]	*purchase of goods and services related to implemented IT projects*	-	2.6
MHM d.o.o.[4)]	*rental of office space*	2.8	2.8
DM3 d.o.o.[5)]	*rental of office space*	0.3	0.3
MB Distribution Ltd [6)]	*purchase of goods and services related to implemented IT projects*	-	1.3
MPS d.o.o., Skopje [7)]	*rental of office space*	0.3	0.3
Sospes d.o.o.[8)]	*purchase of goods and services related to implemented IT projects*	0.3	0.2
Linkas UAB [9)]	*rental of office space; purchase of services related to other activities*	0.6	0.6
Other entities related through the key management personnel		0.9	1.1
	Total	**6.6**	**9.8**
Transactions with Members of Management Boards and Supervisory Boards and Commercial Proxies of other Group companies			
Dariusz Brzeski	*purchase of advisory services*	0.5	0.7
Andrzej Gerlach	*purchase of advisory services*	0.9	-
Piotr Jakubowski	*purchase of advisory services*	0.2	0.2
Jozef Klein	*purchase of advisory services*	-	6.3
Jacek Duch	*purchase of advisory services*	-	2.1
Transactions with other members of management boards and supervisory boards and commercial proxies of other Group companies		1.1	1.3
	Total	**2.7**	**10.6**
	Total related party transactions	**9.6**	**20.7**

1) *In the period of 6 months ended 30 June 2015 as well as in the comparable period, Mr. Andrzej Gerlach, the Company's Commercial Proxy, served as Member of the Supervisory Board of Koma Nord Sp. z o.o.*

2) *In the period of 6 months ended 30 June 2015 as well as in the comparable period, Mr. Andrzej Gerlach, the Company's Commercial Proxy, was a partner in the company Top Fin Sp. z o.o. Moreover, during the analyzed period, Mrs. Ewa Góral, the wife of Mr. Adam Góral, President of the Company's Management Board, was a partner in the company Top Fin Sp. z o.o.; whereas, Mrs. Jolanta Wiza, the wife of Mr. Artur Wiza who performs managerial functions in the Company, was the president and a partner in the company Top Fin Sp. z o.o. In addition, since July 2013, Mr. Adam Góral, President of the Company's Management Board, has been the owner of business premises rented out to Top Fin Sp. z o.o.*

3) *In the period of 6 months ended 30 June 2015 as well as in the comparable period, Mr. Jochen Jaser, a shareholder in Matrix42 Ukraine, was also a non-controlling shareholder in our subsidiary Asseco DACH S.A. Furthermore, Mr. Jaser serves as member of the managerial stuff of our subsidiary Matrix42 A.G.*

4) *In the period of 6 months ended 30 June 2015 as well as in the comparable period, shareholders in MHM d.o.o. served as members of the managerial stuff of subsidiaries of Asseco South Eastern Europe.*

5) *In the period of 6 months ended 30 June 2015 as well as in the comparable period, Mr. Mihail Petreski, a shareholder in DM3 d.o.o., served as Vice Chairman of the Supervisory Board of Asseco South Eastern Europe.*

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

7) *In the period of 6 months ended 30 June 2015 as well as in the comparable period, Mr. Mihail Petreski, a shareholder in MPS d.o.o., Skopje, served as Vice Chairman of the Supervisory Board of Asseco South Eastern Europe.*

8) *In the period of 6 months ended 30 June 2015 as well as in the comparable period, the company Sospes d.o.o. was related through the key management personnel of a subsidiary of Asseco South Eastern Europe.*

9) *In the period of 6 months ended 30 June 2015 as well as in the comparable period, shareholders in Linkas UAB, Mr. Albertas Sermokas and Mr. Evaldas Drasutis were non-controlling shareholders in our subsidiary Sintagma UAB and Asseco Lietuva UAB. Furthermore, they both served as members of the managerial stuff of Sintagma UAB and Asseco Lietuva UAB.*

Name of entity	Trade receivables and other receivables as at		Trade payables and other liabilities as at	
	30 June 2015 (unaudited) PLN millions	31 Dec. 2014 (audited) PLN millions	30 June 2015 (unaudited) PLN millions	31 Dec. 2014 (audited) PLN millions
Associates and jointly controlled companies				
Postdata S.A.	0.6	3.0	-	0.2
E-mon d.o.o.	0.1	-	-	-
Multicard d.o.o.	0.2	0.1	-	-
	0.9	**3.1**	**-**	**0.2**
Transactions with entities related through the Group's Key Management Personnel				
Decsoft S.A.	9.1	3.3	-	-
Ruch S.A.	-	0.7	-	-
Top Fin Sp. z o.o.	0.3	0.3	0.2	0.2
Sospes d.o.o.	-	-	0.1	-
Linkas UAB	-	-	0.4	0.4
Higher School of Finance and Administration in Sopot*)	1.5	1.5	-	-
Other	0.4	0.4	0.1	0.3
Total	**11.3**	**6.2**	**0.8**	**0.9**
Transactions with Members of Management Boards and Supervisory Boards and Commercial Proxies of other Group companies				
Dariusz Brzeski	-	-	0.2	0.1
Piotr Jakubowski	-	-	-	-
Andrzej Gerlach	-	-	0.1	-
Jacek Duch	-	-	-	-
Marcus Haller	-	-	4.2	-
Other persons	0.1	1.5	0.1	0.1
Total	**0.1**	**1.5**	**4.6**	**0.2**
Total related party transactions	**12.3**	**10.8**	**5.4**	**1.3**

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

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

As at 30 June 2015, receivables from related parties comprised trade receivables (PLN 11.9 million) as well as other receivables (PLN 0.4 million).

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

As at 30 June 2015, liabilities to related parties comprised trade payables (PLN 1.1 million) as well as other liabilities (PLN 4.3 million).

As at 31 December 2014, liabilities to related parties comprised trade payables (PLN 1.0 million) as well as other liabilities (PLN 0.3 million).

Loans granted to related parties have been described in explanatory note 12 to these interim condensed consolidated financial statements.

21. Notes to the Statement of Cash Flows

Cash flows – operating activities

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

	6 months ended 30 June 2015 (unaudited) PLN millions	6 months ended 30 June 2014 (unaudited, restated) PLN millions
Change in inventories	(28.6)	32.1
Change in receivables	64.9	169.3
Change in liabilities	(126.2)	(277.9)
Change in prepayments and accruals	14.2	35.5
Change in provisions	2.9	(11.6)
	(72.8)	**(52.6)**

Cash flows – investing activities

In the period of 6 months ended 30 June 2015, the balance of cash flows from investing activities was affected primarily by the following proceeds and expenditures:

- Acquisitions of property, plant and equipment and intangible assets include purchases of property, plant and equipment for PLN 44.3 million, purchases of intangible assets for PLN 7.3 million, as well as expenditures for ongoing development projects amounting to PLN 38.6 million.
- Expenditures for the acquisition of subsidiaries and associates, and cash and cash equivalents in the acquired subsidiaries as at the date of obtaining control:

for the period of 6 months ended 30 June 2015	Acquisition of subsidiaries (unaudited) PLN millions	Cash in subsidiaries acquired (unaudited) PLN millions
Acquisitions made by Magic Software Enterprises Group	(33.5)	1.1
Acquisitions made by Matrix IT Group	(20.6)	2.9
Acquisitions made by Sapiens International Corp. Group	(9.8)	3.3
Acquisitions made by Asseco Central Europe Group	(0.1)	-
Acquisitions made by Asseco Systems	(22.4)	0.6
Other acquisitions	(0.7)	-
	(87.1)	**7.9**

- The following table presents detailed cash flows relating to loans during the period of 6 months ended 30 June 2015:

	Loans collected (unaudited) PLN millions	Loans granted (unaudited) PLN millions
Loans for other related entities	-	-
Loans for employees	0.6	(1.1)
Term cash deposits with original maturities exceeding 3 months	65.3	(34.7)
Total	**65.9**	**(35.8)**

Cash flows – financing activities

- Proceeds from bank loans and borrowings include primarily bank loans taken and repaid by Matrix IT Group.
- Expenditures for the acquisition of non-controlling interests include the following items:

	(unaudited) PLN millions
Acquisition of an additional stake in Magic by Formula Systems	(5.9)
Acquisition of an additional stake in Matrix IT by Formula Systems	(1.3)
Acquisition of treasury shares by Asseco DACH	(7.1)
Acquisitions made by Magic Group	(2.6)
Acquisitions made by Matrix IT Group	(3.5)
Total	**(20.4)**

22. Off-balance-sheet liabilities towards other entities

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

	30 June 2015 (unaudited) PLN millions	31 Dec. 2014 (audited) PLN millions	30 June 2014 (unaudited) PLN millions
Liabilities under leases of space			
In the period up to 1 year	87.9	89.1	98.1
In the period from 1 to 5 years	226.1	205.0	181.8
Over 5 years	4.6	9.5	12.8
	318.6	**303.6**	**292.7**
Liabilities under operating lease agreements			
In the period up to 1 year	49.4	46.8	37.8
In the period from 1 to 5 years	46.9	40.6	37.6
Over 5 years	-	-	-
	96.3	**87.4**	**75.4**

23. Employment

Numbers of employees in the Group companies as at:	30 June 2015 (unaudited)	31 Dec. 2014 (audited)	30 June 2014 (unaudited)
Management Board of the Parent Company	11	11	11
Management Boards of the Group companies	109	120	114
Production departments	16,730	15,718	15,412
Sales departments	1,293	1,236	1,280
Administration departments	1,466	1,396	1,389
Total	**19,609**	**18,481**	**18,206**

Numbers of employees in the Group companies as at:	30 June 2015 (unaudited)	31 Dec. 2014 (audited)	30 June 2014 (unaudited)
Asseco Poland S.A.	2,948	3,062	3,176
Formula Systems Group	10,119	9,429	9,086
Asseco Central Europe Group	1,476	1,450	1,424
Asseco South Eastern Europe Group	1,401	1,403	1,381
ZAO R-Style Softlab	735	726	770
Asseco Business Solutions S.A.	602	595	595
Asseco South Western Europe Group	593	520	524
Unizeto Technologies S.A.	313	n/a	n/a
Asseco DACH Group	235	211	191
C.K. Zeto Łódź S.A.	145	141	146
Insseco Sp. z o.o.	138	n/a	n/a
Sintagma UAB	162	166	170
Combidata Poland Sp. z o.o.	113	126	130
ZUI OTAGO Sp. z o.o.	143	144	138
PI Zeto Bydgoszcz S.A.	111	115	115
ZUI Novum Sp. z o.o.	63	63	60
Sigilogic Sp. z o.o.	50	56	53
ADH-Soft Sp. z o.o.	51	50	52
SKG S.A.	37	43	44
Asseco Georgia LLC	33	30	27
Asseco Danmark A/S	32	30	27
Peak Consulting Group ApS	20	18	16
Asseco Kazakhstan LLC	17	16	n/a
Asseco Software Nigeria Ltd.	11	6	n/a
Gladstone Consulting Ltd.	-	-	-
Park Wodny Sopot Sp. z o.o.	50	70	70
Gdyński Klub Koszykówki “Arka” S.A.	7	7	7
Asseco Resovia S.A.	4	4	4
Total	**19,609**	**18,481**	**18,206**

All figures in PLN millions, unless stated otherwise 76

24. Significant events after the balance sheet date

❑ *Sale of shares in Insseco Sp. z o.o. to Sapiens International Corporation*

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

For Asseco Poland, the conducted transaction is a continuation of streamlining the organizational structure of Asseco Group, aiming at the development of a commercial insurance product and competence center operating within its subsidiary Sapiens Group.

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

❑ *Increasing of the share capital and changing the name of our subsidiary Asseco Systems S.A.*

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

These shares were offered by private subscription to Asseco Poland S.A., being the sole shareholder of Asseco Systems S.A. The issuance price equalled PLN 100 per new share, adding up to PLN 90,005,300 for the whole issuance. The newly issued shares were acquired by Asseco Poland S.A. pursuant to the said agreement and paid up with non-cash contributions in the form of shares in Zakład Usług Informatycznych Otago Sp. z o.o., shares in ADH Soft Sp. z o.o., shares in Combidata Poland Sp. z o.o., in each case representing 100% of the company's share capital, and the payment of PLN 28.84 in cash.

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

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

On 24 August 2015, there was passed a resolution on the merger of Asseco South Western Europe S.A. (the taking-over company) and Asseco DACH S.A. (the acquired company) by transferring all the assets of Asseco DACH to Asseco South Western Europe in exchange for new shares to be issued by Asseco South Western Europe and allocated to shareholders of Asseco DACH. Until the date of publication of these interim financial consolidated statements, the said merger has not yet been registered in court.

In addition, Asseco South Western Europe S.A. changed its corporate name to Asseco Western Europe S.A. Until the date of publication of these interim consolidated financial statements, the said change of the name has not yet been registered in court.

❑ *Acquisition of shares by Asseco Central Europe in its subsidiary*

In July 2015, the Management Board of Asseco Central Europe signed an agreement to acquire 66% of shares of a new company established in Slovakia. The purchase price amounted to EUR 3,173 thousand and has been fully paid.

25. Significant events related to prior years

Until the date of preparing these interim condensed consolidated financial statements for the period of 6 months ended 30 June 2015, this is until 27 August 2015, we have not observed any significant events related to prior years, which have not but should have been included in these financial statements.

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