

A large, abstract graphic in the background consists of a blue and white circular pattern that resembles a stylized globe or a complex network. It features a grid of lines and dots, with a prominent blue circle in the center. The graphic is set against a light blue background with a subtle grid pattern.

## **ANNUAL REPORT 2010**

LETTER OF THE CHAIRMAN

MANAGEMENT REPORT

SELECTED FINANCIAL DATA

CORPORATE GOVERNANCE

STANDALONE FINANCIAL STATEMENTS

**15 March 2011**

## LETTER OF CHAIRMAN

Ladies and Gentlemen, Dear Shareholders, Investors and Colleagues,

The march of time is relentless, moving forward at a constant speed with no turning back. We have swung from the old year to a new year, 2011, where we expect partial economic recovery in both the Czech and Slovak Republic. Both the commercial and public sectors are well-placed to be revived, though only time will tell how much the economy will actually awake this year. Our Company is part of this economic environment and in both aforementioned sectors provides services in the form of software solutions and project implementation.

From our IT perspective, the commercial segment is gradually waking up, although only a few companies are embarking on major projects such as, for example, replacement of their production information systems. In fact, mostly an expansion of existing IS or deploying additional modules is preferred to extend their product or service portfolios. Such an environment is incredibly competitive and only those firms that are able to provide their clients with rapid, cost-effective implementation and subsequently affordable technical support are going to succeed. In 2011, we forecast moderate recovery and a change of mood in commercial companies leading to more investments into IT than last year.

Both countries underwent a change in their governing coalitions in the middle of 2010, bringing great expectations particularly in the area of public contracts - liberalisation of conditions for acquisitions, increased transparency and above all the creation of a competitive climate in which many more firms (including us) will have more opportunities than had been the case in the past. Both of our countries have the opportunity to draw upon money from European Union through national programs in the Czech Republic (Integrated Operational Programme) and Slovakia (Information Society Operational Programme). These not yet fully utilised funds are still waiting to be spent. There has been little ICT work involving public authorities in both countries while existing projects and tenders continue to be audited, with the prospect for new projects remaining remote.

And how did our policy of acquisitions change in 2010? After acquiring two Hungarian companies, Statlogics and Globenet, and selling off UNiQUARE Software Development in Austria, the official structure of legal entities in Central Europe was shaped to give us equal representation in three countries, namely Slovakia, the Czech Republic and Hungary.

Asseco Central Europe is run jointly in the Czech Republic and Slovakia with a single organisational structure and a common budget. Our subsidiaries Asseco Solutions CZ and SK operate similarly; they have a unified organisational structure and business plan, even though they are separate entities (due to their incorporation in different countries). Our shareholders and investors look at us as a whole, i.e. at the whole structure within the entire Asseco CE Group. When any of the companies in the Group is underperforming, other companies from can "nudge" it, and vice versa. Thus our Asseco CE Group provides us with the opportunity either to diversify risk or accumulate individual assets from its members for the potential development of new products, projects or other ICT services and activities.

Consolidated financial results for 2010 look promising and augur a bright forecast for the upcoming year. Revenues fell by only 2.3%, while pre-tax income rose by 12.3% over 2009. Net profits, only 13.4% lower than in 2009, reflect losses caused by economic

mismanagement at UNiQUARE in Austria and by it subsequently being spun off, which relieved us of this burden.

Having assessed 2009 as a year devoid of any new customers and considered it one of the worst in recent years, 2010 nevertheless brought some recovery and a slight increase in the number of new projects and clients, and this primarily in Slovakia. The business atmosphere in the Czech Republic remains subdued and not very effective, and so far we have not been able to overcome this "business fast". Thus the customers we have won over are even more valued and appreciated.

The following projects were won for **Asseco CE Czech Republic**:

**Czech Statistical Office** – we are a member of a consortium that is working together to implement the Register of Legal Entities project (Register právnických osôb – ROS). Our operation, managed by M. Dobiáš and V. Hořenovský, has been successful and we believe that an end solution will be successfully finalised this year.

**Czech Post** – we won a tender to supply Ingenico POS terminals along with basic software applications. A framework agreement was signed in 2010 and we expect work to be completed this year.

**Central Securities Depository** – successor to the State securities depository (SCP); after the SCP project was completed, we signed a contract with the successor.

**Škoda Prague** – agreement has been reached to provide full outsourcing of IT infrastructure and applications support.

**ČEZ Distribuce** – success in a competitive tender to "Preparation of data for a distribution network in the Scada system".

The new projects of **Asseco CE Slovakia**:

**Wüstenrot Group** – at the turn of 2009 and 2010 we won a tender to supply a comprehensive system for Wüstenrot Group, and during 2010 we implemented: StarBUILD – complex delivery of an entire production system with migration for the building society, StarINS – complex delivery of an entire production system for insurance and life insurance, and eStarBANK – electronic banking.

**Supreme Audit Office** – we won a tender and implemented a Comprehensive IS Project for one of our major customers.

**Všeobecná zdravotná poisťovňa** (General Health Insurance Company) – implementation of merge of information systems (ZPIS, MIS) of two insurance companies, Všeobecná zdravotná poisťovňa and Spoločná zdravotná poisťovňa (Common Health Insurance Company).

**OTP Banka** – a project of realisation of BI system was again restarted for an old yet new client.

**Health Ministry of the Slovak Republic** – we are a member of a consortium that won a tender in 2010 and are participating in a project to nationally computerise health services, while directly providing solutions for the Electronic Health Card and Health Portal.

**Slovenská sporiteľňa** (Slovak Savings Bank) – successful delivery of large-scale modifications of electronic banking and system of payment cards (COC) for the needs of the new IS of SLSP.

**Poštová banka** (Post Office Bank) - also expanded its operations in the Czech Republic, with us implementing StarBank at the new branch office. In Slovakia we have launched implementation of eStarBank.

**Všeobecní zdravotní pojišťovna** (General Health Insurance Company, Czech Republic) - decided to change the supplier and to transfer their Service and Development Agreement directly to us as a prime contractor.

Dear Colleagues and Friends,

2010 saw us successfully completing twenty years of IT operations in Slovakia. Our results confirm the long-term competitiveness of our products and solutions and also the competence and high professionalism of our staff and colleagues. I look forward to 2011 and believe that together we can create the climate and conditions that will lead to steady growth for Asseco CE in both countries. I have faith in the consolidation of Czech part of the Company and in our business potential, which I feel will bring us new projects, success from those projects and ultimately the joy brought from a job done well together.

Let me wish my colleagues and our Company's supporters much success, many professional and loyal staff members and a lot of wonderful moments that contribute to building a new era for our Firm.

*Jozef Klein*

# MANAGEMENT REPORT ON COMPANY ACTIVITY FOR 2010

## 1.1. Structure and activities of the Company

**Asseco Central Europe** is a member of the international Asseco Group, one of the leading software houses in Europe.

Since 1990 (at that time as ASSET, s.r.o.) it provides comprehensive IT solutions and services for recognized financial institutions that are members of global corporations (Erste, Allianz, UniCredit, etc.), as well as ministries, municipalities, public sector institutions and commercial companies. The Company's portfolio consists of banking, insurance, building societies and health information systems, credit card systems, data warehouse and business intelligence solutions, geographical and technical information systems, e-commerce, reporting, and other tailored solutions.

## 1.2. History

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

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

## 1.3. Present days

In July 2009 Asseco Slovakia and Asseco Czech Republic integrated and formed a strong regional software centre for Central Europe with a significantly expanded product and service portfolio – Asseco Central Europe. Both companies have retained their legal identities, but have one common organisational structure and business strategy. The commercial name Asseco Central Europe, a.s. was registered in both countries in the spring of 2010. Through a joint strategy for the development of new solutions, knowledge sharing, and expanding the product variety, the Company was able to increase its sales potential and competitiveness. Asseco CE in Slovakia has almost 350 employees and together with the Czech Republic it is approximately 800.

**General information:**

Company's name:	Asseco Central Europe, a.s.
Registered seat:	Trenčianska 56/A, 821 09 Bratislava
ID number:	35 760 419
VAT ID:	SK2020254159
Established:	12 February 1999
Legal form :	joint stock company
Share capital:	709.023,84 EUR
Number of shares:	21.360.000
Type of shares:	bearers shares
Nominal value of share:	0,033194 EUR
Registered :	Commercial Register maintained by the District Court of Bratislava I., Section.: Sa, File No.:2024/B,

**Scope of activities**

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

## 2.1. Business Offer

The business portfolio of Asseco CE consists of corporate services and product groups, which are essential for the ability to create innovative, useful and affordable solutions for the specific needs of customers. Such structured business portfolio allows the building of information support in most areas of the IT environment at the customers, ranging from infrastructure and operation, through standard processes such as economics, electronic communication, reporting, planning and others, up to the very unique and specific processes of specific customers.

One of the main Asseco CE objectives is to create efficient and easily available solutions that fully respect the differences and specifics of individual customers and thus help them to achieve a competitive advantage. Such objective is pursued through a suitable combination of standard or default solutions and the development of customized solutions. The complete offer of Asseco CE reflects following graphic.



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

**SYSTEM INTEGRATION** is a long-standing priority of the Company. Given the scale of its business portfolio and the size and experience of individual teams of consultants and other specialists, the Company is able to guarantee integration at all levels in its projects, whether it concerns integration at the level of specific applications or integration at the procedural, analytical, project or strategic level. The goal is always to help reduce the heterogeneity of the target environment and eliminate administrative burdens.

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

outsourcing of IT equipment not only for commercial customers but also for organizations in the public sector.

**INFRASTRUCTURE AND SECURITY** covers designs of corporate infrastructure security, system services and supplies of HW/SW and ITSM/ITIL.

## 2.2. PRODUCTION SYSTEMS

### **StarBANK**

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

### **StarBUILD**

Comprehensive information system for building societies. The application is parameterizable and flexibly tailored to the market conditions of building societies.

### **StarINS**

Comprehensive information system for insurance companies automates all front-office and backoffice operations including personal, property and liability insurance, as well as life (capital, investment and hazardous) insurance.

### **StarTREASURY**

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

### **Mediform**

Centralized multilayer information system for health insurance companies. It includes complete application software for administration and supporting health insurance company activities. The information system is integrated with an Internet portal and an electronic registry for customer contact with clients, and is also connectable with other supporting systems – MIS, Call Center and others.

### **SofiSTAR**

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

### **StarCAPITAL**

Comprehensive solution to support the key processes of organizations in the capital markets. StarCAPITAL is a solution designed purely for electronic trading of securities with real-time settlement.

## 2.3. BUSINESS INTELLIGENCE & DWH

### **StarSTAT**

Represents solution for the mandatory reporting of commercial banks to the central bank. It automates the process of creating and submitting reports and communication with the central bank, and allows the creation of one's own statements.

### **StarBI**

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

### **SmartGOV.BI**

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

### **AQS (Asseco Quality System)**

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

## 2.4. CARD SYSTEMS

### **StarCARD**

Full information system supporting pay card transactions for banks and processing centers. It includes authorization support, clearing and transaction settlement, chargeback processing support, card management and personalization and dealer administration.

### **Transport telematics**

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

### **Personalization of smart cards**

Smart card personalization services, supplies of hardware, software and cards, development and integration of complete card systems, commercial and technical services. The complexity of services is provided by subsequent support for users. In addition to smart cards, all types of plastic cards, format ID-1 can be personalized.

### **Customer application on smart cards**

Customer applications are using identification or authentication media, smart or hybrid cards. These applications are used in all sectors throughout the processes of organizations, including payment and loyalty systems, identification and attendance systems, etc.

## **2.5. E-COMMUNICATION & CONTENT MANAGEMENT**

### **eStarBANK**

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

### **StarECM**

Modular information system enabling to cover all aspects associated with secure administration, recording, quick search, and controlled processing and archiving documents and information.

### **Enterprise Document Management System**

Solution covering the entire life cycle of documents. It allows working with all types and formats of documents and information (structured/ unstructured documents, database records, images, sounds or other recorded information). Solutions are based on standard products and technology supplied by Microsoft, IBM and Oracle, whereby these products are complemented by services in the area of designing the electronization of customer processes, workflow settings, work with electronically signed documents, etc.

## **2.6. OUTSOURCING**

### **Servicing information technologies**

To provide assistance to both external and internal customers, and not just service-related activities: addressing requirements associated with repairing different types of ICT equipment (computers, notebooks and servers) and peripherals (printers, scanners and UPS), consultations hardware (HW) and software (SW) procurement, upgrading HW, installing equipment and subsequent preventive checkups, and the installation and maintenance of operating systems.

## 3.1. COMPANY VALUES

### 3.1.1. Mission

High and stable quality of solutions and services, permanent customer care, responding dynamically to market needs while providing our customers with professional IT services and information systems based on modern information technologies that support their business activities and success, ensuring Company's long-term prosperity - all these implies a mission of Asseco Central Europe, respecting the values that are inherent in the business environment and are valid internationally.

### 3.1.2. Visions

#### **Asseco Central Europe's vision**

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

#### **Asseco Group's vision**

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

### 3.1.3. Basic values

#### **Satisfied customers**

Satisfied customers and their natural loyalty underlie the Company's success. The only reliable way to both win and retain customers is to provide quality services and solutions with a high added value to reach their strategic goals.

#### **Investor and shareholder confidence**

A change that came with being listed on a stock exchange was the transformation of Asseco CE from a privately-owned joint-stock company to a publicly traded one. This change has brought, in particular, the necessity of a new approach to management processes, to making key decisions that focus on investor interest, meeting their expectations and building confidence.

#### **Constant organic growth**

We want to constantly improve ourselves, move with the times and bring to the market state-of-the-art technology and "solutions for demanding business", which fulfill the customers' needs.

## **Employees' satisfaction**

Asseco CE is aware that employees represent the key input for providing quality and stable services. Motivation and loyalty is perceived as an integral part of the Company's success, therefore our intention is to produce a stimulating work environment that develops employees' creativity and encourages their personal growth.

## **Social responsibility**

Asseco CE strives to contribute to improving the quality of life in society through the development of modern and advanced information technologies and also by assisting scientific institutions committed to this goal.

### **3.1.4. The Company's Strategic Goals**

- Implementation of next stage of integration processes in Asseco Central Europe, particularly in the following areas:
  - interconnection of national cultures in Asseco CE in Slovakia and the Czech Republic
  - dynamisation and coordination of the Asseco CE Sales Department,
  - creation of a cooperative relationship between Sales and Production,
  - consolidation of Asseco CE products and solutions,
  - unification of Asseco CE supporting areas.
- Reinforcing our competitiveness and leading position as the supplier of comprehensive information systems in Central Europe (SK, CZ, HU);
- Establishing a position as a supplier of modern information systems in countries where the Asseco Group is represented directly;
- Establishing a position as a supplier of modern information systems to the government sector;
- Penetrating the international market through a portfolio of the Company's solutions and mutual synergies within the Asseco Group;
- Corporate prosperity and sustained appreciation of the Company's value, focused on assessing the capital contributed by investors;
- Increasing the Company's efficiency and productivity by multiple implementation of our solutions;
- Retaining and improving the level of the systems already in place within the Company: Quality Management, Environment and Information Security systems;
- Providing comprehensive services of high quality while respecting requirements of environment protection;
- Maintaining morally strong and technically robust company staff base;
- Sharpening and improving internal corporate processes and raising the Company's corporate culture.

### **3.1.5. Company Governance Code**

Asseco CE is fully aware of the importance of having Corporate Governance standards in place and complying with them. In accordance with standards valid in the market, the above corporate management principles and methodology – Best Practises – were incorporated into the Company's documents and procedures. The Company Management Code was approved by the Company's Board of Directors and published in the Current Report, i.e. in the stock exchange report, on March 13, 2008. This report is accessible on the Company's official website under the "Investors" section. It contains complete information about the management methods utilized in the Company as well as all

information about deviations from the Management Code and the reasons why the decision deviating from the Code was made.

## **4. Shareholders' Structure of the Asseco Central Europe, a.s.**

According the information available to the Board of Directors following shareholders exceede the 5% share as on 31 December 2010:

<b>Shareholder</b>	<b>Number of shares</b>	<b>Number of votes</b>	<b>% share</b>
Asseco Poland	8 560 000	8 560 000	40,07
ING Powszechnie Towarzystwo Emerytalne S.A.	1 406 946	1 406 946	6,59

Share capital of the Company as on 31 December 2010 was equal to EUR 709 023.84 and was divided into 21 360 000 bearer's shares with nominal value EUR 0.033194 each.

### **Changes in the shareholders structure**

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

According the information available to the Board of Directors following shareholders exceede the 5% share as on 15 March 2011:

<b>Shareholder</b>	<b>Number of shares</b>	<b>Number of votes</b>	<b>% share</b>
Asseco Poland	8 560 000	8 560 000	40,07
ING Powszechnie Towarzystwo Emerytalne S.A.	1 406 946	1 406 946	6,59

Share capital of the Company as on 15 March 2011 was equal to EUR 709 023.84 and was divided into 21 360 000 bearer's shares with nominal value EUR 0.033194 each.

## **5. Members of the boards of Asseco Central Europe, a.s.**

There were following members of the Board of directors and Supervisory Board of Asseco Central Europe, a.s. as on 31 December 2010:

<b>Board of Directors</b>	<b>Period</b>	<b>Supervisory Board</b>		<b>Period</b>
Jozef Klein	01.01.2010-31.12.2010	Adam Góral	Tadeusz	01.01.2010-31.12.2010
Martin Morávek	01.01.2010-31.12.2010	Andrej Košári		01.01.2010-31.12.2010
Michal Navrátil	01.01.2010-31.12.2010	Eva Balážová		01.01.2010-31.12.2010
		Przemysław Sęczkowski		01.01.2010-31.12.2010
		Marek Panek	Paweł	01.01.2010-31.12.2010

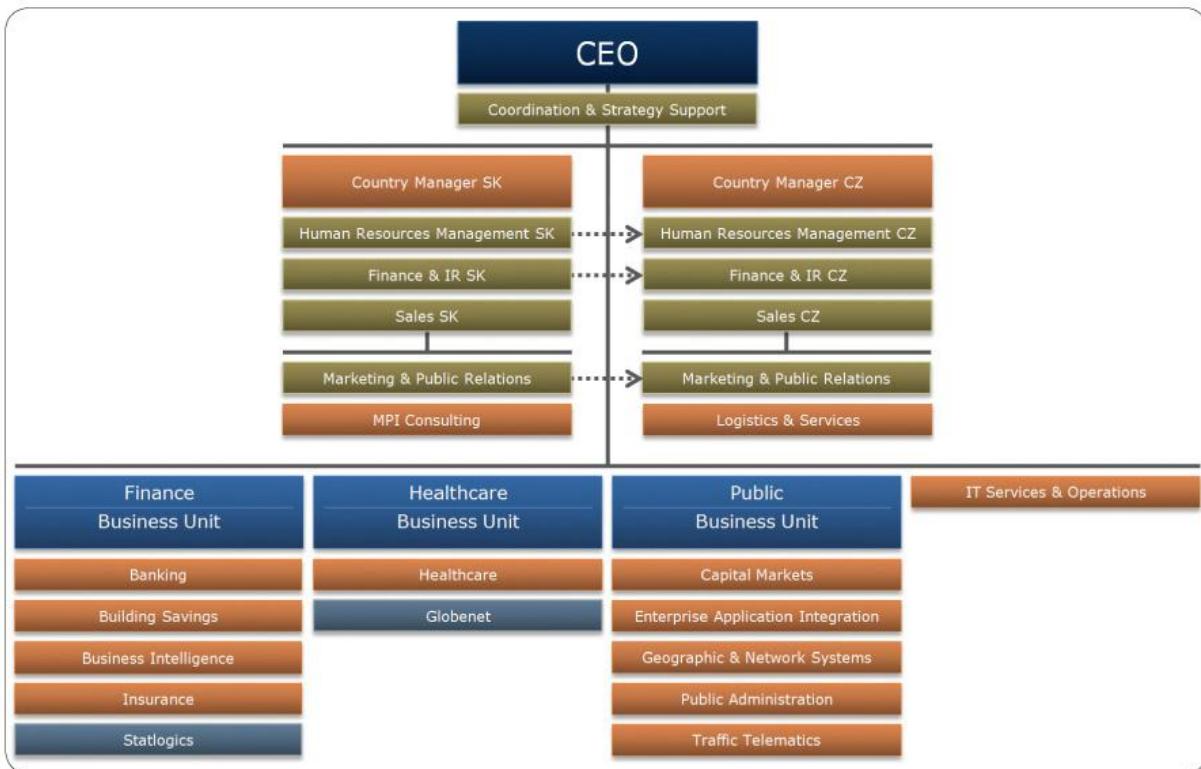
There were following members of the Board of directors and Supervisory Board of Asseco Central Europe, a.s. as on 15 March 2011:

<b>Board of Directors</b>	<b>Period</b>	<b>Supervisory Board</b>		<b>Period</b>
Jozef Klein	01.01.2011-present	Adam Góral	Tadeusz	01.01.2011-present
Martin Morávek	01.01.2011-present	Andrej Košári		01.01.2011-present
Michal Navrátil	01.01.2011-present	Eva Balážová		01.01.2011-present
		Przemysław Sęczkowski		01.01.2011-present
		Marek Panek	Paweł	01.01.2011-present

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

<b>Person</b>	<b>Number of shares as on 15-03-2011</b>	<b>Number of shares as on 31-12-2010</b>	<b>Number of shares as on 31-12-2009</b>
Jozef Klein (BoD)	275 000	275 000	275 000
Martin Morávek (BoD)	300 000	300 000	300 000
Michal Navrátil (BoD)	836	300	0
Andrej Košári (SB)	566 220	566 220	566 220

## Organization structure



Organizational Structure (as of January 1, 2011)

## 6. Personnel information and policy

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

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

At the close of 2010 there were 347 people employed by Asseco CE. The average age of employees in Slovakia was 37 years.

Given its focus, the largest representation (almost 90% of the total number of employees) had developers, particularly programmers, analysts, system and database specialists, testers, documentarists, project specialists and consultants. A model based on transferring experts – business consultants – directly to production divisions to join developers and consultants together and provide our customers with solutions has been proven to work. Experts in business and marketing are a stable 3%, management

consisted of less than 3% and less than 6% of employees secured the financial, personnel and administrative support in the Company.

**Company's gender structure** has stabilized after increasing in 2008 in favour of women; the proportion of women today as in previous years, amounts to 21% in Slovakia of the total number of employees. Asseco CE enables their promotion to leading positions as well as their professional growth. Women equality is also evident in their representation in management, the Supervisory Board and among Company executives.

#### **Employment structure in the Asseco Central Europe :**

<b>Number of employees as on</b>	<b>31-12-2010</b>	<b>31-12-2009</b>
Management Board of the Parent Company	3	3
Production departments	271	256
Maintenance departments	32	28
Sales departments	20	20
Administration departments	10	14
Other	10	14
<b>Total</b>	<b>346</b>	<b>335</b>

## **7. Market Position**

Slovak business was marked in 2010 by the characteristics of a sustained recovery in the country's export oriented economy due to a slow rise in demand within the European Union in parallel with typical caution reflected by ongoing changes in the political environment as a result of elections in that year.

At the same time, 2010 was a year in which additional increase in spending on information technology in public sector was anticipated in respect to progress in building eGovernment in line with implementation of the Operational Programme "Information Society" (OPIS).

Despite positive signs of economic recovery, the rate of growth in information technology spending significantly dampened in some sectors. Companies remained cautious in decision-making on IT expenditure, and in many cases customers focused on streamlining their systems, encouraging collaboration and integration of their IT platforms. However in some export-oriented sectors, plans are again being made for increased investment in IT. At the time this report was being produced, statistics for 2010 were not yet available, though a slight rise of 0.4% in expenditure is being forecasted for IT services by IDC, which in a year-to-year comparison with 2009 translates into at least a halt in the decline of spending.

The information technology and communications market in Slovakia is distinguished by its limited capacity of around €1.5 billion (compared to €5 billion in the Czech Republic and €2.7 billion in Hungary)<sup>1</sup> and dominance by a small number of major software suppliers and providers that together control more than one-third of the IT market.

Asseco CE is one of the leading suppliers of IT solutions in Slovakia, as evidenced by being ranked at several leading positions among IT companies in the opinion-making Trend business magazine. In 2010, Asseco CE was Number 1 as the largest supplier of IT solutions for financial institutions and Number 2 among the fastest-growing and most profitable IT companies.

## 7.1. Public sector

2010 was characterised as a year of unfulfilled expectations in implementing eGovernment projects as line with OPIS. Radical change in the Slovak government brought a considerable time lag in all decision-making with respect to public spending on IT. Moreover, the new management at the Ministry of Finance of the Slovak Republic, which owns the OPIS operating programme, conducted in the second half of 2010 an extensive and comprehensive audit of all OPIS projects, including completed ones, and all commercial tenders that had been prepared. Despite the severe impact on the OPIS operational programme, Asseco CE was able to start one of the eGovernment's first IT projects, "Kontrolórsky systém pre Národný Kontrolný Úrad" (Audit System for the National Audit Office).

Thanks to many years of know-how and experience in the key market segments, in 2010 Asseco CE received also other interesting references:

- in the transport sector, where the Traffic Telematics Division is involved in delivering pilot solution for the National Traffic Information System (NSDI),
- in the healthsector, the Company won a partnership position to build an eHealth solutions while the Healthcare Division was working on an extensive project of unification of the IT systems of Slovakia's two largest health insurance companies (Všeobecná zdravotná poisťovňa and Spoločná zdravotná poisťovňa),
- in the financesector, where Asseco CE continues to operate as a key supplier of data warehouse for the Tax Directorate of the Slovak Republic.

## 7.2. Commercial sector

The Company has long maintained a significant position and competences in the segment of financial institutions, evidenced by the above-mentioned 1<sup>st</sup> place in the top IT companies operating in the financial sector in Slovakia.

Commercial successes of Asseco CE in the business sphere in 2010 includes turnkey solutions for major companies such as Stredoslovenská energetika (Central Slovakia Energetics), Slovenská sporiteľňa (Slovak Savings Bank) and Poštová banka (Post Bank).

In addition, in 2010 the Company confirmed its strong position in the market in the Czech Republic while continuing a large contract for Wüstenrot financial group for the supply of comprehensive systems (StarBUILD, StarINS, eStarBank), as well as developing a production system of a new generation of home savings StarBUILD II. for the Stavební spořitelna České spořitelny (Company Building Savings Bank).

After the implementation of StarBUILD in Wüstenrot, the same solution will be used in three of the five building societies in the Czech Republic, specifically in the Building Society of the Czech Savings Bank, the Blue Pyramid Building Society and the Wüstenrot - Building Society. This solution will also be used by Wüstenrot Mortgage Bank.

## 7.3. Trade

The main strategic objective of the Asseco CE's Sales Department is to identify new business opportunities and to conduct commercial activities thoroughly for our new and potential customers, consequently leading to the signing of contracts. The aim is to bring meaningful projects to the Company, together with integral technical work for our specialists.

The main attributes on which the Sales is established are as follows:

- **Working consistently and straightforwardly with customers**

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

- **Transparency**

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

- **Equal and open cooperation with Business Units**

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

- **Selection of business cases**

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

## 7.4. Awards

The Company holds numerous renowned awards. In 2010, it has confirmed its good reputation in professional investor circles when achieving the first place in the category of **Quality Products and Services**, in a competition organized by the major Polish daily Puls Biznesu. Another success was a victory of **Jozef Klein**, Chairman of the Board and CEO of Asseco CE, in the renowned competition of ICT community, when he was declared **IT PERSONALITY of the Year 2010**. The prizes are granted by informal association of Slovak journalists and members of professional associations in ICT area. Last, but not least to mention is the first place of the Company in the Microsoft Industry Awards, in the category Best solution for platforms WPF: WPF / Silverlight / Surface with the project *Increase in the Efficiency of Work in Analysing Taxpayers*, realized for the Tax Directorate of the Slovak Republic.

### **Asseco Central Europe among the TOP ICT companies in Slovakia**

Based on data from the prestigious TREND TOP rankings published in May 2010, Asseco CE ranks among the fastest growing Slovak IT companies (2<sup>nd</sup> rank) as well as one-billion IT companies (2<sup>nd</sup> rank). The ranking is regularly compiled by the economic weekly Trend on the basis of financial results achieved by Slovak ICT companies in the foregoing year. In addition, the Company confirmed its traditionally strong position as the IT supplier for the private financial sector, where it positioned first among the listed firms. Its leading position on the Slovak ICT market is confirmed in additional categories, where it appeared in the "top 5" of all Slovak ICT companies, namely: Software houses in Slovakia, IT service providers in Slovakia, and Top IT supplier for the public sector (all 5<sup>th</sup> rank).

## Miliardové IT firmy (2009)

One-Billion IT Companies (2009)

	Tržby celkovo (tis. €)	Ročná zmena (%)	Priemerný počet zamestnancov
	Sales (000 €)	Change (%)	Average number of employee
1. eD' system Slovakia	172 000	-23,2	n
2. Asseco Slovakia	137 329	-3,7	1 849
3. Asbis Sk	137 182	13,6	114
4. Siemens, divízia IT Solutions and Services	87 996	0,1	428
5. Eset	80 274	54,1	181
6. Soitron	74 667	60,0	787
7. Hewlett-Packard Slovakia <sup>1,2</sup>	73 000	n	450
8. IBM Slovensko <sup>1</sup>	69 700	0,0	400
9. Datalan	61 606	46,4	223
10. WesTech	59 700	2,1	n
11. Agem Computers	55 946	-31,0	50
12. Tempest	51 157	58,0	211
13. Siemens PSE	45 593	-7,0	944
14. T-Systems Slovakia	40 722	57,6	1 362
15. SAP Slovensko	35 524	-15,3	135

## Najrýchlejšie rastúce slovenské IT firmy (2009)

The Fastest Growing Slovak IT Companies (2009)

	Nárast pridané hodnoty (tis. €)	Nárast pridané hodnoty (%)	Pridaná hodnota (tis. €)	Pridaná hodnota/tržby (%)	Pridaná hodnota na zamestnancu (tis. €)
	Added value growth (000 €)	Added value growth (%)	Added value (000 €)	Added value/ Sales (%)	Added value per employee (000 €)
	2009-2007	2009/2007	2009	2009	2009
1. Eset	42 509	149,1	71 016	88,5	392
2. Asseco Slovakia	30 774	76,8	70 837	51,6	38
3. T-Systems Slovakia	28 005	1 014,7	30 765	75,5	23
4. Soitron	8 627	34,7	33 509	44,9	43
5. Tempest	6 067	52,8	17 553	34,3	83
6. Softec	4 100	67,4	10 184	97,3	51
7. Accenture Technology Solutions – Slovakia	4 060	26,5	19 383	74,6	n
8. RWE IT Slovakia	3 355	74,0	7 888	69,2	51
9. Sféra	3 004	147,1	5 046	93,3	72
10. Ness Slovensko	2 996	30,8	12 709	46,7	32
11. Telegrafia	2 592	132,4	4 550	49,5	70
12. InsData	2 518	124,5	4 540	60,6	22
13. Softip	1 753	23,6	9 167	58,3	32
14. PosAm	1 641	15,2	12 457	53,2	45
15. Ipesoft	1 292	46,3	4 080	90,3	56

PRAMEŇ: údaje poskytnuté spoločnosťami/SOURCE: data disclosed by companies

Source: Trend TOP in IT, weekly magazine, May 2010

## 8. New Projects, Products and Services

## **Supreme Audit Office of the Slovak Republic – delivery of an audit information system**

The audit information system (AIS) for the Supreme Audit Office of the Slovak Republic is an unique and comprehensive solution that gives the customer an instrument for supporting an organisation's processes in areas defined by workflows, planning of audit activities, support work with documents, managerial decision-making and integration with all other IS of public authorities within Slovakia. The solution consists of several subsystems interconnected and built on a single architecture by the supplier (Asseco CE).

The AIS includes the following subsystems:

- Access point and Intranet access point
- Portal providing electronic services to the public
- Audit system
- Enterprise Content Management
- Case and knowledge management system
- Management information system (MIS)
- Integration system
- IDM system and user directory
- Monitoring, configuration management, service desk, remote-control communications, infrastructure services
- Economic information system

In the context of the national concept for public authority informatisation, the AIS architecture is ready to integrate with other public administration institutions, basic registers, common components in the central public authority portal and the information systems of audited entities.

## **Implementation of the Profitability and Reporting modules at OTP Banka Slovensko**

In July 2010, OTP Banka Slovensko, a.s. (OTP) accepted a joint bid from Asseco CE and our partner SAS Slovakia (SAS) to implement the Profitability module for assessing the profitability of the bank's products and clients and the Reporting module in order to calculate and generate reports for the supervision authority at the National Bank of Slovakia (NBS). An implementation-related contract was signed in October 2010 where Asseco CE would begin with implementing both modules over the existing data warehouse while expanding it with necessary data would be covered by our partner. Delivery, where implementation is scheduled to last for 6 months, includes StarStat, whose functionality fully covers OTP's requirements and needs for NBS reporting.

## **EXIMBANKA SR – international payments service**

EXIMBANK SR has expanded functionality of its StarBank banking system with new features to provide payment settlement system services, namely the processing of cross-border payments via SWIFT both coming and going abroad. Delivery was divided into two phases, with the core as well as basic functionality having been addressed in 2010. The solution was delivered on schedule and has already been deployed in production operations. EXIMBANKA SR can therefore offer its clients complete cashless services for both domestic and cross-border settlements with smooth payments. The second phase,

to expand foreign payments with additional functionality and services, is scheduled for 2011.

### **Slovenská sporiteľňa (Slovak Savings Bank) – Internet banking for mobile telephones**

The second half of 2010 saw development and delivery to Slovenská sporiteľňa of a special version of Internet banking for modern mobile phones to bring convenient, fast and safe use of banking services through smart phones. It utilises the latest technology and HTML standards so it can be applied with mobile Internet web browsers in devices such as the iPhone, iPod Touch, iPad, HTC, Blackberry, Samsung Galaxy and NOKIA N95 and above.

The philosophy behind the application is to provide clients with flexible access to bank services via the most widely used intelligent telephones on the market. Navigation is customised and simplified so customers can comfortably orient themselves and are also able to operate it with one finger. Running the application displays a control panel and a customer can immediately send payments or check account balances. It is much easier to operate than the full Internet banking version since there is no need to zoom the screen either out or in.

Application's security is at the highest level. The interface between the customer's browser and the bank's server is protected by a security certificate, while the secure authentication tools used in electronic banking are required in order to have access.

### **Wüstenrot Building Society, Wüstenrot Mortgage Bank**

An agreement was signed at the end of 2009 to deliver and customise several production systems for the Wüstenrot Group in the Czech Republic. As early as the beginning of 2010, design work had fully started on customising a **StarBUILD** system for Wüstenrot – stavební spořitelna (WSS) and Wüstenrot hypoteční banka (WHB). The GAP analysis, preparation of data migration and implementation of the required modules and functionalities were successfully completed.

StarBUILD replaces the core-banking system WSS and WHB had been using. Implementing the new system at WSS and WHB brings with it significantly higher productivity and a fall in operating costs. For the clients themselves, this means improvement in the quality of the services they provide.

After the implementation of the StarBUILD system in Wüstenrot, the same solution will be used in three of the five building societies in the Czech Republic, specifically in the Building Society of the Czech Savings Bank, the Blue Pyramid Building Society and the Wüstenrot Building Society, and also in the Wüstenrot Mortgage Bank.

### **StarINS Production System for the Wüstenrot Insurance Group in the Czech Republic**

Within the contract mentioned above the **StarINS** production system will be delivered to Wüstenrot Life Insurance Company and Wüstenrot Insurance Company. At the beginning of 2010, the work on replacement of the insurance companies' original production system and several other independent extended applications has started. Over the course of the year, several pre-deliveries of the StarINS system were completed in terms of functional adaptation and selected areas of migration. At the end of the year, a version of the system was delivered for pre-acceptance purposes which included almost all contractually agreed system customisations. Acceptance and start-up of the system into productive operation is scheduled for 2011.

Implementation of StarINS brings the insurance companies in the Wüstenrot Group clear support in automation processes, thereby contributing to higher productivity and reduced operating costs. At the same time, business activities are supported in a significant way by giving advisers and clients greater support, which improves the quality and speed of the services provided.

### **Wüstenrot Czech Republic – delivering an Internet banking solution**

During 2010, an information system for electronic banking was delivered and implemented at the Wüstenrot Group in the Czech Republic. In addition to classical business in the area of building societies, mortgages and insurance, the Wüstenrot Group's intention was also to extend provision of retail banking services. eStarBANK was used as the core of the solution. Project implementation began in January and by March the analysis and subsequent customisation and application development had been completed. Once application tests, starting in August, were completed, live operation was launched in November. Wüstenrot customers can now open savings accounts and time deposits using the application.

### **Stavební spořitelna České spořitelny (Czech Savings Bank Building Society)**

During 2010 design works on the implementation of a new generation system, StarBUILD II, for Stavební spořitelna České spořitelny (SSČS) were successfully realized, including creation of functional specifications, actual implementation and preparation of data migration. Acceptance testing and deployment of the system into productive operation are scheduled for next year. Key benefits SSČS expects from having StarBUILD II put into operation include (in addition to technological innovation itself) in particular expanding opportunities for utilising StarBUILD's functionalities at branch offices of Czech Savings Bank by means of provided web services.

### **Všeobecná zdravotná poisťovňa – Project of merger of the VšZP a SZP insurance companies**

The project to merge Slovakia's two largest insurance companies involved, in addition to unifying operating and methodological procedures at these institutions, consolidation of their databases and was conducted in two phases. The first stage took place early in 2010, when the registers of policyholders and payers were migrated to the centralised health insurance information system (ZPIS) in order for the insurance company to serve its clients in a uniform way immediately after the merger was completed. To implement the second phase, comprising the migration of a substantial aggregate of data from SZP's information systems (IS) analysis and metadata preparation with mapping and control definitions were conducted during 2010 as well as necessary modifications in the target IS to be affected. The technical aspect of migration was based on utilising the Asseco Quality System (AQS).

By the end of 2010, several testing and control phases in migration had been successfully completed and subsequently, once readiness of the overall process had been confirmed, the launch of live operation was approved for the beginning of 2011.

### **Expanding SAP functionality at the SWAN Company with a project planning and control system**

The project of expansion of SAP functionality with a project planning and management system capitalized on our experiences gained at other mobile telecommunication operators in addressing these specific processes. The project emerged from a concept that had been mutually agreed in spring of 2009. The concept is based on the standard functionality of the Project System (PS) and Investment Management (IM) modules as

well as Material Management (MM) and Plant Maintenance (PM) on the classical economic platform of the financial accounting (FI), asset management (AM) and controlling (CO) modules. A specific design utilises the concept in question within the environment of the customer ledger (FI-CA) and together with a profitability analysis (CO-PA).

The present solution allows income and expenses, profits and losses in individual projects and/or the entire investment programme as a whole to be tracked.

### **T-Mobile Slovensko – implementing project system and control modules**

Over the course of 2010 a project to expand the SAP system at T-Mobile Slovensko was completed, where the goal was to implement CO control module and PS SAP project system functionality, and their broader connection to other systems, in particular DWH.

The CO module allows detailed allocation of costs and revenues to individual centres to be tracked, while the PS project system module enables control of network, marketing and IT projects. Implementation is exceptional for its complexity. It unified view in monitoring costs between individual divisions at T-Mobile Slovensko and allows transparent project and cost planning and their ongoing monitoring and assessment, including full reporting. In addition to this contract, renewing stock measurement functionality in the SAP system was also handled.

### **Enterprise Content Management 2**

During 2010, implementation of the innovative ECM Version 2 solution took place, under the product name StarECM, for the Document Management (DMS) and Registry modules to manage registers and files from registry offices, then process the registered records and finally to cover procedures for disposal, archiving or lending out.

The aim of innovation was to provide a modern user interface with the use of the most modern WEB technologies, with intuitive standardised control, as well as expanding ECM functionalities for streamlining and raising the quality of user work. StarECM is based on the latest Java 1.5, JSF and Java EE 1.5 standards and Seam, Ajax, Spring and Myfaces technologies.

ECM2 streamlines the work of its users, in particular because of these functions: optional classification by operation, securing faster orientation in deposited documents, possibility to export customised records to Microsoft Excel for further processing and also the option to define its own lists based on individual filtering criteria, including setting up columns of a record to be displayed. New features are available in the latest ECM2 expansion for effective and rapid integration with other systems corresponding to standard SOA.

## **9. Key Clients**

### **BANKING**

- Československá obchodní banka, a.s.
- EXIMBANKA SR
- GE Money Bank, a.s.
- GE Money Multiservis, a.s.
- OTP Banka Slovensko, a.s.
- Poštová banka, a.s.
- Slovenská sporiteľňa, a.s.
- UniCredit Bank Slovakia, a.s.
- Wincor Nixdorf, s.r.o.
- Wüstenrot stavebná sporiteľňa, a.s.
- Wüstenrot - stavební spořitelna, a.s.

### **BUILDING SAVINGS**

- Modrá pyramida stavební spořitelna, a.s.
- Stavební spořitelna České spořitelny, a.s.
- Wüstenrot - stavební spořitelna, a.s.

## **INSURANCE**

- Allianz - Slovenská poisťovňa, a.s.
- ČSOB d.s.s., a.s.
- Pojišťovna Všeobecné zdravotní pojišťovny, a.s.

- STABILITA, d.d.s., a.s.
- VÚB Generali dôchodková správcovská spoločnosť, a.s.

## **HEALTHCARE**

- Európska zdravotná poisťovňa, a.s.
- Fakultná nemocnica s poliklinikou F. D. Roosevelta, Banská Bystrica

- Union zdravotná poisťovňa, a.s.
- Všeobecná zdravotná poisťovňa, a.s.

## **PUBLIC SECTOR**

- Daňové riaditeľstvo Slovenskej republiky
- Ministerstvo dopravy, výstavby a regionálneho rozvoja SR
- Ministerstvo zdravotníctva Slovenskej republiky

- Najvyšší kontrolný úrad, Slovenská republika
- Štatistický úrad Slovenskej republiky

## **TELCO and IT**

- T-mobile Slovensko
- SWAN

## 10. Sales structure

Asseco Central Europe reported following financial results in 2010 (EUR thousand):

• Sales revenue	31 285
• Operating profit	7 261
• Net profit attributable to shareholders	7 006

The Company increased the operating profit by 8% with slightly higher revenue by 2% in comparison with 2009. The net profit of the Company was lower due to loss from sale of shares in Uniquare in the amount of EUR – 3 217 thousand.

The major part of sales 91% is attributable to sale of own software and services. Own production was higher by 15% in comparison with 2009.

The geographical segments represent three major markets where Company operated in 2010 (in EUR thousand):

- Slovak market:	23 012
- Czech market:	8 128
- Other European countries:	145.

Following customers exceeded the 10% share in total revenues of the Company:  
Všeobecná zdravotná poisťovňa a s IT solutions, s.r.o.

There are no suppliers exceeding the 10% share in total revenues of the Company.

## 11. Financial results 2010 of the Company

COMPANY MARGINS	01.01.2010 - 31.12.2010	% share	01.01.2009 - 31.12.2010	% share	change in %
Gross profit on sales	13 424	43	11 818	38	14
operating profit	7 261	23	6 711	22	8
pre tax profit	8 514	27	13 473	44	-37
net profit attributable to shareholders	7 006	22	12 321	40	-43

Asseco Central Europe achieved 14% growth in gross profit margin for 2010, mainly due to lower part of subdeliveries. Operating profit growth was slightly lower due to higher

depreciation of software for healthcare IS. Net profit was affected by the loss from sale of shares in Unquare EUR -3 217 thousand in 2010.

#### ***Investing activities***

Net cash used in investing activities during the reporting period was EUR - 4 809 thousand. They comprise mainly from the acquisition and subsidiaries in the amount of EUR -11 744 thousand. Acquisition of tangible and intangible assets amounted in net value EUR - 188 thousand.

#### ***Financing activites***

Net cash used in financing activities during the reporting period was EUR - 4 778 thousand. Outflows of cash was mainly related to payment of the dividends in amount of EUR - 4 699 thousand.

## **12. Description of significant risks and threats**

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

- Risks associated with the macroeconomic situation in Slovakia - the uncertain development of the market, mainly because of still appreciable effects of the global financial crisis, uncertain economic growth, decline in business investment in previous periods may repeat in future periods, the decline in public procurement because of budgetary savings or an increase in inflation can have a negative impact on the activities and financial situation of the Group, its financial results and prospects of development.
- Changes in the way of adoption, interpretation and application of legislation - any changes in legislation, especially in the field of taxation, labor, social security, may have an adverse impact on business activities, forecasts, financial results and position
- Increasing competition on the IT market can have a negative impact on the ability of the companies of the Group to obtain new projects, which can result in reduction of profit margins and lead to a reduction in market share
- The persistence of difficult availability of IT professionals in the labor market
- Adverse changes in exchange rates, but clearly slowed by the introduction of euro in the Slovak republic, especially in the case of Group companies that operate in the euro area and mostly invoice in euros
- Risks connected with the geographical inclusion of companies in the Group - the activities of companies in the Group are focused on one region, so the development in the region (positive or negative) may have a direct impact on the Group regardless of product diversification
- Risks linked with the development in the financial sector - most of the Company's

customers are customers from the financial sector, development in this sector will have an impact on the results of the Company

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

The risk of non-compliance of Polish or Slovak legislation with the legislation of the country where subsidiaries operate. There is a additional risk from not assessing the current situation of a subsidiary correctly from the public point of view.

### **Risks associated with business activities of the Asseco Central Europe**

- Dependence on few big projects and any difficulties in obtaining new projects may have an adverse impact on the Company's activities - each loss of an important project, which is not offset by revenue from new or existing projects may affected adversely the operation activities, forecasts, financial results and situation of the Company
- Dependence on major customers, loss of which could have an adverse impact on the Company's activities, may adversely affected operation activities, forecasts, financial results and position of the Company
- Failure to prepare and implement new products and services may have a material adverse effect on the Company's activities
- The Company plans to participate in the implementation of projects in the public sector, some of which will be co-financed from the resources available in the operational programs of the European Union. Any delays or restrictions on these projects may adversely affect the Company's operations
- Failure to meet contractual deadlines, or other parameters specified by the clients of the Company or the improper functioning of the solutions provided by the Company - there is still a potential risk that companies in the Company will not be able to meet all the needs of customers, which may result in a penalty payment.
- Loss of reputation in the eyes of customers - for example, following a competitive efforts toward the creation of competitive pressure on the Company through the media
- Customization of products to changes in the law may incur significant costs that may not be fully paid by the customer
- Major suppliers may limit cooperation with the Company (this applies primarily to support of the standardized third-party products that we use to deliver our solutions)
- Operational and financial difficulties of sub-contractors may adversely affect the reliability of the Company in the eyes of customers.

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

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

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

## **13. Significant events and achievements of the Asseco Central Europe**

### **Significant agreements signed and realized in the reporting period:**

- **Wüstenrot Group** – implementation of **StarINS, StarBUILD, eStarBANK**
- **Ministry of Health** – EU Funds eHealth: **1. Electronic Medical Files, 2. National Health Portal**
- **Supreme Audit Office** – EU Funds tender for the supply **KIS** (complex IS)
- **Poštová banka CZ** – implementation of **StarBANK**
- **VŠZP** – contract for migration SZP data into **ZPIS**
- **Stavební spořitelna ČS, a.s.** – implementation of StarBUILD II
- 

### **General Shareholders Meeting (GSM)**

Ordinary GSM which was held on 21 March 2010 approved consolidated and standalone financial statements of Asseco Central Europe, a.s. and the distribution of net profit for 2009. The dividends were paid out in the total amount of EUR 4 699 200, which represents EUR 0,22 on 1 share.

## **14. Additional information**

### **14.1. Indication of the proceedings pending before the courts and public administration**

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

### **14.2. Information about seasonality**

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

### **14.3. Information on the dividends paid or declared**

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

The General Shareholders Meeting of the Company at its meeting on 21 April 2010 has distributed dividends in amount of EUR 4 699 200, ie, 0.22 per share, which was paid in May 2010.

#### **14.4. Information on changes in contingent liabilities or contingent assets**

Information on changes in contingent liabilities or contingent assets are presented in Note 25 in financial statements.

## 14.5. Transactions with related parties

	Asseco Central Europe Group sales to related companies in the period of		Asseco Central Europe Group purchases from related companies in the period of		Asseco Central Europe Group receivables as at		Asseco Central Europe Group liabilities as at	
	12 months ended	12 months ended	12 months ended	12 months ended	31 Dec. 2010	31 Dec. 2009	31 Dec. 2010	31 Dec. 2009
	31 Dec. 2010 (audited)	31 Dec. 2009 (audited)	31 Dec. 2009 (audited)	31 Dec. 2008 (audited)	(audited)	(audited)	(audited)	(audited)
<b>Transactions with parent company</b>	<b>197</b>	<b>2</b>	<b>16</b>	<b>0</b>	<b>56</b>	<b>2</b>	<b>44</b>	<b>0</b>
Asseco Poland S.A.	197	2	16	0,021	56	2	44	0
<b>Transactions with subsidiaries</b>	<b>2 557</b>	<b>2 901</b>	<b>2 372</b>	<b>2 794</b>	<b>2 180</b>	<b>3 376</b>	<b>3 119</b>	<b>4 331</b>
Asseco CE SK	700	404	490	298	582	2 500	663	802
Asseco Solution SK	189	63	176	269	58	48	650	926
Slovanet	157	205	212	768	114	116	41	81
MPI consulting	131	542	24	54	0	113	0	248
DISIG	0	357	0	37	0	0	0	0
BERIT GmbH	15	275	755	394	0	29	245	36
BERIT AG	0	0	289	277	74	0	23	0
Asseco Solution CZ	126	225	400	59	374	388	1 152	515
Asseco CR	1 239	829	572	637	977	179	345	1 150
UNiQUARE	0	0	0	0	0	0	0	572
ISZP	0	3	0	0	0	3	0	0
Statlogics	0	0	-234	0	0	0	0	0
Globenet	0	0	-313	0	0	0	0	0
<b>Transactions with related companies</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31</b>	<b>3</b>
Matrix42 AG	0	0	0	0	0	0	31	3
<b>TOTAL</b>	<b>2 755</b>	<b>2 903</b>	<b>2 388</b>	<b>2 794</b>	<b>2 235</b>	<b>3 378</b>	<b>3 193</b>	<b>4 333</b>

## **14.6. Loans, loan agreements, sureties, guarantees and commitments**

Company used no loans in 2010.

## **14.7. Feasibility of achievement of the published of forecasts for 2010**

The Board of Directors did not published any forecast for 2010.

## **14.8. Management of financial resources**

The financial resources of Company consists of the revenue from operating operations of.

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

External loans in the Company are paid in agreed installments and time.

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

## **14.9. Evaluation of feasibility of investment projects**

Investments of the Company in 2010 were connected mostly with the purchase of shares in subsidiaries with a plan to further integration and consolidation of the Group. All of the transactions were planned in a way that they should not limit or threaten the ongoing character of operating activities of the Company and the financial liquidity of individual companies. Moreover, the Company plans to continue reinvesting in the assets, which are used for further operating activities.

## **14.10. Factors and events, particularly of unusual character, having an impact on financial results**

There were following one-off transactions having significant impact on financial results of the Company in 2010:

- Impairment of software (ERP SAP system used by MPI Consulting) in the parent company in the amount of EUR 119 thousand
- Sale of 60% shares in Unquare back to original owner, costs related to capitalization of unpaid dividends and loan amounted in EUR – 3 217 thousand

## **14.11. Characteristics of the factors relevant to the development of the Company**

External factors affecting the future financial performance of the Asseco Central Europe include:

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

For the internal factors affecting the future financial performance of the Asseco Central Europe include:

- realizations of the contracts
- The results of tenders and the negotiation of new contracts in the IT sector
- cooperation and synergies resulting from the collaboration with companies within the Group - to maintain competitive advantages and strengthening our position in the market
- The company expects the further integration of the group companies, based on planned synergies enabling more benefits for Asseco Central Europe and Asseco Solutions in the future.

#### **14.12. Changes in the basic principles of management of the company**

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

#### **14.13. All agreements between the Asseco Central Europe, a.s. and its management, providing compensation in case of their resignation or dismissal**

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

#### **14.14. Information on salaries, bonuses or benefits for managers and supervisors**

Information on salaries, bonuses or benefits for managers and supervisors are presented in Note 31 explanatory notes to the financial statements of the Group for 2010

#### **14.15. Information about existing agreements that may result in the future changes of the proportions of shares held by existing shareholders**

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

#### **14.16. Information about the system checks the employee share schemes**

The Company does not conduct employee share schemes.

#### **14.17. Agreement with the entity authorized to audit financial statements**

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

Detailed information about the total audit fees charged to Asseco Central Europe, a.s. are presented in the Note 29 of financial statements.

#### **14.18. Significant events**

##### **Licenses transfer**

*Sale of license for Unquare products obtained within the transaction of sale of shares in Unquare to Asseco Poland in the total amount of EUR 6 000 thousand based on the agreement signed between the parent company and Asseco Poland SA on 9 February 2011. Asseco Poland is entitled to use, sale and modify products Loan and Teller to all existing and new customers.*

*Asseco Central Europe, a.s. purchased in the same time the license for banking system DEF3000 from Asseco Poland in the amount of EUR 5 200 thousand. The parent company has the rights to use, adapt and sale the banking system to all existing and new customers.*

## Selected financial data of financial statements

SELECTED FINANCIAL DATA	In thousand of zł		In thousand of EUR	
	4 quarters cumulative	4 quarters cumulative	4 quarters cumulative	4 quarters cumulative
	01.01.2010 -	01.01.2009 -	01.01.2010 -	01.01.2009 -
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Sales revenues	125 277	135 339	31 285	30 764
Operating profit (loss)	29 077	29 524	7 261	6 711
Pre-tax profit (loss)	34 095	59 272	8 514	13 473
Net profit for the period reported	28 055	54 206	7 006	12 321
Net cash provided by (used in) operating activities	22 692	26 726	5 667	6 075
Net cash provided by (used in) investing activities	(19 259)	(43 008)	(4 809)	(9 776)
Net cash provided by (used in) financing activities	(19 133)	(44 514)	(4 778)	(10 119)
Increase (decrease) in cash and cash equivalents	(15 700)	(60 796)	(3 921)	(13 820)
Assets total	435 791	425 708	110 040	103 624
Non-current liabilities	7 383	2 102	1 864	512
Current liabilities	55 125	45 860	13 920	11 163
Shareholders' equity	373 283	377 746	94 256	91 949
Share capital	2 808	2 913	709	709
Number of shares (pcs.)	21 360 000	21 360 000	21 360 000	21 360 000
Earnings per share (in zł/EUR)	1,31	2,54	0,33	0,58
Book value per share (in zł/EUR)	17,48	17,68	4,41	4,30
Declared or paid dividends per share (in zł/EUR)	0,87	1,93	0,22	0,47

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

### Exchange rates

Following exchange rates between zł and EUR were used to recalculate financial information

- selected items of Statement of financial position as of 31 December 2010 were recalculated by exchange rate announced by National Bank of Poland as of Statement of financial position date (1 EUR = 3,9603 zł)
- selected items of Statement of financial position as of 31 December 2009 were recalculated by exchange rate announced by National Bank of Poland as of Statement of financial position date (1 EUR = 4,1082 zł)

- selected items of Profit and loss account and Statement of cash flows for the period from 1 January 2010 to 31 December 2010 were recalculated by average exchange rate calculated from exchange rates announced by National Bank of Poland for last day of each month of the reported period (1 EUR = 4,0044 ZŁ)
- selected items of Profit and loss account and Statement of cash flows for the period from 1 January 2009 to 31 December 2009 were recalculated by average exchange rate calculated from exchange rates announced by National Bank of Poland for last day of each month of the reported period (1 EUR = 4,3993 ZŁ)
- the highest and lowest exchange rate for the reported periods:

		<u>01.01.2010</u> - 31.12.2010	<u>01.01.2009</u> - 31.12.2009
max	ZŁ -> EUR	4,1770	4,8999
min	ZŁ -> EUR	3,8356	3,9170

Exchange rate EUR/ZŁ was calculated at the exchange rate announced by the Polish National Bank.

**Signatures of all members of the Board of Directors of Asseco Central Europe, a.s.  
under the Management report on activities of the Asseco Central Europe, a.s. for  
the 2010 year**

---

Jozef Klein  
Chairman of the  
Board

---

Martin Morávek  
Member of the  
Board

---

Michal Navrátil  
Member of the  
Board

15 March 2011 Bratislava

## **ASSECO CENTRAL EUROPE BOARD OF DIRECTORS STATEMENT**

Statement of the Board of Directors of Central Europe, a. s. on the reliability of the financial statements of the Asseco Central Europe, a.s. for the period from 1 January to 31 December 2010.

The Board of Directors of Asseco Central Europe, a.s., according to its best knowledge, declares that the financial statements for the period from 1 January to 31 December 2010 have been prepared in accordance with the rules under International Financial Reporting Standards, International Accounting Standards and related interpretations published by the European Commission and give a true and fair financial position of the Company and its financial performance and that the report shall include a true picture of the development and achievements and the Company, including a description of the main threats and risks.

---

Jozef Klein  
Chairman of the  
Board of Directors

---

Martin Morávek  
Member of the  
Board of Directors

---

Michal Navrátil  
Member of the  
Board of Directors

Statement of the Board of Directors of Asseco Central Europe, a. s. on the entity authorized to the financial statements of Central Europe, a. s. for the period from 1 January to 31 December 2010.

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

---

Jozef Klein  
Chairman of the  
Board of Directors

---

Martin Morávek  
Member of the  
Board of Directors

---

Michal Navrátil  
Member of the  
Board of Directors

15 March 2011, Bratislava

**RAPORT  
DOTYCZĄCY STOSOWANIA ZASAD  
ŁADU KORPORACYJNEGO**

**Oświadczenie Asseco Central Europe, a.s. dotyczący stosowania w spółce zasad ładu korporacyjnego sporządzony zgodnie z §91 ust. 5 pkt. 4 Rozporządzenia Ministra Finansów z dnia 19 lutego 2009 r. w sprawie informacji bieżących i okresowych przekazywanych przez emitentów papierów wartościowych oraz warunków uznawania za równoważne informacji wymaganych przepisami prawa państwa niebędącego państwem członkowskim (Dz.U. Nr 23, poz. 259)**

**1. Wskazanie zbioru zasad ładu korporacyjnego, któremu podlega emitent oraz miejsca, gdzie tekst zbioru zasad jest publicznie dostępny.**

Spółka Asseco Central Europe, a.s. podlega „Dobrym praktykom spółek notowanych na GPW (2008) uchwalonym przez Radę Giełdy Papierów Wartościowych w Warszawie S.A. w dniu 4 lipca 2007 roku. Raport o zasadach ładu korporacyjnego stosowanych w Asseco Central Europe został opublikowany raportem bieżącym nr 15/2008 z 13 marca 2008 r. Oświadczenie dot. stosowania zasad ładu korporacyjnego umieszczone jest na korporacyjnej stronie Spółki [www.asseco-ce.com](http://www.asseco-ce.com) w zakładce Relacje Inwestorskie.

**2. Wskazanie w jakim zakresie emitent odstąpił od postanowień zbioru zasad ładu korporacyjnego, wskazanie tych postanowień oraz wyjaśnienie przyczyn tego odstąpienia.**

Zarząd Asseco Central Europe, a.s. wskazał odstąpienie od stosowania następujących zasad ładu korporacyjnego:

<b>Zasada</b>	<b>Komentarz Asseco Central Europe, a.s.</b>
II.1.11. Spółka prowadzi korporacyjną stronę internetową i zamieszcza na niej powiązane przez zarząd, na podstawie oświadczenia członka rady nadzorczej, informacje o powiązaniach członka rady nadzorczej z akcjonariuszem dysponującym akcjami reprezentującymi nie mniej niż 5% ogólnej liczby głosów na walnym zgromadzeniu spółki.	Spółka <b>stosuje ww. zasadę w ograniczonym zakresie</b> tj. Spółka publikuje informacje o akcjonariuszach reprezentujących mnie niż 5% ogólnej liczby głosów na walnym zgromadzeniu spółki w formie raportu bieżącego. Informacje dotyczące stanu posiadania akcji spółki przez członków jej Zarządu oraz Rady Nadzorczej są częścią raportów okresowych.
II. 3. Zarząd, przed zawarciem przez spółkę istotnej umowy z podmiotem powiązanym zwraca się do rady nadzorczej o aprobatę tej transakcji/umowy. Powyższemu obowiązkowi nie podlegają transakcje typowe, zawierane na warunkach rynkowych w ramach prowadzonej działalności operacyjnej przez spółkę z podmiotem zależnym, w którym spółka posiada większościowy udział kapitałowy. Na potrzeby niniejszego zbioru zasad przyjmuje się definicję podmiotu powiązanego w rozumieniu rozporządzenia Ministra Finansów z	Spółka <b>stosuje ww. zasadę zgodnie z obowiązującym Statutem Spółki.</b> Do kompetencji Rady Nadzorczej m.in. należy wyrażanie zgody na zawieranie umów pomiędzy Spółką a członkami Zarządu Spółki, Rady Nadzorczej Spółki, akcjonariuszami Spółki lub podmiotami powiązanymi ze Spółką lub też podmiotami powiązanymi kapitałowo lub personalnie z członkami Zarządu Spółki, członkami Rady Nadzorczej Spółki lub akcjonariuszami Spółki.

dnia 19 października 2005 r. w sprawie informacji bieżących i okresowych przekazywanych przez emitentów papierów wartościowych.

II.7 Spółka ustala miejsce i termin walnego zgromadzenia tak, aby umożliwić udział w obradach jak największej liczbie akcjonariuszy.

Spółka **nie stosuje ww. zasady**. Jesteśmy spółką zarejestrowaną na Słowacji, nasze walne zgromadzenie odbywa się na Słowacji. Możliwość uczestniczenia niektórych z naszych polskich akcjonariuszy może być ograniczona. W celu ułatwienia udziału naszym akcjonariuszom planujemy organizowanie we właściwym miejscu i czasie w Polsce spotkań poprzedzających walne zgromadzenie, gdzie wszyscy akcjonariusze będą mieli możliwość zarejestrowania się, przedyskutowania tematów, które mają być przedmiotem walnego zgromadzenia i udzielenia pełnomocnictw osobą wydelegowanym przez nas na te spotkania.

III.1.1) Poza czynnościami wymienionymi w przepisach prawa rada nadzorcza powinna raz w roku sporządzać i przedstawać zwyczajnemu walnemu zgromadzeniu zwięzłą ocenę sytuacji spółki, z uwzględnieniem oceny systemu kontroli wewnętrznej i systemu zarządzania ryzykiem istotnym dla spółki.

Spółka **stosuje ww. zasadę w ograniczonym zakresie** tj. raport roczny podpisywany przez Radę Dyrektorów zawierają stosowne informacje dotyczące oceny sytuacji spółki.

III.4. O zaistniałym konflikcie interesów lub możliwości jego powstania członek rady nadzorczej powinien poinformować radę nadzorczą i powstrzymać się od zabierania głosu w dyskusji oraz od głosowania nad uchwałą w sprawie, w której zaistniał konflikt interesów.

Spółka **stosuje ww. zasadę w ograniczonym zakresie** tj. Nasz główny akcjonariusz Asseco Poland jest uprawniony do wyboru trzech z pięciu członków rady nadzorczej. Asseco Poland ma bardzo podobny profil działalności i potencjalne przyjęcie niniejszej zasady mogłoby być niemożliwe albo mogłoby skomplikować działania rady nadzorczej.

III.6 Przynajmniej dwóch członków rady nadzorczej powinno spełniać kryteria niezależności od spółki i podmiotów pozostających w istotnym powiązaniu ze spółką. W zakresie kryteriów niezależności członków rady nadzorczej powinien być stosowany Załącznik II do *Zalecenia Komisji Europejskiej z dnia 15 lutego 2005 r.*

Spółka **stosuje ww. zasadę w ograniczonym zakresie** tj. Nasz główny akcjonariusz Asseco Poland jest uprawniony do wyboru trzech z pięciu członków rady nadzorczej. Jeden z członków Rady Nadzorczej jest powoływany przez pracowników spółki. Z tego powodu Zarząd nie jest w stanie zapewnić przestrzegania tej

	<p><i>dotyczącego roli dyrektorów niewykonawczych lub będących członkami rady nadzorczej spółek giełdowych i komisji rady (nadzorczej). Niezależnie od postanowień pkt b) wyżej wymienionego Załącznika osoba będąca pracownikiem spółki, podmiotu zależnego lub podmiotu stowarzyszonego nie może być uznana za spełniającą kryteria niezależności, o których mowa w tym Załączniku. Ponadto za powiązanie z akcjonariuszem wykluczające przymiot niezależności członka rady nadzorczej w rozumieniu niniejszej zasady rozumie się rzeczywiste i istotne powiązanie z akcjonariuszem mającym prawo do wykonywania 5 % i więcej ogólnej liczby głosów na walnym zgromadzeniu.</i></p>	
III.7	<p>W ramach rady nadzorczej powinien funkcjonować, co najmniej komitet audytu. W skład tego komitetu powinien wchodzić, co najmniej jeden członek niezależny od spółki i podmiotów pozostających w istotnym powiązaniu ze spółką, posiadający kompetencje w dziedzinie rachunkowości i finansów. W spółkach, w których rada nadzorcza składa się z minimalnej wymaganej przez prawo liczby członków, zadania komitetu mogą być wykonywane przez radę nadzorczą.</p>	<p>Spółka <b>stosuje ww. zasadę w ograniczonym zakresie</b> tj. zgodnie z pkt. 431/2002 Ustawy o Rachunkowości obowiązującej w Słowacji, funkcję Komitetu Audytu pełni Rada Nadzorcza spółki.</p>
III.8	<p>W zakresie zadań i funkcjonowania komitetów działających w radzie nadzorczej powinien być stosowany Załącznik I do <i>Zalecenia Komisji Europejskiej z dnia 15 lutego 2005 r. dotyczącego roli dyrektorów niewykonawczych (...).</i></p>	<p>Spółka <b>stosuje ww. zasadę w ograniczonym zakresie</b> tj. Rada Nadzorcza spółki będzie działać w oparciu o prawo Republiki Słowackiej.</p>
IV.6	<p>Dzień ustalenia praw do dywidendy oraz dzień wypłaty dywidendy powinny być tak ustalone, aby czas przypadający pomiędzy nimi był możliwie najkrótszy, a w każdym przypadku nie dłuższy niż 15 dni roboczych. Ustalenie dłuższego okresu pomiędzy tymi terminami wymaga szczególnego uzasadnienia.</p>	<p>Spółka <b>stosuje ww. zasadę w ograniczonym zakresie.</b> Spółka działa w oparciu o regulacje obowiązujące w Republice Słowacji oraz jako spółka notowana na GPW jest zobligowana od przestrzegania regulacji obowiązujących w Polsce.</p> <p>W przypadku wypłaty dywidendy, spółka musi dostosować sposób wypłaty do obu systemów. Z tego powodu okres pomiędzy dniem ustalenia prawa do dywidendy a</p>

dniem wypłaty dywidendy może być nieco dłuższy.

**3. Opis głównych cech stosowanych w przedsiębiorstwie emitenta systemów kontroli wewnętrznej i zarządzania ryzykiem w odniesieniu do procesu sporządzania sprawozdań finansowych i skonsolidowanych sprawozdań finansowych.**

Spółka sporządza skonsolidowane i jednostkowe sprawozdanie finansowe zgodnie z Międzynarodowymi Standardami Rachunkowości („MSR”) oraz Międzynarodowymi Standardami Sprawozdawczości Finansowej („MSSF”). MSR oraz MSSF obejmują interpretacje zaakceptowane przez Komisję ds. Interpretacji Międzynarodowej Sprawozdawczości Finansowej („KIMSF”).

W procesie sporządzania sprawozdań finansowych Spółki jednym z podstawowych elementów kontroli jest weryfikacja sprawozdania finansowego przez niezależnego biegłego rewidenta. Do zadań biegłego rewidenta należy w szczególności: przegląd półrocznego sprawozdania finansowego oraz badanie wstępne i badanie zasadnicze sprawozdania rocznego.

System kontroli wewnętrznej opiera się na:

1. regulaminie Organizacyjnym Spółki,
2. polityce rachunkowości
3. Systemie zarządzania jakością ISO 9001:2000
4. Zintegrowanym Systemie Informatycznym klasy ERP

Główne rodzaje ryzyka wynikającego z instrumentów finansowych Spółki obejmują ryzyko stopy procentowej, ryzyko płynności, ryzyko walutowe oraz ryzyko kredytowe. Spółka monitoruje również ryzyko cen rynkowych dotyczące wszystkich posiadanych przez nią instrumentów finansowych.

Spółka nie stosuje wyrafinowanych metod ustalania koncentracji dla każdego z ryzyk. Zarząd spółki monitoruje instrumenty finansowe i analizują jak dużo instrumentów podlega poszczególnym ryzykom. W przypadku nadmiernej koncentracji, to jest, ekspozycji na możliwe zmiany parametrów rynkowych, Grupa stara się bądź ubezpieczyć to ryzyko (stosuje hedging), bądź w przypadku braku takiej możliwości lub niewielkiej kwoty eksponowanej obserwuje zmiany rynkowe parametru oraz monitoruje wartość całkowitego możliwego wpływu na wynik.

**4. Wskazanie akcjonariuszy posiadających bezpośrednio lub pośrednio znaczne pakiety akcji wraz ze wskazaniem liczby posiadanych przez te podmioty akcji, ich procentowego udziału w kapitale zakładowym, liczby głosów z nich wynikających i ich procentowego udziału w ogólnej liczbie głosów na walnym zgromadzeniu.**

Według najlepszej wiedzy Zarządu Spółki na dzień publikacji niniejszego raportu tj. na dzień 11 marca 2010 roku stan Akcjonariuszy posiadających bezpośrednio bądź przez podmioty zależne, co najmniej 5% ogólnej liczby głosów na Walnym Zgromadzeniu Akcjonariuszy przedstawia się następująco:

Akcjonariusz	Ilość akcji	Ilość głosów na WZ	% Udział w kapitałowym i w ogólnej liczbie głosów na WZA
Asseco Poland	8 560 000	8 560 000	40,07
ING Powszechnie Towarzystwo Emerytalne S.A.	1 406 946	1 406 946	6,59
Pozostali akcjonariusze	11.393.054	11.393.054	53,34
<b>RAZEM</b>	<b>21.360.000</b>	<b>21.360.000</b>	<b>100</b>

**5. Wskazanie posiadaczy wszelkich papierów wartościowych, które dają specjalne uprawnienia kontrolne, wraz z opisem tych uprawnień.**

Brak

**6. Wskazanie wszelkich ograniczeń odnośnie wykonywania prawa głosu, takich jak ograniczenie wykonywania prawa głosu przez posiadaczy określonej części lub liczby głosów, ograniczenia czasowe dotyczące wykonywania prawa głosu lub zapisy, zgodnie, z którymi, przy współpracy spółki, prawa kapitałowe związane z papierami wartościowymi są oddzielone od posiadania papierów wartościowych.**

Brak

**7. Wskazanie wszelkich ograniczeń dotyczących przenoszenia prawa własności papierów wartościowych emitenta.**

Brak

**8. Opis zasad dotyczących powoływanego i odwoływanego osób zarządzających oraz ich uprawnień, w szczególności prawo do podjęcia decyzji o emisji lub wykupie akcji.**

Zarząd Spółki jest organem statutowym Spółki, który zarządza całą działalnością Spółki, występuje w jej imieniu i reprezentuje ją w zakresie czynności prawnych. Zarząd Spółki decyduje o wszystkich sprawach Spółki, o ile ogólnie obowiązujące przepisy prawne lub niniejszy Statut nie przydzielią tych spraw do kompetencji walnego zgromadzenia lub Rady Nadzorczej. Zarząd Spółki składa się z 3 (trzech) a maksymalnie 5 (pięciu) osób. W imieniu Spółki w kontaktach na zewnątrz występują i działają oraz mają prawo do występowania we wszystkich sprawach Spółki 2 (dwaj) członkowie Zarządu wspólnie.

Członków Zarządu Spółki wybiera na okres 5 (pięciu) lat i odwołuje Rada Nadzorcza Spółki. Rada Nadzorcza zadecyduje również, który z członków Zarządu stanie się prezesem Zarządu Spółki. W przypadku, gdy Rada Nadzorcza, zgodnie z postanowieniami Statutu Spółki, członka /członków Zarządu nie powoła/ odwoła lub nie wytypuje prezesa Zarządu, wybierze /odwoła członków Zarządu lub powoła prezesa Zarządu walne zgromadzenie. Powtórna kadencja jest możliwa.

**9. Opis zasad zmiany statutu lub umowy spółki emitenta.**

Kodeks Handlowy (Dz. U. nr 513/1991) obowiązujący w Republice Słowackiej reguluje wymogi formalne i sposób zmiany statutu w spółkach akcyjnych w § 173 i 174.

Statut Asseco Central Europe, a.s. nie przewiduje szczególnych postanowień regulujących zmiany Statutu, w tym zakresie Spółka stosuje przepisy Kodeksu Handlowego obowiązującego w Republice Słowacji (przepis prawa No. 513/1991) Kodeksu Spółek Handlowych, zgodnie, z którymi zmiana statutu spółki akcyjnej wymaga uchwały walnego zgromadzenia a wprowadzenie nowej treści do akt Sądu Powiatowego prowadzącego rejestr, w którym figuruje spółka. W przypadku Asseco Central Europe są to akta Sądu Powiatowego Bratysława I.

Jeśli porządek walnego zgromadzenia uwzględnia zmianę statutu, zawiadomienie o walnym zgromadzeniu musi zawierać przynajmniej streszczenie proponowanych zmian. Projekt zmian statutu musi być udostępniony akcjonariuszom do wglądu w siedzibie spółki w terminie zwołania walnego zgromadzenia. Uchwała decyzji walnego zgromadzenia o zmianie statutu wymaga dwóch trzecich głosów akcjonariuszy obecnych na walnym zgromadzeniu oraz sporządzenia protokołu notarialnego. Po każdej zmianie statutu zarząd ma obowiązek niezwłocznie sporządzić pełną treść statutu i odpowiada za jego kompletność oraz poprawność.

**10. Sposób działania walnego zgromadzenia i jego zasadnicze uprawnienia oraz opis praw akcjonariuszy i sposobu ich wykonywania, w szczególności zasady wynikające z regulaminu walnego zgromadzenia, jeżeli taki regulamin został uchwalony, o ile informacje w tym zakresie nie wynikają wprost z przepisów prawa.**

Walne zgromadzenie jest najwyższym organem Spółki. W walnym zgromadzeniu mają prawo udziału wszyscy akcjonariusze lub upoważnione przez nich osoby oraz inne osoby, zgodnie z odnośnymi postanowieniami Statutu Spółki. Członkowie Zarządu Spółki i Rady Nadzorczej biorą osobisty udział w posiedzeniach walnego zgromadzenia.

Walne zgromadzenie odbywa się przynajmniej raz w roku i jest zwoływane przez Zarząd. Posiedzenia walnego zgromadzenia odbywają się z reguły w Bratysławie, w siedzibie Spółki. Posiedzenia walnego zgromadzenia mogą odbywać się również w którymkolwiek innym mieście wyznaczonym przez Zarząd Spółki. Kompetencje walnego zgromadzenia określa prawo i obowiązujący statut. O ile wymagają tego interesy Spółki lub w przypadkach, o których mowa w ogóle obowiązujących przepisach oraz w Statucie, jest możliwe zwołanie nadzwyczajnego walnego zgromadzenia. Walne zgromadzenie jest zwoływane przez Zarząd Spółki poprzez opublikowanie zawiadomienia o odbyciu się walnego zgromadzenia przynajmniej na 30 dni (trzydzieści dni) przed jego terminem, w prasie periodycznej o ogólnopublicznym zasięgu, w której publikowane są informacje giełdowe.

Ze względu na różnice w przepisach prawnych regulujących działalność spółek akcyjnych w dwu różnych systemach prawnych tj. różnice pomiędzy słowackimi przepisami prawnymi, które regulują działalność Spółki a prawem polskim regulującym zasady handlu akcjami Spółki na rynku papierów wartościowych w Warszawie oraz w celu wyjaśnienia tych przepisów, Zarząd Spółki może zwołać przed odbyciem się walnego zgromadzenia zgromadzenie informacyjne akcjonariuszy (dalej tylko „zgromadzenie informacyjne”), które może odbyć się w Bratysławie lub Warszawie. Zgromadzenie informacyjne odbędzie się najwcześniej na 5 dni a najpóźniej na 1 dzień roboczy przed terminem odbycia się walnego zgromadzenia. Na zgromadzeniu informacyjnym Zarząd Spółki poda akcjonariuszom informacje merytoryczne na temat wszystkich punktów porządku obrad walnego zgromadzenia oraz przedłoży dokumenty, które będą omówione na walnym zgromadzeniu. Porządek obrad walnego zgromadzenia i jego poszczególne punkty będą akcjonariuszom wyjaśnione w zawiązku z wykonywaniem przez nich ich praw, a w szczególności z punktu widzenia różnic w poszczególnych systemach prawnych.

Prawo akcjonariusza do udziału w walnym zgromadzeniu jest sprawdzane na podstawie wypisu z rachunku właściciela papierów wartościowych prowadzonego przez

depozytariusza centralnego w Republice Słowackiej (Depozytariusz Centralny Papierów Wartościowych) lub przez członka zagranicznego depozytariusza centralnego, który ma konto własnościowe prowadzone w Depozytariuszu Centralnym Papierów Wartościowych RS na decydujący dzień, zgodnie s Statutom. Oryginał wypisu z konta właściciela papierów wartościowych należy okazać w języku słowackim czy angielskim w przypadku, że go pod adres spółki Asseco Central Europe, a.s. pośle bezpośrednio pomiot, który jest depozytariuszem (bank). W przypadku, że wypis zostanie przekazany w terminie podanym na zaproszeniu na Zgromadzenie Wspólników bezpośrednio przez akcjonariusza, należy okazać się jego potwierdzonym notarialnie tłumaczeniem na język słowacki.

Akcjonariusz może wykonywać swoje prawa na walnym zgromadzeniu osobiście lub za pośrednictwem osoby upoważnionej na piśmie. Pełnomocnikiem akcjonariusza nie może być członek Rady Nadzorczej Spółki. Pełnomocnictwo wymaga formy pisemnej, a podpisy właściwych osób muszą być uwierzytelnione przez notariusza. Jeżeli pełnomocnictwo jest sporządzone w języku innym niż słowacki, należy załączyć tłumaczenie przysięgłe na język słowacki.

W ramach prezentacji na walnym zgromadzeniu akcjonariusze winni przedłożyć w celu sprawdzenia ich tożsamości następujące dokumenty:

I. oryginał lub uwierzytelnioną kopię wypisu z rachunku właściciela papierów wartościowych prowadzonego w RS (Depozytariusz Centralny Papierów Wartościowych) lub przez członka zagranicznego depozytariusza centralnego, który ma konto własnościowe prowadzone w Depozytariuszu Centralnym Papierów Wartościowych RS, otwartego na dzień decydujący

oraz

II.

a) akcjonariusz – osoba fizyczna:

- ważny dowód osobisty, paszport lub inny ważny dokument tożsamości, który go zastępuje;

b) akcjonariusz – osoba prawa:

- oryginał lub potwierdzoną urzędowo fotokopię wypisu z rejestru handlowego, nie późniejszego niż przed trzema miesiącami (trzy), z podaniem stanu akcjonariusza – osoby prawnej, aktualnego w czasie odbywania się walnego zgromadzenia, oraz

- jej organ statutowy, członkowie organu statutowego upoważnieni do występowania w imieniu Spółki i obecni na walnym zgromadzeniu, przedłożą ważny dowód osobisty, paszport lub inny ważny dokument tożsamości, który go zastępuje;

c) pełnomocnik – osoba fizyczna:

- oryginał lub urzędowo uwierzytelniona kopia pełnomocnictwa z urzędowo uwierzytelnionym podpisem akcjonariusza, w przypadku, gdy chodzi o osobę fizyczną lub uwierzytelnionym podpisem organu statutowego lub członków organu statutowego, upoważnionych do występowania w imieniu akcjonariusza, gdy akcjonariuszem jest osoba prawa.

- ważny dowód osobisty pełnomocnika, paszport lub inny ważny dokument tożsamości, który go zastępuje;

- gdy zastępuje akcjonariusza – osobę prawną – również oryginał lub urzędowo uwierzytelnioną fotokopię wypisu z rejestru handlowego akcjonariusza, nie późniejszego niż przed 3 (trzema) miesiącami, z podaniem stanu akcjonariusza – osoby prawnej, aktualnego w czasie odbywania się walnego zgromadzenia.

d) pełnomocnik – osoba prawa – reprezentowana przez swój organ statutowy:

- oryginał lub potwierdzoną urzędowo kopię pełnomocnictwa z urzędowo uwierzytelnionym podpisem akcjonariusza, w przypadku, gdy chodzi o osobę fizyczną lub uwierzytelnionym podpisem organu statutowego lub członków organu statutowego, upoważnionych do występowania w imieniu akcjonariusza, gdy akcjonariuszem jest osoba prawa;

- oryginał lub urzędowo uwierzytelniona kopia wypisu z rejestru handlowego, nie późniejszego niż przed 3 (trzema) miesiącami, z podaniem stanu pełnomocnika – osoby prawnej, aktualnego w czasie odbywania się walnego zgromadzenia;

- ważny dowód osobisty przedstawiciela statutowego pełnomocnika, paszport lub inny ważny dokument tożsamości, który go zastępuje;
- jeżeli zastępuje akcjonariusza - osobę prawną - również oryginał lub uwierzytelnioną urzędowo fotokopię wypisu z rejestru handlowego akcjonariusza, nie późniejszego niż przed 3 (trzech) miesiącami, z podaniem stanu akcjonariusza - osoby prawnej, aktualnego w czasie odbywania się walnego zgromadzenia.

Oficjalnym językiem rokowań na Zgromadzeniu Wspólników jest język słowacki. Jakiekolwiek zadania czy procesy, przy których akcjonariusz potrzebuje tłumaczenia na język obcy powinien sobie zapewnić sam, przy czym sam ponosi koszty z tym związane.

Walne zgromadzenie podejmuje uchwały we wszystkich sprawach 2/3 większością głosów wszystkich obecnych akcjonariuszy, z wyjątkiem przypadków, gdy ogólnie obowiązujące przepisy prawne lub Statut wymagają większej ilości głosów akcjonariuszy. Liczba głosów akcjonariusza jest zależna od wartości nominalnej posiadanych przez niego akcji. Każda akcja o wartości nominalnej 0,033194 EUR odpowiada jednemu głosowi.

Z przebiegu obrad walnego zgromadzenia winien być sporządzony Protokół.

Do kompetencji walnego zgromadzenia należą:

- wprowadzanie zmian w Statucie Spółki,
- podejmowanie decyzji w sprawie podwyższenia i obniżenia kapitału zakładowego Spółki, w sprawie upoważnienia zarządu do podwyższenia kapitału zakładowego, zgodnie z ustanowieniami § 210 Kodeksu Handlowego oraz do wydania obligacji,
- powoływanie i odwoływanie członków Zarządu, powoływanie prezesa Zarządu Spółki, w przypadku, gdy o wyborze lub odwołaniu członków zarządu oraz powołaniu prezesa zarządu nie zadecyduje Rada Nadzorcza, zgodnie z pkt. 31.2 litera g) w powiązaniu z pkt. 33.5. niniejszego Statutu.
- powoływanie i odwoływanie członków Rady Nadzorczej, z wyjątkiem członków Rady Nadzorczej wybieranych i odwoływanych zgodnie z postanowieniami § 200 Kodeksu Handlowego, przez pracowników Spółki,
- zatwierdzanie bilansu zwykłego i nadzwyczajnego Spółki, podejmowanie decyzji w sprawie podziału zysku, pokrycia strat i określenia wysokości tantiem,
- podejmowanie decyzji w sprawie zmiany postaci papierów wartościowych wydanych w formie listowych papierów wartościowych na zakupowane papiery wartościowe i odwrotnie, o ile umożliwiają to odnośne przepisy prawa,
- podejmowanie decyzji w sprawie rozwiązania Spółki lub zmiany jej formy prawnej,
- podejmowanie decyzji w sprawie zakończenia handlu akcjami Spółki na giełdzie oraz w sprawie, że Spółka przestaje być publiczną spółką akcyjną,
- uchwalanie wytycznych dotyczących wynagrodzeń dla członków organów Spółki,
- podejmowanie decyzji w sprawie zatwierdzenia umowy o przeniesieniu całego przedsiębiorstwa lub umowy o przeniesieniu jego części,
- podejmowanie decyzji w sprawie zmiany formy akcji Spółki wydanych, jako akcje imienne na akcji na okaziciela i odwrotnie,
- podejmowanie decyzji w sprawie podziału akcji Spółki na akcje o niższej wartości nominalnej,
- podejmowanie decyzji w innych sprawach, które należą do kompetencji walnego zgromadzenia, zgodnie z ustawą lub niniejszym Statutem lub które na podstawie uchwały walnego zgromadzenia będą włączone do kompetencji walnego zgromadzenia.

Inne postanowienia o przebiegu i organizacyjnym zabezpieczeniu posiedzeń Walnego zgromadzenia, jego działalności i o innych należnościach związanych z Zarządem są częścią ważnej ustawy w brzmieniu postanowień spółki.

**11. Skład osobowy i zmiany, które w nim zaszły w ciągu ostatniego roku obrotowego oraz opis działania organów zarządzających, nadzorujących lub administrujących emitenta oraz ich komitetów.**

## RADA NADZORCZA

Rada Nadzorcza jest organem kontrolnym Spółki, który sprawuje nadzór nad sposobem wykonywania obowiązków przez Zarząd Spółki i prowadzeniem działalności gospodarczej przez Spółkę. Rada Nadzorcza składa się z 5 osób i kadencja Rady Nadzorczej trwa 5 lat. Członków Rady Nadzorczej wybiera i odwołuje walne zgromadzenie. Trzech członków Rady Nadzorczej proponuje Spółka Asseco Poland, S.A., z siedzibą w Rzeszowie, natomiast 1 (jednego) członka Rady Nadzorczej wybierają pracownicy Spółki, zgodnie z obowiązującymi przepisami w tym zakresie. Wybór członka Rady Nadzorczej przez pracowników Spółki jest oparty na postanowieniach Kodeksu Spółek Handlowych.

Do kompetencji Rady Nadzorczej należy:

- rozpatrywanie zwykłego, nadzwyczajnego i skonsolidowanego bilansu rocznego Spółki,
- rozpatrywanie i ocena raportów Zarządu Spółki na temat działalności i stanu finansowego Spółki oraz Spółek z nią powiązanych oraz wniosków Zarządu Spółki dotyczących podziału zysku lub pokrycia strat,
- zatwierdzanie rocznego budżetu finansowego Spółki,
- przedkładanie sprawozdań pisemnych na temat wyników wyżej podanych analiz na posiedzeniu walnego zgromadzenia,
- zatwierdzanie zasad wynagradzania członków Zarządu Spółki,
- zwoływanie walnych zgromadzeń Spółki zgodnie z zasadami określonymi w Kodeksie Spółek Handlowych i niniejszym Statucie,
- inne sprawy należące do kompetencji Rady Nadzorczej na podstawie odnośnych przepisów prawnych lub postanowień niniejszego Statutu.
- powoływanie i odwoływanie członków Zarządu Spółki, w tym prezesa Zarządu Spółki,
- wyrażanie zgody na udzielenie prokury przez Zarząd Spółki,
- wyrażanie zgody na pobieranie /udzielanie pożyczek i kredytów przez Spółkę, których wartość przekracza wartość kapitału zakładowego w jednej transakcji lub w całej serii połączonych transakcji lub odpowiada wartości tej sumy wyrażonej w innych walutach, które nie były uwzględnione w budżecie finansowym Spółki lub zatwierdzone uchwałą walnego zgromadzenia lub Rady Nadzorczej,
- wyrażanie zgody na nabycie lub zbycie przez Spółkę nieruchomości, w tym udziałów własnościowych w nieruchomościach, bez względu na wartość nabywanego lub przenoszonego prawa do tych nieruchomości, które nie były uwzględnione w budżecie finansowym Spółki,
- wyrażanie zgody na poniesienie przez Spółkę kosztów, w tym inwestycyjnych, których wartość przekracza dziesięciokrotność kapitału zakładowego w jednej transakcji lub w całej serii połączonych transakcji lub odpowiada wartości tej sumy wyrażonej w innych walutach, które nie były uwzględnione w budżecie finansowym Spółki,
- udzielanie jakichkolwiek gwarancji, zabezpieczeń, jakichkolwiek pozabudżetowych zobowiązań finansowych, podejmowanie zobowiązań dotyczących rekompensaty strat, które nie były uwzględnione w budżecie finansowym Spółki,
- wyrażanie zgody na zastawienie, nałożenie prawa rzecznego na jakikolwiek część majątku nieruchomości Spółki, które nie były uwzględnione w budżecie finansowym Spółki,
- wyrażanie zgody na zakup lub jakiekolwiek nabycie udziałów lub akcji innych spółek, na wejście Spółki do innych spółek handlowych, zjednoczenie osób prawnych, nadacji lub innych funduszy inwestycyjnych,
- wyrażanie zgody na zbycie aktywów Spółki, których wartość przekracza 10% (dziesięć procent) zaksięgowanej wartości aktywów Spółki, na podstawie ostatniego bilansu sprawdzonego przez niezależnego audytora, sprzedaż, których nie była uwzględniona w budżecie finansowym Spółki,
- wyrażanie zgody na zawieranie umów pomiędzy Spółką a członkami Zarządu Spółki, Rady Nadzorczej Spółki, akcjonariuszami Spółki lub podmiotami powiązanymi ze

Spółką lub też podmiotami powiązanymi kapitałowo lub personalnie z członkami Zarządu Spółki, członkami Rady Nadzorczej Spółki lub akcjonariuszami Spółki,

- udzielanie zgody do nabycia i następnego użycia konkretnej ilości własnych akcji Spółki w ramach łącznej ilości własnych akcji, które Spółka ma prawo dodatkowo nabyć na podstawie decyzji Walnego Zgromadzenia Spółki.

Inne postanowienia o przebiegu i organizacyjnym zabezpieczeniu posiedzeń Rady nadzorczej, jej działalności, o innych należnościach są częścią ważnej ustawy w brzmieniu postanowień spółki.

Skład Rady Nadzorczej Asseco Central Europe, a.s. w okresie od 1 stycznia 2010 r. do 31 grudnia 2010 r. przedstawiał się następująco:

Imię i nazwisko	Funkcja	Data pełnienia funkcji
Adam Tadeusz Góral	Prezes	01.01.2010-31.12.2010
Andrej Košári	Wiceprezes	01.01.2010-31.12.2010
Eva Balážová	Członek	01.01.2010-31.12.2010
Przemysław Sęczkowski	Członek	01.01.2010-31.12.2010
Marek Paweł Panek	Członek	01.01.2010-31.12.2010

Skład Rady Nadzorczej Asseco Central Europe, a.s. na dzień publikacji niniejszego sprawozdania, tj. 15 marca 2011 r. przedstawiał się następująco:

Imię i nazwisko	Funkcja	Data pełnienia funkcji
Adam Tadeusz Góral	Prezes	01.01.2011 - nadal
Andrej Košári	Wiceprezes	01.01.2011 - nadal
Eva Balážová	Członek	01.01.2011 - nadal
Przemysław Sęczkowski	Członek	01.01.2011 - nadal
Marek Paweł Panek	Członek	01.01.2011 - nadal

## ZARZĄD SPOŁKI

Zarząd jest władny do podejmowania uchwał, jeśli na jego posiedzeniu jest obecna ponad połowa członków Zarządu, łącznie z prezesem lub upoważnionym przez niego członkiem Zarządu. Decyzje Zarządu są przyjęte, gdy głosowała za ich przyjęciem ponad połowa obecnych osób.

Zarząd nie ma żadnych specjalnych komitetów.

Zadania Zarządu Spółki są następujące, ale nie wyłączne:

- zapewnia należyte prowadzenie księgowości Spółki i przedkłada walnemu zgromadzeniu do zatwierdzenia bilans zwyczajny lub nadzwyczajny oraz propozycję podziału zysku lub pokrycia strat,
- jeden raz w roku, łącznie z bilansem rocznym zwyczajnym przedkłada walnemu zgromadzeniu do zatwierdzenia raport o działalności gospodarczej Spółki i o jej stanie majątkowym; raport ten jest zawsze częścią składową raportu rocznego, sporządzanego na podstawie odrębnych przepisów,
- przedkłada Radzie Nadzorczej raz do roku informacje o zasadniczych kierunkach działalności handlowej Spółki w przyszłym okresie oraz o przewidywanym rozwoju sytuacji majątkowej, finansów i zysków Spółki,

- na wniosek i w terminie określonym przez Radę Nadzorczą przedkłada jej informację pisemną na temat stanu przedsiębiorczości i kondycji finansowej Spółki w porównaniu z przewidywanym stanem,
- niezwłocznie informuje Radę Nadzorczą o wszystkich faktach, które mogą mieć istotny wpływ na rozwój działalności gospodarczej i stan majątkowy Spółki a zwłaszcza na płynność jej bilansu,
- na wniosek Rady Nadzorczej bierze udział w posiedzeniach Rady Nadzorczej i podaje jej członkom informacje uzupełniające w wymaganym zakresie na temat przedłożonych informacji na piśmie,
- jest zobowiązany do niezwłocznego zwołania nadzwyczajnego walnego zgromadzenia w przypadku stwierdzenia, że straty Spółki przekroczyły jedną trzecią wartości jej kapitału zakładowego lub że istnieje taka obawa oraz przedkłada walnemu zgromadzeniu propozycje odpowiednich środków zapobiegawczych; o faktach tych Zarząd winien powiadomić niezwłocznie również Radę Nadzorczą,
- jest zobowiązany do wykonywania swoich obowiązków z należytą fachowością i starannością oraz zgodnie z interesami Spółki oraz wszystkich jej akcjonariuszy. Zarząd Spółki jest zobowiązany do gromadzenia i przy podejmowaniu decyzji do brania pod uwagę wszystkich dostępnych informacji dotyczących przedmiotu podejmowanych decyzji, do przestrzegania tajemnicy handlowej i poufności informacji, zdradzenie, których trzecim osobom mogłoby spowodować znaczne straty Spółce lub zagroziłoby jej interesom i interesom jej akcjonariuszy. Obowiązek przestrzegania tajemnicy obowiązuje również po odejściu z funkcji przez każdego z członków Zarządu, dopóki te informacje nie staną się powszechnie znymi,
- przekazuje do wiadomości publicznej dane z bilansu rocznego, sprawdzonego przez audytora, zgodnie z ustawą o księgowości, na koszt Spółki oraz zapewni ich opublikowanie w Monitorze Handlowym,
- przekazuje wszystkie dokumenty, zgodnie z ustawą do zbioru akt, prowadzonego przez odpowiedni rejestr handlowy oraz podaje wnioski o wpisanie propozycji wpisu/zmian wpisu danych, które winny być wpisane do rejestru handlowego, w terminie do 30 (trzydziestu) dni od ich zaistnienia,
- na podstawie uprzedniej zgody Rady Nadzorczej zatwierdza zasady założenia nowej Spółki z majątkowym udziałem Spółki lub wniosek w sprawie uzyskania udziału majątkowego w istniejącej Spółce, jak również decyduje o powołaniu oddziału Spółki zagranicznej w Republice Słowackiej lub oddziału Spółki za granicą,
- troszczy się o przestrzeganie ważnych postanowień i ogólnie obowiązujących przepisów prawnych, Statutu Spółki oraz decyzji władz Spółki,
- opracowuje budżet finansowy Spółki i przedkłada go do zatwierdzenia Radzie Nadzorczej, a po zatwierdzeniu go przez Radę Nadzorczą jest odpowiedzialny za jego realizację.

Inne postanowienia o przebiegu i organizacyjnym zabezpieczeniu posiedzeń Zarządu, jego działalności, zakazie konkurencji i o innych należnościach związanych z Zarządem są częścią ważnej ustawy w brzmieniu postanowień spółki.

Skład Zarządu Asseco Central Europe, a.s. w okresie od 1 stycznia 2010 r. do 31 grudnia 2010 r. przedstawił się następująco:

<b>Imię i nazwisko</b>	<b>Funkcja</b>	<b>Data pełnienia funkcji</b>
Jozef Klein	Prezes	01.01.2010-31.12.2010
Martin Morávek	Członek	01.01.2010-31.12.2010
Michal Navrátil	Członek	01.01.2010-31.12.2010

---

Jozef Klein  
Prezes Zarządu

---

Martin Morávek  
Członek Zarządu

---

Michał Navrátil  
Członek Zarządu

## Independent Auditors' Report

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

We have audited the accompanying separate financial statements of Asseco Central Europe, a.s. ('the Company'), which comprise the statement of financial position as at 31 December 2010 and profit and loss account, statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

THIS IS A TRANSLATION OF THE ORIGINAL SLOVAK REPORT

*Other Matter*

The financial statements of Asseco Central Europe, a.s. for the year ended 31 December 2009 were audited by another auditor whose report dated 11 March 2010 expressed an unmodified opinion on those statements.

15 March 2011  
Bratislava, Slovak Republic

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

Ing. Peter Uram- Hrišo  
UDVA Licence No.996

**ASSECO CENTRAL  
EUROPE, a.s.**

**FINANCIAL STATEMENTS  
INCLUDING OPINION OF  
INDEPENDENT CERTIFIED  
AUDITORS**

**FOR THE YEAR ENDED  
31 DECEMBER 2010**

**PREPARED IN ACCORDANCE  
WITH THE INTERNATIONAL  
FINANCIAL REPORTING  
STANDARDS**

**FINANCIAL STATEMENTS  
OF ASSECO CENTRAL EUROPE, a.s.  
INCLUDING OPINION OF INDEPENDENT CERTIFIED AUDITORS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**Contents**

	<b>Page</b>
<i>PROFIT AND LOSS ACCOUNT .....</i>	5
<i>STATEMENT OF COMPREHENSIVE INCOME .....</i>	6
<i>STATEMENT OF FINANCIAL POSITION.....</i>	7
<i>STATEMENT OF FINANCIAL POSITION.....</i>	8
<i>STATEMENT OF CHANGES IN EQUITY.....</i>	9
<i>STATEMENT OF CASH FLOWS .....</i>	10
<b>SUPPLEMENTARY INFORMATION AND EXPLANATIONS.....</b>	<b>11</b>
<b>I. GENERAL INFORMATION.....</b>	<b>11</b>
<b>II. ACCOUNTING PRINCIPLES APPLIED IN PREPARING FINANCIAL STATEMENTS.....</b>	<b>12</b>
1. <i>Basis for preparation of financial statements .....</i>	12
2. <i>Compliance statement .....</i>	12
3. <i>Significant accounting judgments, estimates and assumptions.....</i>	12
4. <i>Changes in the applied principles of presentation .....</i>	13
5. <i>Changes in the accounting principles applied .....</i>	14
6. <i>New standards and interpretations published but not yet in force.....</i>	16
7. <i>Summary of major accounting principles.....</i>	17
i. <i>Translation of items expressed in foreign currencies .....</i>	17
ii. <i>Property, plant and equipment .....</i>	18
iii. <i>Intangible assets .....</i>	19
iv. <i>Leasing .....</i>	20
v. <i>Impairment of non-financial assets .....</i>	20
vi. <i>Subsidiaries, Associated Companies and Joint Ventures .....</i>	20
vii. <i>Financial instruments .....</i>	21
viii. <i>Trade accounts receivable .....</i>	22
ix. <i>Cash and cash equivalents, restricted cash .....</i>	22
x. <i>Trade accounts payable .....</i>	22
xi. <i>Derivative financial instruments and hedges .....</i>	22
xii. <i>Impairment of financial assets .....</i>	22
xiii. <i>Inventories .....</i>	23
xiv. <i>Deferred expenses .....</i>	24
xv. <i>Accrued expenses and deferred income .....</i>	24
xvi. <i>Revenues and expenses related to completion of implementation contracts .....</i>	24
xvii. <i>Provisions .....</i>	25
xviii. <i>Equity .....</i>	25
xix. <i>Sales revenue .....</i>	26
xx. <i>Operating costs .....</i>	26
xxi. <i>Payroll expenses and costs of social and other insurance .....</i>	26
xxii. <i>Income tax and value added tax .....</i>	27
<b>III. INFORMATION ON SEGMENTS .....</b>	<b>28</b>
<b>IV. NOTES TO THE FINANCIAL STATEMENTS .....</b>	<b>30</b>
1. <i>Sales revenue .....</i>	30
2. <i>Operating costs .....</i>	30
3. <i>Other operating income and expenses .....</i>	31
4. <i>Financial income and expenses .....</i>	31
5. <i>Corporate income tax .....</i>	32
6. <i>Earnings per share .....</i>	35
7. <i>Dividends .....</i>	35
8. <i>Property, plant and equipment .....</i>	36
9. <i>Intangible assets .....</i>	38
10. <i>Investment in subsidiaries .....</i>	40
11. <i>Income and expenses recognized in the profit and loss account, by category of financial instruments .....</i>	40

12. <i>Deferred expenses</i> .....	41
13. <i>Implementation contracts</i> .....	41
14. <i>Trade and other receivables</i> .....	42
15. <i>Cash and cash equivalents, restricted cash</i> .....	43
16. <i>Share capital and capital reserves</i> .....	43
17. <i>Non-current and current financial liabilities</i> .....	43
18. <i>Finance lease</i> .....	44
19. <i>Interest-bearing bank credits and debt securities issued</i> .....	44
20. <i>Non-current and current provisions for liabilities</i> .....	44
21. <i>Non-current and current trade accounts payable and other liabilities</i> .....	45
22. <i>Transactions with related companies</i> .....	47
23. <i>Information on the transactions with other related entities</i> .....	48
24. <i>Changes in working capital</i> .....	48
25. <i>Commitments and contingent liabilities concerning related companies</i> .....	48
27. <i>Employment</i> .....	50
28. <i>Objectives and principles of financial risk management</i> .....	50
29. <i>Remuneration due to certified auditors or the entity authorized to audit financial statements</i> .....	55
30. <i>Equity management</i> .....	55
31. <i>Remuneration of the Members of the Management Board and Supervisory Board of the Company</i> .....	56
32. <i>Seasonal and cyclical nature of business</i> .....	56
33. <i>Significant events after the balance sheet date</i> .....	56

**FINANCIAL STATEMENTS OF ASSECO CENTRAL EUROPE, a.s.**  
**INCLUDING OPINION OF INDEPENDENT CERTIFIED AUDITORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

These financial statements were prepared on 15 March 2011 and authorized for publication by the Management Board of Asseco Central Europe, a.s. on 15 March 2011.

## Management Board:

RNDr. Jozef Klein President of the Management Board

Ing. Martin Morávek Member of the Management Board

Ing. Michal Navrátil Member of the Management Board

Person responsible for maintaining the accounting books:

Jana Onufráková Chief Accountant

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

	Note	12 months ended 31 Dec. 2010 (audited)	12 months ended 31 Dec. 2009 (audited)
<b>Sales revenues</b>	<u>1</u>	<b>31 284 929</b>	<b>30 763 812</b>
<b>Cost of sales (-)</b>	<u>2</u>	<b>(17 861 018)</b>	<b>(18 945 648)</b>
<b>Gross profit on sales</b>		<b>13 423 911</b>	<b>11 818 164</b>
Selling expenses	<u>2</u>	(1 890 733)	(1 465 149)
General administrative expenses	<u>2</u>	(4 122 773)	(3 683 942)
<b>Net profit on sales</b>		<b>7 410 405</b>	<b>6 669 073</b>
Other operating income	<u>3</u>	98 895	88 502
Other operating expenses	<u>3</u>	(247 967)	(46 547)
<b>Operating profit</b>		<b>7 261 333</b>	<b>6 711 028</b>
Financial income	<u>4</u>	4 634 821	7 009 895
Financial expenses	<u>4</u>	(3 381 702)	(247 844)
<b>Pre-tax profit</b>		<b>8 514 452</b>	<b>13 473 079</b>
Corporate income tax (current and deferred portions)	<u>5</u>	(1 508 344)	(1 151 635)
<b>Net profit for the reporting period</b>		<b>7 006 108</b>	<b>12 321 444</b>
<hr/>			
<b>Earnings per share attributable to Shareholders of Asseco Central Europe, a.s. (in EUR):</b>			
Basic earnings per share from continuing operations for the reporting period	<u>6</u>	0,33	0,58
Diluted earnings per share from continuing operations for the reporting period	<u>6</u>	0,33	0,58

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

	Note	12 months ended 31 Dec. 2010 (audited)	12 months ended 31 Dec. 2009 (audited)
<b>Net profit for the reporting period</b>		<b>7 006 108</b>	<b>12 321 444</b>
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>7 006 108</b>	<b>12 321 444</b>

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

<b>ASSETS</b>	<b>Note</b>	<b>31 December 2010 (audited)</b>	<b>31 December 2009 (audited)</b>
<b>Non-current assets</b>		<b>80 549 556</b>	<b>73 586 810</b>
Property, plant and equipment	<u>8</u>	656 767	499 324
Intangible assets	<u>9</u>	15 792 092	21 374
Investments in subsidiaries	<u>10</u>	63 006 567	70 189 486
Non-current loans		579 740	515 681
Non-current receivables		0	1 883 410
Deferred income tax assets	<u>5</u>	514 390	477 535
<b>Current assets</b>		<b>29 490 400</b>	<b>30 037 202</b>
Inventories		311	4 126
Deferred expenses	<u>12</u>	750 107	1 112 756
Trade accounts receivable	<u>14</u>	10 987 218	10 181 425
Other receivables	<u>14</u>	6 302 707	2 218 114
Loans granted		0	1 150 000
Cash and current deposits	<u>15</u>	11 450 057	15 370 781
<b>TOTAL ASSETS</b>		<b>110 039 956</b>	<b>103 624 012</b>

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

<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>31 December 2010</b>	<b>31 December 2009</b>
		(audited)	(audited)
<b>Shareholders' equity (attributable to Shareholders of the Company)</b>			
Share capital	<u>16</u>	709 024	709 024
Share premium		74 900 710	74 900 710
Retained earnings		18 646 557	16 339 648
<b>Total shareholders' equity</b>		<b>94 256 291</b>	<b>91 949 382</b>
<b>Non-current liabilities</b>			
Non-current financial liabilities	<u>17</u>	1 503 187	37 209
Other non-current liabilities	<u>21</u>	360 975	474 439
<b>Current liabilities</b>		<b>13 919 503</b>	<b>11 162 982</b>
Trade accounts payable	<u>21</u>	4 036 881	4 568 482
Corporate income tax	<u>21</u>	554 663	79 616
Liabilities to the State budget	<u>21</u>	848 218	1 125 091
Financial liabilities	<u>17</u>	1 502 050	55 525
Other liabilities	<u>21</u>	1 923 352	1 436 881
Provisions	<u>20</u>	2 109 845	2 012 830
Deferred income	<u>21</u>	648 663	1 525 688
Accrued expenses	<u>21</u>	2 295 831	358 869
<b>TOTAL LIABILITIES</b>		<b>15 783 665</b>	<b>11 674 630</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>110 039 956</b>	<b>103 624 012</b>

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

	<b>Note</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Total shareholders' equity</b>
<b>As at 1 January 2010</b>	<u>16</u>	<b>709 024</b>	<b>74 900 710</b>	<b>16 339 648</b>	<b>91 949 382</b>
Net profit for period				7 006 108	<b>7 006 108</b>
Dividend for 2009				(4 699 199)	<b>(4 699 199)</b>
<b>As at 31 December 2010 (audited)</b>	<u>16</u>	<b>709 024</b>	<b>74 900 710</b>	<b>18 646 557</b>	<b>94 256 291</b>
<b>As at 1 January 2009</b>	<u>16</u>	<b>709 022</b>	<b>74 900 710</b>	<b>14 057 406</b>	<b>89 667 138</b>
Net profit for period				12 321 444	<b>12 321 444</b>
Dividend for 2008			-	(10 039 200)	<b>(10 039 200)</b>
Other movements		2		(2)	<b>0</b>
<b>As at 31 December 2009 (audited)</b>	<u>16</u>	<b>709 024</b>	<b>74 900 710</b>	<b>16 339 648</b>	<b>91 949 382</b>

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

	Note	12 months ended 31 Dec. 2010 (audited)	12 months ended 31 Dec. 2009 (audited)
<b>Cash flows - operating activities</b>			
Pre-tax profit from continuing operations and profit (loss) on discontinued operations		8 514 452	13 473 079
<b>Total adjustments:</b>			
Depreciation and amortization	<u>2</u>	826 228	214 420
Changes in working capital	<u>24</u>	(1 318 001)	(2 972 943)
Interest income and expense		(117 981)	228 547
Gain (loss) on foreign exchange differences		88 454	58 772
Gain (loss) on investing activities		(1 270 617)	(3 657 669)
Other		457 386	0
<b>Net cash generated from operating activities</b>		<b>7 179 921</b>	<b>7 344 206</b>
Corporate income tax paid		(1 513 174)	(1 269 203)
<b>Net cash provided by (used in) operating activities</b>		<b>5 666 747</b>	<b>6 075 003</b>
<b>Cash flows - investing activities</b>			
Disposal of tangible fixed assets and intangible assets		8 599	2 840
Acquisition of tangible fixed assets and intangible assets		(196 425)	(67 792)
Acquisition of subsidiary companies		(11 743 596)	(13 005 918)
Proceeds from sale of investment in subsidiaries		280 000	0
Settlement of derivative financial instruments		(18 054)	1 286
Loans granted		0	(1 150 000)
Loans collected		1 150 000	500 000
Interest received		61 984	3 483
Dividends received		5 648 000	3 940 083
<b>Net cash provided by (used in) investing activities</b>		<b>(4 809 492)</b>	<b>(9 776 018)</b>
<b>Cash flows - financing activities</b>			
Finance lease commitments paid		(78 779)	(79 307)
Dividends paid out to the shareholders of the entity		(4 699 200)	(10 039 200)
<b>Net cash provided by (used in) financing activities</b>		<b>(4 777 979)</b>	<b>(10 118 507)</b>
Increase (decrease) in cash and cash equivalents		(3 920 724)	(13 819 522)
Cash and cash equivalents as at 1 January		15 370 781	29 190 303
<b>Cash and cash equivalents as at 31 December</b>		<b>11 450 057</b>	<b>15 370 781</b>

## SUPPLEMENTARY INFORMATION AND EXPLANATIONS

### I. GENERAL INFORMATION

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

The Company was established on 16 December 1998. The original name of the company ASSET a.s.. was changed in February 1999 to ASSET Soft, and subsequently in September 2005 it was changed to Asseco Slovakia, a.s. The new Company's name was registered in the Commercial Register on 21 September 2005. On 28 April 2010, the Company changed its name from Asseco Slovakia, a.s. to Asseco Central Europe, a.s. and registered it in the Commercial Register of the Slovak Republic on the same date.

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

The parent company of Asseco Central Europe, a.s. is Asseco Poland SA (the higher-level parent company). As at 31 December 2010, Asseco Poland SA held a 40.07% stake in the share capital of Asseco Central Europe, a.s.

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

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

These financial statements cover the period of 12 months ended 31 December 2010 and contain comparative data for the period of 12 months ended 31 December 2009 in the case of the statement of comprehensive income, statement of changes in equity and statement of cash flows; and comparative data as at 31 December 2009 and 1 January 2009 in the case of the statement of financial position.

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

## **II. ACCOUNTING PRINCIPLES APPLIED WHEN PREPARING FINANCIAL STATEMENTS**

### **1. Basis for preparation of financial statements**

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

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

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

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

### **2. Compliance statement**

These financial statements were prepared in compliance with the International Financial Reporting Standards ("IFRS") adopted by the European Union. As at the date of approving publication of these financial statements, given the ongoing process of implementing the IFRS standards in the European Union as well as the Company's operations, in the scope of accounting principles applied by the Company there is no difference between the IFRS that came into force and the IFRS as endorsed by the EU.

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

### **3. Significant accounting judgments, estimates and assumptions**

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

In the 12 months period ended 31 December 2010, the Company's approach to making estimates was not subject to any substantial changes compared to previous periods. Details of the main areas subject to accounting estimates and the management's professional judgement, and whose estimates, if changed, could significantly affect the Company's future results are given below.

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

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

Assumed future operating cash flows are not always consistent with the agreements with customers or suppliers due to modifications of IT projects implementation schedules. As at 31 December 2010, receivables from the valuation of IT contracts amounted to EUR 705,784 thousand, while liabilities due to such valuation equalled EUR 236,286 thousand. As at 31 December 2010, there were no embedded financial derivatives recognized in financial liabilities.

***ii Rates of depreciation and amortization***

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

***iii Goodwill – impairment test***

The Management Board of the Company performed an impairment test as at 31 December 2010. This task required making estimates of the value in use of cash-generating units to which goodwill is allocated. The value in use is estimated by determination of the future cash flows anticipated from the cash-generating unit and determination of a discount rate to be subsequently used in order to calculate the net present value of those cash flows. As at 31 December 2010, goodwill amounted to EUR 1,083 thousand.

**4. Changes in the principles of presentation applied**

Certain balances in the financial statements from 2009 were reclassified in accordance with their presentation in 2010 in order to achieve a better presentation of the substance of transaction.

<b>Position</b>		<b>2009</b>	<b>2009 reclassified</b>	<b>Change</b>
Non-current receivables	BS	2 399 091		2 399 091
Non-current loans	BS		515 681	(515 681)
Non-current receivables	BS		1 883 410	(1 883 410)
Current receivables	BS	12 091 672		12 091 672
Receivables from valuation of IT contracts	BS	307 867		307 867
Trade accounts receivable	BS		10 181 425	(10 181 425)
Other receivables	BS		2 218 114	(2 218 114)
Current financial assets	BS	1 150 000		1 150 000
Loans granted	BS		1 150 000	(1 150 000)
Other current assets	BS	1 112 756		1 112 756
Deferred expenses	BS		1 112 756	(1 112 756)
Capital reserve	BS	78 918 914		78 918 914
Net profit for the period	BS	12 321 444		12 321 444
Share premium	BS		74 900 710	(74 900 710)
Retained earnings	BS		16 339 648	(16 339 648)
Other non-current liabilities	BS	511 648		511 648
Non-current financial liabilities	BS		37 209	(37 209)
Other non-current liabilities	BS		474 439	(474 439)
Trade receivables and other liabilities	BS	8 992 741		8 992 741
Liabilities from valuation of IT contracts	BS	157 411		157 411
Trade accounts payable	BS		4 568 482	(4 568 482)
Corporate income tax payable	BS		79 616	(79 616)
Liabilities to the State budget	BS		1 125 091	(1 125 091)
Financial liabilities	BS		55 525	(55 525)
Other liabilities	BS		1 436 881	(1 436 881)
Deferred income	BS		1 525 688	(1 525 688)
Accrued expenses	BS		358 869	(358 869)
<b>Total</b>				<b>0</b>

The movement in the Statement of changes in equity in 2009 from Retained earnings to Capital reserve is not disclosed in this statements, because these items were summarized under Retained earnings.

Changes in the presentation of Cash flow statement are presented in Working capital reconciliation in Note 24

The reclassification did not have an impact on assets, total equity or liabilities as at 31 December 2009 or on the net income of 2009

## 5. Changes in the accounting principles applied

The accounting principles (policy) adopted in preparation of these financial statements are consistent with those applied for preparation of financial statements for the year ended 31 December 2009, except for applying the following amendments to standards and new interpretations effective for annual periods beginning on or after 1 January 2010. The Company applied all the Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB as adopted by the European Union ('EU') that are relevant to the Company's operations.

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

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

- IFRS 2 Share-based Payment (Revised)

The IASB issued an amendment to IFRS 2 that clarified the scope and the accounting for group cash-settled share-based payment transactions.

- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)

IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after becoming effective.

IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with the owners in their capacity as owners.

The changes to IFRS 3 (Revised) and IAS 27 (Amended) affect acquisitions or loss of control of subsidiaries and transactions with non-controlling interests after 1 January 2010.

- IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items

The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations.

- IFRIC 17 Distribution of Non-cash Assets to Owners

This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends.

- Improvements to IFRSs

In May 2008 and April 2009, the IASB issued an omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard.

Issued in May 2008

*IFRS 5 Non-current Assets Held for Sale and Discontinued Operations:* clarifies that when a subsidiary is classified as held for sale, all its assets and liabilities are classified as held for sale, even when the entity remains a non-controlling interest after the sale transaction.

Issued in April 2009

*IFRS 2 Share-based Payment:* Clarifies that the contribution of a business on formation of a joint venture and combinations under common control are not within the scope of IFRS 2. Effective for periods beginning on or after 1 July 2009

*IFRS 5 Non-current Assets Held for Sale and Discontinued Operations:* clarifies that the disclosures required in respect of non-current assets and disposal groups classified as held for sale or discontinued operations are only those set out in IFRS 5. The disclosure requirements of other IFRSs only apply if specifically required for such non-current assets or discontinued operations.

*IFRS 8 Operating Segments:* clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision-maker.

*IAS 1 Presentation of Financial Statements: Current/non-current classification of convertible instruments:* The terms of a liability that could at any time result in its settlement by the issuance of equity instruments at the option of the counterparty do not affect its classification. Effective for annual periods beginning on or after 1 January 2010.

*IAS 7 Statement of Cash Flows:* States that only expenditure that results in recognizing an asset can be classified as a cash flow from investing activities. This amendment will impact, amongst others, the presentation in the statement of cash flows of the contingent consideration on the business combination completed in 2010 upon cash settlement.

*IAS 17 Leases - Classification of land and buildings:* The specific guidance on classifying land as a lease has been removed so that only the general guidance remains. Effective for annual periods beginning on or after 1 January 2010.

*IAS 36 Impairment of Assets:* The amendment clarifies that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes.

*IAS 38 Intangible Assets: Consequential amendments arising from IFRS 3:* If an intangible acquired in a business combination is identifiable only with another intangible asset, the acquirer may recognise the group of intangibles as a single asset provided the individual assets have similar useful lives.

*IAS 38 Intangible Assets: Measuring fair value:* The valuation techniques presented for determining the fair value of intangible assets acquired in a business combination are only examples and are not restrictive on the methods that can be used.

*IAS 39 Financial Instruments: Recognition and Measurement - Assessment of loan prepayment penalties as embedded derivatives:* A prepayment option is considered as closely related to the host contract when the exercise price reimburses the lender up to the approximate present value of lost interest for the remaining term of the host contract. Effective for annual periods beginning on or after 1 January 2010.

*IAS 39 Financial Instruments: Recognition and Measurement - Scope exemption for business combination contract:* The scope exemption for contracts between an acquirer and a vendor in a business combination to buy or sell an acquiree at a future date applies only to binding forward contracts, not derivative contracts where further actions are still to be taken. Effective prospectively to all unexpired contracts for annual periods beginning on or after 1 January 2010.

*IAS 39 Financial Instruments: Recognition and Measurement - Cash flow hedge accounting:* Gains or losses on cash flow hedges of a forecast transaction that subsequently results in the recognition of a financial instrument or on cash flow hedges or recognized financial instruments should be reclassified in the period that the hedged forecast cash flows affect profit or loss. Effective prospectively to all unexpired contracts for annual periods beginning on or after 1 January 2010.

*IFRIC 9 Reassessment of Embedded Derivatives Scope of IFRIC 9 and IFRS 3:* IFRIC 9 does not apply to possible reassessment at the date of acquisition to embedded derivatives in contracts acquired in a combination between entities or businesses under common control or the formation or a joint venture. The amendment is effective prospectively for annual periods beginning on or after 1 July 2009.

*IFRIC 16 Hedges of a Net Investment in a Foreign Operation:* Amendment of the restriction on the entity that can hold hedging instruments: Qualifying hedging instruments may be held by any entity within the group, provided the designation, documentation and effectiveness requirements of IAS 39 are met. See Section 1 for further details. The amendment is effective for annual periods beginning on or after 1 July 2009.

- IFRIC 12 "Service Concession Arrangements" adopted by the EU on 25 March 2009 (effective for accounting periods beginning on or after 30 March 2009);
- IFRIC 15 "Agreements for the Construction of Real Estate" adopted by the EU on 22 July 2009 (effective for accounting periods beginning on or after 1 January 2010);
- IFRIC 18 "Transfers of Assets from Customers" adopted by the EU on 27 November 2009 (effective for accounting periods beginning on or after 1 November 2009).

IFRS 1 (revised) "First-time Adoption of IFRS" adopted by the EU on 25 November 2009 (effective for accounting periods beginning on or after 1 January 2010);

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

At the date of authorisation of these financial statements, the following standards, revisions and interpretations adopted by the EU were in issue but not yet effective:

- IAS 24 Related Party Disclosures (Amendment)  
The amended standard is effective for annual periods beginning on or after 1 January 2011. It clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government-related entities.
- IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (Amendment)  
The amendment to IAS 32 is effective for annual periods beginning on or after 1 February 2010 and amended the definition of a financial liability in order to classify rights issues (and certain options or warrants) as equity instruments in cases where such rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, or to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency.
- IFRIC 14 Prepayments of a minimum funding requirement (Amendment)  
The amendment to IFRIC 14 is effective for annual periods beginning on or after 1 January 2011 with retrospective application. The amendment provides guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset.
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments  
IFRIC 19 is effective for annual periods beginning on or after 1 July 2010. The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability qualify as a consideration paid. The equity instruments issued are measured at their fair value. In the event that this cannot be reliably measured, the instruments are measured at the fair value of the liability extinguished. Any gain or loss is recognized immediately in profit or loss.

At present, IFRS as adopted by the EU do not significantly differ from the regulations adopted by the International Accounting Standards Board (IASB) except for the following standards, amendments to the existing standards and interpretations, which were not endorsed for use as at 31 December 2010.

- IFRS 9 Financial Instruments: Classification and Measurement  
IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and derecognition. The completion of this project is expected in early 2011. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture. Not endorsed by EU as at the date of approval of these financial statements
- Disclosures — Transfers of Financial Assets (Amendments to IFRS 7)  
The IASB has amended the disclosures required relating to transfers of financial assets. The objective of the amendments is to help users of financial statements to evaluate the risk exposures relating to such transfers and the effect of those risks on an entity's financial position.
- Improvements to IFRSs (issued in May 2010)  
The IASB issued Improvements to IFRSs, an omnibus of amendments to its IFRS standards. The amendments have not been adopted as they become effective for annual periods on or after either 1 July 2010 or 1 January 2011
- Amendment to IFRS 7 Financial Instruments – Disclosures: Transfer of Financial Assets - effective for financial years beginning on or after 1 July 2011. Not endorsed by EU as at the date of approval of these financial statements,
- Amendments to IAS 12 Income Tax: Deferred Tax: Recovery of Underlying Assets – effective for financial years beginning on or after 1 January 2012. Not endorsed by EU as at the date of approval of these financial statements,
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters - effective for financial years beginning on or after 1 July 2011. Not endorsed by EU as at the date of approval of these financial statements.

In the opinion of the Parent Company's Management Board, introduction of the above-mentioned standards and interpretations will have no significant impact on the accounting principles (policy) applied by the Company in 2011.

## 7. Summary of major accounting principles

### i. Translation of items expressed in foreign currencies

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

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

valued at fair value are restated using the exchange rate as of the date when such fair value is determined.

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

Currency	As at	As at
	31 Dec. 2010	31 Dec. 2009
EUR	1,00000	1,00000
USD	1,33620	1,44060
CZK	25,06100	26,47300
GBP	0,86075	0,88810
HUF	277,95000	270,42000
PLN	3,97500	4,10450

## ii. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and any impairment write-downs. Any costs incurred after a tangible asset has been commissioned into use, such as costs of repairs and technical inspections, or operating fees, are expensed in the reporting period in which they were incurred. At the time of purchase, tangible assets are divided into components of significant value for which separate periods of useful life may be adopted. General overhaul expenses constitute a component of assets as well.

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

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

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

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

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

### iii. Intangible assets

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

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

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

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

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

#### *Research and development work*

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

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

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

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

**iv. Leasing**

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

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

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

**v. Impairment of non-financial assets**

At each balance sheet date the Company assesses whether there is an indication that an asset may be impaired. Should there be any indications of impairment, the Company estimates the recoverable value. If the book value of a given asset exceeds its recoverable value, impairment charges are made reducing the book value to the level of the recoverable value. The recoverable value is whichever is the higher of the following two values: fair value of an asset or cash-generating unit less selling expenses, or value in use determined for an asset if the asset generates cash flows significantly independent from the cash flows generated by other assets or other groups of assets or other cash-generating units.

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

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

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

**vi. Subsidiaries, Associated Companies and Joint Ventures**

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

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

**vii. Financial instruments**

Financial instruments are divided into the following categories:

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

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

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

Financial instruments acquired in order to generate profits owing to short-term price fluctuations are classified as financial instruments valued at fair value through profit or loss. Financial instruments valued at fair value through profit or loss are measured at fair value taking into account their market value as at the balance sheet date. Changes in these financial instruments are recognized as financial income or expenses. Financial assets valued at fair value through profit or loss are classified as current assets, provided the Management Board intends to dispose of them within 12 months from the balance sheet date.

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

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

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

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

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

**viii. Trade accounts receivable**

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

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

**ix. Cash and cash equivalents, restricted cash**

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

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

**x. Trade accounts payable**

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

**xi. Derivative financial instruments and hedges**

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

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

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

**xii. Impairment of financial assets**

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

*Financial assets carried at amortized cost*

If there is objective evidence that an impairment loss on loans or receivables valued at amortized cost has been incurred, the amount of the impairment write-down is measured as the difference between the asset's book value and the present value of estimated future cash flows (excluding future bad debt losses that have not yet been incurred) discounted

at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of such assets is reduced either directly or by establishing an impairment write-down. The amount of the loss is recognized in the profit and loss account.

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

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

#### *Financial assets carried at cost*

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative instrument that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset involved and the present value of estimated future cash flows discounted at the current market rate of return for similar financial assets.

#### *Financial assets available for sale*

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

### **xiii. Inventories**

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

#### **xiv. Deferred expenses**

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

In particular, deferred expenses may include the following items:

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

#### **xv. Accrued expenses and deferred income**

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

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

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

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

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

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

#### **xvi. Revenues and expenses related to completion of implementation contracts**

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

If it is not possible to reliably estimate the progress of a service execution as at the balance sheet date, sales revenues are recognized in the amount of the costs incurred in the reporting period, which is, however, limited to the amount of the costs that are likely to be paid by the ordering party in the future.

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

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

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

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

### **xvii. Provisions**

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

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

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

#### *Warranty provisions*

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

### **xviii. Equity**

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

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

## **xix. Sales revenue**

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

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

### *Sales revenue*

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

### *Interest income*

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

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

### *Dividends*

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

## **xx. Operating costs**

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

## **xxi. Payroll expenses and costs of social and other insurance**

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

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

No pension scheme is currently in operation in the Company.

**xxii. Income tax and value added tax**

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

Deferred income tax assets are recognized in relation to all negative temporary differences, as well as to unutilized deferred tax assets or unutilized tax losses carried forward to subsequent years, in the amounts that it is probable that future taxable income will be sufficient to allow these temporary differences, assets or losses to be utilized. This does not apply to situations when deferred tax assets relating to negative temporary differences arise from initial recognition of an asset or liability on a transaction other than the combination of companies, which at the time of its conclusion has no influence on pre-tax profit, taxable income or tax loss. Furthermore, in the event of negative temporary differences arising from investments in subsidiary or associated companies or from participation in joint ventures, deferred tax assets are recognized in the statement of financial position only in the amount that it is probable that the temporary differences will be reversed in the foreseeable future and that sufficient taxable income will be available to offset such negative temporary differences.

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

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

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

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

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

### III. INFORMATION ON SEGMENTS

The Company operates in the sector of information technologies and telecommunications. Because the main business activities have a similar character, there is no reason to adopt the standard relating to segmental information. The organizational structure is homogeneous, without an independent part that would operate on different activities. The management's opinion is that information based on the reported figures would not have been worth the effort to determine business segments. On this basis, the Company declares itself to be one business segment.

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

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

For 12 months ended 31 December 2010 and as at 31 December 2010 (audited)	Slovak market	Czech /other markets	Total
<b>Sales revenues</b>			
Sales to external customers	23 011 731	8 273 198	<b>31 284 929</b>
<b>Operating profit (loss) of reportable segment</b>	<b>5 523 961</b>	<b>1 737 372</b>	<b>7 261 333</b>
Interest income	118 001	0	118 001
Interest expense	(8 895)	0	(8 895)
<b>Corporate income tax</b>	<b>(1 129 597)</b>	<b>(378 747)</b>	<b>(1 508 344)</b>
<i>Non-cash items:</i>			
Depreciation and amortization	(826 228)	0	(826 228)
Impairment write-downs on segment assets	(572 444)	0	(572 444)
<b>Net profit (loss) of reportable segment</b>	<b>5 647 483</b>	<b>1 358 625</b>	<b>7 006 108</b>
Segment assets	109 703 976	335 980	<b>110 039 956</b>
<b>Segment capital expenditures</b>	<b>(11 940 021)</b>	<b>0</b>	<b>(11 940 021)</b>

For 12 months ended 31 December 2009 and as at 31 December 2009	Slovak market	Czech / other markets	Total
<b>Sales revenues</b>			
Sales to external customers	26 911 107	3 852 705	<b>30 763 812</b>
<b>Operating profit (loss) of reportable segment</b>			
Interest income	259 013	0	259 013
Interest expense	(8 219)	0	(8 219)
<b>Corporate income tax</b>	<b>(1 151 635)</b>	<b>(156 959)</b>	<b>(1 308 594)</b>
<i>Non-cash items:</i>			
Depreciation and amortization	(214 420)	0	(214 420)
Impairment write-downs on segment assets	(1 022 619)	0	(1 022 619)
<b>Net profit (loss) of reportable segment</b>	<b>11 669 335</b>	<b>652 109</b>	<b>12 321 444</b>
Segment assets:	103 142 561	481 451	<b>103 624 012</b>
<b>Segment capital expenditures</b>	<b>(13 073 710)</b>	<b>0</b>	<b>(13 073 710)</b>

#### IV. NOTES TO THE FINANCIAL STATEMENTS

##### 1. Sales revenue

In 2010 and the corresponding comparative period, the operating revenues were as follows:

Sales revenues by type of business	12 months ended 31 Dec. 2010 (audited)	12 months ended 31 Dec. 2009 (audited)
Proprietary software and services	28 614 126	24 911 412
Third-party software and services	183 212	2 449 226
Computer hardware and infrastructure	2 056 103	3 146 513
Other sales	431 488	256 661
	<b>31 284 929</b>	<b>30 763 812</b>
Sales revenues by sectors	12 months ended 31 Dec. 2010 (audited)	12 months ended 31 Dec. 2009 (audited)
Banking and finance	15 639 361	16 129 635
Enterprises	3 401 242	5 818 372
Public institutions	12 244 326	8 815 805
	<b>31 284 929</b>	<b>30 763 812</b>
Sales revenues by territorial structure	12 months ended 31 Dec. 2010 (audited)	12 months ended 31 Dec. 2009 (audited)
Slovakia	23 011 731	26 911 107
Czech Republic	8 128 454	3 681 230
Other European countries	144 744	171 475
	<b>31 284 929</b>	<b>30 763 812</b>

##### 2. Operating costs

	12 months ended 31 Dec. 2010 (audited)	12 months ended 31 Dec. 2009 (audited)
Materials and energy used (-)	(240 932)	(120 456)
Costs of goods sold	(1 956 040)	(3 036 682)
Third party work (-)	(8 967 335)	(7 080 702)
Salaries (-)	(8 804 136)	(10 839 357)
Employee benefits, of which (-)	(2 614 065)	(2 524 466)
<i>social security contributions</i> (-)	(950 744)	(1 266 787)
Depreciation and amortization (-)	(826 228)	(214 420)
Taxes and charges (-)	(11 324)	(118)
Business trips (-)	(163 586)	(148 976)
Other (-)	(290 878)	(129 562)
	<b>(23 874 524)</b>	<b>(24 094 739)</b>

### 3. Other operating income and expenses

Other operating income	12 months ended 31 Dec. 2010 (audited)	12 months ended 31 Dec. 2009 (audited)
Gain on disposal of tangible fixed assets	7 397	3 032
Compensations received	38 346	19 939
Income from rental services	47 138	64 232
Other	6 014	1 299
<b>Total other operating income</b>	<b>98 895</b>	<b>88 502</b>

Other operating expenses	12 months ended 31 Dec. 2010 (audited)	12 months ended 31 Dec. 2009 (audited)
Charitable contributions for unrelated companies (-)	(4 581)	(15 177)
Write-offs of receivables(-)	(172 389)	0
Other (-)	(70 997)	(31 370)
<b>Total other operating expenses</b>	<b>(247 967)</b>	<b>(46 547)</b>

### 4. Financial income and expenses

Financial income	12 months ended 31 Dec. 2010 (audited)	12 months ended 31 Dec. 2009 (audited)
Interest income on loans granted, debt securities and bank deposits	118 001	259 013
Gain on foreign exchange differences	26 802	58 772
Gain on disposal of equity investments in subsidiary companies	0	99 316
Dividends received	4 487 701	6 361 402
Other financial income	2 317	231 392
<b>Total financial income</b>	<b>4 634 821</b>	<b>7 009 895</b>

Financial expenses	12 months ended 31 Dec. 2010 (audited)	12 months ended 31 Dec. 2009 (audited)
Interest expense on financial leases (-)	(8 895)	(8 219)
Bank fees and charges (-)	(34 248)	(23 098)
Loss on disposal of other capital investments (-)	(3 217 084)	0
Loss on change in fair value of currency derivatives - forward contracts	0	(13 404)
Loss on exercise of currency derivatives - forward contracts	(20 372)	0
Other financial expenses (-)	(101 103)	(203 123)
<b>Total financial expenses</b>	<b>(3 381 702)</b>	<b>(247 844)</b>

## 5. Corporate income tax

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

	12 months ended 31 Dec. 2010 (audited)	12 months ended 31 Dec. 2009 (audited)
Current portion of corporate income tax and prior year adjustments	(2 002 583)	(1 269 203)
Deferred portion of corporate income tax <i>related to occurrence or reversal of temporary differences</i>	494 239	117 568
<b>Income tax expense as disclosed in the profit and loss account, of which:</b>	<b>(1 508 344)</b>	<b>(1 151 635)</b>
<i>Corporate income tax attributable to continuing operations</i>		

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

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

	12 months ended 31 Dec. 2010 (audited)	12 months ended 31 Dec. 2009 (audited)
<b>Pre-tax profit</b>	<b>8 514 452</b>	<b>13 473 079</b>
Statutory corporate income tax rate	19%	19%
<b>Corporate income tax computed at the statutory tax rate</b>	<b>1 617 746</b>	<b>2 559 885</b>
Income and expenses from valuation of IT contracts	(6 664)	(38 973)
Non-taxable financial income and non-deductible financial expenses	(852 663)	(1 208 666)
Other non-taxable income and non-deductible expenses	747 144	(143 001)
Difference between tax depreciation and accounting depreciation	2 781	(17 610)
<b>Corporate income tax computed at the effective tax rate of 17.7% in 2010 and 8.5% in 2009</b>	<b>1 508 344</b>	<b>1 151 635</b>

The Company made an estimate of taxable income planned to be achieved in the future and concluded that it will enable recovery of deferred income tax assets (net of provisions) in the whole amount as at 31 December 2010 and as at 31 December 2009.

	<b>31 December 2010 (audited)</b>	<b>31 December 2009 (audited)</b>
Deferred income tax assets	1 010 651	534 118
Deferred income tax provisions	(496 261)	(56 583)
<b>Deferred income tax assets (+)/Deferred income tax provision (-), net</b>	<b>514 390</b>	<b>477 535</b>

	Statement of financial position			Profit and Loss Account	
	31 Dec. 2010 (audited)	Mergers and taking control over companies (audited)	31 Dec. 2009 (audited)	12 months ended 31 Dec. 2010 (audited)	12 months ended 31 Dec. 2009 (audited)
				31 Dec. 2010 (audited)	31 Dec. 2009 (audited)
<b>Deferred income tax liability</b>					
Profits due to the valuation of IT contracts	(108 533)		(38 973)	(69 560)	0
Intangible assets acquired via legal merger with ISZP	(365 907)	(457 384)	0	91 477	
Difference between tax depreciation and accounting depreciation	(21 821)		(17 610)	(4 211)	11 523
<b>Deferred income tax provision, gross</b>	<b>(496 261)</b>	<b>(457 384)</b>	<b>(56 583)</b>		
<b>Deferred income tax assets</b>					
Accrued expenses, provisions and other liabilities	855 539		473 245	382 294	129 555
Valuation of IT contracts	44 875		0	44 875	(49 363)
Receivables allowances	87 548		60 873	26 675	0
Revaluation write-downs on non-financial fixed assets				0	25 853
Other	22 689		0	22 689	
<b>Deferred income tax assets, gross</b>	<b>1 010 651</b>	<b>0</b>	<b>534 118</b>		
Deferred income tax assets (+)/Deferred income tax provision (-), net	<b>514 390</b>		<b>477 535</b>		
<b>Change in deferred income tax in the period reported, of which</b>					
deferred income tax change recognized in profit or loss				<b>494 239</b>	<b>117 568</b>
				<b>494 239</b>	<b>117 568</b>

## 6. Earnings per share

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

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

The tables below present the net profits and numbers of shares used for calculation of basic and diluted earnings per share:

	12 months ended 31 Dec. 2010 (audited)	12 months ended 31 Dec. 2009 (audited)
<b>Net profit attributable to Shareholders of the Company</b>	<b>7 006 108</b>	<b>12 321 444</b>
Average weighted number of ordinary shares outstanding, used for calculation of basic earnings per share	21 360 000	21 360 000
Dilution factors	-	-
<b>Adjusted average weighted number of ordinary shares, used for calculation of diluted earnings per share</b>	<b>21 360 000</b>	<b>21 360 000</b>

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

## 7. Dividends

In 2010 the Company paid out to its shareholders a dividend for 2009. By decision of the Ordinary General Meeting of Shareholders of Asseco Central Europe, a.s. the amount of EUR 4,699,200 from net profit for 2009 was allocated to payment of a dividend of EUR 0.22 per share. The remaining portion of net profit for the year 2009 was EUR 7,622,244.

## 8. Property, plant and equipment

For 12 months ended 31 December 2010 (audited)	Computers and other office equipment	Transport vehicles	Other tangible assets	Tangible assets under construction	Total
<b>As at 1 January 2010, less depreciation and impairment allowance</b>					
	<b>220 760</b>	<b>259 852</b>	<b>18 712</b>	<b>0</b>	<b>499 324</b>
Additions, of which:					
Purchases	231 479	192 060	0	3 634	<b>427 173</b>
Assets acquired via legal mergers with ISZP and MPI	196 425	56 007	0	0	<b>252 432</b>
Other changes	40 240	125 959	0	0	<b>166 198</b>
Reductions, of which:	(5 186)	10 094	(0)	3 634	<b>8 542</b>
Depreciation charge for the period reported (-)	(130 412)	(138 129)	(1 189)	0	<b>(269 730)</b>
<b>As at 31 December 2010, less depreciation</b>					
	<b>321 827</b>	<b>313 783</b>	<b>17 523</b>	<b>3 634</b>	<b>656 767</b>
As at 1 January 2010					
Gross value	961 111	1 110 045	19 654	0	<b>2 090 810</b>
Depreciation and impairment write-downs (-)	740 351	850 193	942	0	<b>1 591 486</b>
<b>Net book value as at 1 January 2010</b>	<b>220 760</b>	<b>259 852</b>	<b>18 712</b>	<b>0</b>	<b>499 324</b>
As at 31 December 2010					
Gross value	1 235 178	1 605 476	19 654	3 634	<b>2 863 942</b>
Depreciation and impairment allowance (-)	913 351	1 291 693	2 131	0	<b>2 207 175</b>
<b>Net book value as at 31 December 2010</b>	<b>321 827</b>	<b>313 783</b>	<b>17 523</b>	<b>3 634</b>	<b>656 767</b>

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

For 12 months ended 31 December 2009 (restated)	Computers and other office equipment	Transport vehicles	Other tangible assets	Total
<b>As at 1 January 2009, less depreciation and impairment allowance</b>				
	<b>294 613</b>	<b>336 171</b>	<b>10 275</b>	<b>641 059</b>
Additions, of which:				
Purchases	41 667	16 994	9 131	<b>67 792</b>
Reductions, of which:				
Depreciation charge for the reporting period (-)	(115 520)	(93 313)	(694)	<b>(209 527)</b>
Disposal and liquidation (-)	(108 107)	(92 055)	(694)	<b>(200 856)</b>
	(7 413)	(1 258)	0	<b>(8 671)</b>
<b>As at 31 December 2009, less depreciation</b>				
	<b>220 760</b>	<b>259 852</b>	<b>18 712</b>	<b>499 324</b>
As at 1 January 2009				
Gross value	957 215	1 196 336	10 523	<b>2 164 074</b>
Depreciation and impairment allowance (-)	662 602	860 166	248	<b>1 523 015</b>
<b>Net book value as at 1 January 2009</b>	<b>294 613</b>	<b>336 171</b>	<b>10 275</b>	<b>641 059</b>
As at 31 December 2009				
Gross value	961 111	1 110 045	19 654	<b>2 090 810</b>
Depreciation and impairment allowance (-)	740 351	850 193	942	<b>1 591 486</b>
<b>Net book value as at 31 December 2009</b>	<b>220 760</b>	<b>259 852</b>	<b>18 712</b>	<b>499 324</b>

As at 31 December 2009, no tangible fixed assets served as security for bank credits.

## 9. Intangible assets

For 12 months ended 31 December 2010 (audited)	Cost of development work	Computer software	Goodwill	Intangible assets not yet in use	Other	Total
<b>As at 1 January 2010, less amortization and impairment allowance</b>						
	<b>0</b>	<b>21 374</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21 374</b>
Additions, of which:						
Purchases	484 467	171 686	1 083 201	12 300 000	2 407 286	<b>16 446 640</b>
Assets acquired via legal mergers with ISZP and MPI		5 578	0	12 300 000	0	<b>12 305 578</b>
Other, including reversal of impairment allowance	484 467	149 180	1 083 201	0	2 407 286	<b>4 124 134</b>
Reductions, of which:						
Amortization charge for the period reported (-)	(59 712)	(134 753)	0	0	(481 457)	<b>(675 922)</b>
Impairment write-downs (-)		(15 329)	0	(481 457)		<b>(556 498)</b>
<b>As at 31 December 2010, less amortization</b>	<b>424 755</b>	<b>58 307</b>	<b>1 083 201</b>	<b>12 300 000</b>	<b>1 925 829</b>	<b>15 792 092</b>
As at 1 January 2010						
Gross value	0	199 048	0	0	0	<b>199 048</b>
Amortization and impairment allowance (-)	0	177 674	0	0	0	<b>177 674</b>
<b>Net book value as at 1 January 2010</b>	<b>0</b>	<b>21 374</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21 374</b>
As at 31 December 2010						
Gross value	530 251	413 537	1 083 201	12 300 000	2 407 286	<b>16 614 851</b>
Amortization and impairment allowance (-)	105 496	355 229	0	0	481 457	<b>822 759</b>
<b>Net book value as at 31 December 2010</b>	<b>424 755</b>	<b>58 307</b>	<b>1 083 201</b>	<b>12 300 000</b>	<b>1 925 829</b>	<b>15 792 092</b>

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

Intangible asset not yet in use – product code was tested for impairment within the banking division at Company representing the cash generating unit, as the software solutions are hardly sellable on their own. Estimated value in use of the product code was based on banking division budgeted operating results for 2011 and estimated future development up to the anticipated utilization of the licences of 8 years. The future cash flows were discounted to present value by the Company's WACC of 11%.

For 12 months ended 31 December 2009 (audited)	Computer software	Total
<b>As at 1 January 2009, less amortization and impairment allowance</b>	<b>34 938</b>	<b>34 938</b>
Additions, of which:	0	0
Reductions, of which:	(13 564)	(13 564)
Amortization charge for the period reported (-)	(13 564)	(13 564)
<b>As at 31 December 2009, less amortization</b>	<b>21 374</b>	<b>21 374</b>
As at 1 January 2009		
Gross value	199 048	199 048
Amortization and impairment allowance (-)	164 110	164 110
<b>Net book value as at 1 January 2009</b>	<b>34 938</b>	<b>34 938</b>
As at 31 December 2009		
Gross value	199 048	199 048
Amortization and impairment allowance (-)	177 674	177 674
<b>Net book value as at 31 December 2009</b>	<b>21 374</b>	<b>21 374</b>

As at 31 December 2009, no intangible assets served as security for any bank credits contracted.

## 10. Investment in subsidiaries

	31 December 2010 (audited)	31 December 2009 (audited)
Slovanet a.s.	3 645 009	3 645 009
Asseco Solutions, a.s. (Datalock a.s.)	9 295 374	9 295 374
MPI Slovakia s.r.o.	0	582 586
Asseco Czech Republic, a.s.	34 985 991	34 985 991
UNiQUARE	0	19 189 671
ISZP, s.r.o.	0	2 490 855
Statlogics	7 580 193	0
Globenet	7 500 000	0
<b>Total</b>	<b>63 006 567</b>	<b>70 189 486</b>

On 14 December 2009 Asseco Central Europe, a.s. signed an agreement for the acquisition of 70.04% of shares in Statlogics Zrt. with its seat in Hungary. The acquisition price amounted to EUR 7 144 thousand paid in cash and additional acquisition costs in the amount of EUR 436 thousand. The transaction was closed in March 2010.

On 29 April 2010 Asseco Central Europe, a.s. signed an agreement for the acquisition of 60% of shares in Globenet Zrt. with its seat in Hungary. The acquisition price amounted to EUR 4,600 thousand paid in cash and a contingent consideration of EUR 2,900 thousand.

In May 2010, the Company disposed of the 60% share of its Austrian subsidiary Unique acquired in 2008. The outstanding receivable from the disposal of EUR 5,220 thousand is presented in Other receivables (see Note 14). The share purchase agreement on the sale of 60% share in UNiQUARE Software Development GmbH was signed on 25 May 2010 between the Company and GENESIS Beteilingung GmbH. The purchase price for the share was EUR 17,800 thousand and was divided into two parts:

- Cash payment of EUR 5,500 thousand payable in instalments up to 31 December 2011 (bearing interest rate EURIBOR + 1.1%)
- The remaining part of EUR 12,300 thousand was settled in products of UNiQUARE which were transferred to the Company and the related liability was assumed by GENESIS Beteilingung GmbH.

As a result of the disposal, the Company recognized current receivables of EUR 5,220 thousand and intangible assets of EUR 12,300 thousand as at 31 December 2010.

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

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

## 12. Deferred expenses

Current deferred expense	31 December 2010 (audited)	31 December 2009 (audited)
Maintenance services	516 916	648 398
Pre-paid insurance	19 486	8 679
Pre-paid subscriptions	716	1 177
Pre-paid consultancy services	184 054	0
Pre-paid other services	28 935	0
Expenses related to acquisition of company	0	453 223
Other	0	1 279
	<b>750 107</b>	<b>1 112 756</b>

## 13. Implementation contracts

In 2010 and 2009, the Company executed a number of so-called IT implementation contracts. In line with IAS 11, sales generated from such contracts are recognized according to the percentage of completion of relevant contracts. In 2010 and 2009, the Company measured the percentage of completion of IT implementation contracts using the "cost" method (this is by determining the relation of the costs incurred to the overall project costs) or according to the "work-effort" method.

The following table includes basic data on the ongoing IT implementation contracts.

	31 December 2010 (audited)	31 December 2009 (audited)
Costs incurred due to execution of IT contracts (-)	(4 282 197)	(18 576 807)
<b>Profit (loss) on execution of IT contracts</b>	<b>7 053 617</b>	<b>12 458 387</b>
Total revenues related to IT contracts	11 335 814	31 035 194
<i>of which:</i>		
Progress billing	10 866 316	30 884 738
Receivables relating to valuation of IT contracts	705 784	307 867
Liabilities relating to valuation of IT contracts (-)	(236 286)	(157 411)

#### 14. Trade and other receivables

Trade accounts receivable	31 December 2010 (audited)	31 December 2009 (audited)
Trade accounts receivable including:	<b>10 987 218</b>	<b>10 181 425</b>
Receivables from related companies, of which:		
from subsidiary companies	142 360	554 496
Receivables from other companies	142 360	554 496
Revaluation write-down on doubtful accounts receivable (-)	11 511 792	10 122 410
	(666 934)	(495 481)

Trade accounts receivable are not interest-bearing.

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

As at 31 December 2010 and 31 December 2009, no receivables and future receivables served as security for bank credits.

The transactions with related companies are presented in Note 22 to these financial statements.

Ageing of trade accounts receivable	as at 31 December 2010 (audited)		as at 31 December 2009 (audited)	
	amount	structure	amount	structure
Receivables not yet due	7 906 773	72%	6 602 135	65%
Receivables overdue up to 3 months	1 715 606	16%	2 231 578	22%
Receivables overdue more than 3 months	1 364 839	12%	1 347 712	13%
	<b>10 987 218</b>	<b>100%</b>	<b>10 181 425</b>	<b>100%</b>

Other receivables	31 December 2010 (audited)	31 December 2009 (audited)
Receivables from book valuation of IT contracts	705 784	307 867
Receivables from non-invoiced deliveries	0	345 000
Receivables from dividends	268 905	1 429 762
Receivable from sale of subsidiary (see Note 10)	5 220 000	0
Other receivables	108 018	135 485
	<b>6 302 707</b>	<b>2 218 114</b>

Receivables from valuation of IT contracts (implementation contracts) result from the surplus of the percentage of completion of implementation contracts over invoices issued. Receivables relating to non-invoiced deliveries result from the sale of third-party licenses and maintenance services for which invoices have not yet been issued for the whole period of licensing or provision of maintenance services.

## 15. Cash and cash equivalents, restricted cash

	31 December 2010 (audited)	31 December 2009 (audited)
Cash in bank	5 749 341	297 875
Cash in hand	301	4 719
Current deposits	5 679 000	15 051 875
Cash equivalents	21 415	16 312
	<b>11 450 057</b>	<b>15 370 781</b>

The interest on cash in bank is calculated with variable interest rates which depend on the bank overnight deposit rates. Current deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates. Current deposits did not serve as security for any bank guarantees (of due performance of contracts and tender deposits) either at 31 December 2010 or at 31 December 2009.

## 16. Share capital and capital reserves

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

### Par value on shares

All issued shares have a par value of EUR 0,033194 per share and have been fully paid up. In 2010 and 2009 there were no changes in the Company's share capital and share premium account.

## 17. Non-current and current financial liabilities

Non-current financial liabilities	31 December 2010 (audited)	31 December 2009 (audited)
Liabilities due to acquisition of shares (Globenet)	1 450 000	0
Finance lease liabilities	53 187	37 209
	<b>1 503 187</b>	<b>37 209</b>

Current financial liabilities	31 December 2010 (audited)	31 December 2009 (audited)
Finance lease liabilities	52 050	50 679
Liabilities due to acquisition of shares (Globenet)	1 450 000	0
Other	0	4 846
	<b>1 502 050</b>	<b>55 525</b>

## 18. Finance lease

### Leasing of cars and equipment

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

	31 December 2010 (audited)	31 December 2009 (audited)
<b>Minimum lease payments</b>		
in the period shorter than 1 year	52 050	50 679
in the period from 1 to 5 years	53 187	37 209
in the period longer than 5 years	0	0
<b>Future minimum lease payments</b>	<b>105 237</b>	<b>87 888</b>
Future interest expense		
<b>Present value of finance lease commitment</b>	<b>105 237</b>	<b>87 888</b>
in the period shorter than 1 year	52 050	50 679
in the period from 1 to 5 years	53 187	37 209
in the period longer than 5 years	0	0

As at 31 December 2010, the effective rate of return on the above financial leasing equalled 7.6%.

## 19. Interest-bearing bank credits and debt securities issued

Company has no credits and debt securities issued in the reporting and previous period.

## 20. Non-current and current provisions for liabilities

	Provision for warranty repairs	Other provisions	Total
<b>As at 1 January 2010</b>			
Provisions established during the financial year	635 830	1 377 000	2 012 830
Provisions reversed (-)	2 311 425	0	2 311 425
Provisions utilized (-)	0	(1 211 000)	(1 211 000)
	(1 003 410)	0	(1 003 410)
<b>As at 31 December 2010 (audited)</b>			
Current as at 31 December 2010	1 943 845	166 000	2 109 845
Non-current as at 31 December 2010	0	0	0
<b>As at 31 December 2009 (audited)</b>			
Current as at 31 December 2009	635 830	1 377 000	2 012 830
Non-current as at 31 December 2009	0	0	0

### *Provision for warranty repairs*

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

*Other provisions*

The other provisions are established for IT costs of the current period.

**21. Non-current and current trade accounts payable and other liabilities**

<b>Current trade accounts payable</b>	<b>31 December 2010 (audited)</b>	<b>31 December 2009 (audited)</b>
Accounts payable to related companies	10 676	34 515
Accounts payable to other companies	4 026 205	4 533 967
	<b>4 036 881</b>	<b>4 568 482</b>

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

<b>Liabilities due to taxes, import tariffs, social security and other regulatory benefits payable</b>	<b>31 December 2010 (audited)</b>	<b>31 December 2009 (audited)</b>
Value added tax	468 568	743 369
Corporate income tax (CIT)	554 663	79 616
Personal income tax (PIT)	96 063	98 539
Social Insurance Institution	283 263	283 183
Other	324	0
	<b>1 402 881</b>	<b>1 204 707</b>

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

<b>Other current liabilities</b>	<b>31 December 2010 (audited)</b>	<b>31 December 2009 (audited)</b>
Liabilities to employees relating to salaries and wages	494 215	491 051
Liabilities relating to valuation of IT contracts	236 286	157 411
Liabilities due to non-invoiced deliveries	1 070 444	670 206
Other liabilities	122 407	118 213
	<b>1 923 352</b>	<b>1 436 881</b>

<b>Other non-current liabilities</b>	<b>31 December 2010 (audited)</b>	<b>31 December 2009 (audited)</b>
Other liabilities	360 975	474 439
	<b>360 975</b>	<b>474 439</b>

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

<b>Current accrued expenses</b>	<b>31 December 2010</b> (audited)	<b>31 December 2009</b> (audited)
Accrual for unutilized holiday leave	379 851	334 445
Accrual for employee bonuses	1 780 980	0
Other accruals	135 000	24 424
	<b>2 295 831</b>	<b>358 869</b>

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

<b>Current deferred income</b>	<b>31 December</b> <b>2010</b> (audited)	<b>31 December</b> <b>2009</b> (audited)
Maintenance services	648 663	1 525 688
	<b>648 663</b>	<b>1 525 688</b>

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

**22. Transactions with related companies**

	Company sales to related companies in the period of		Company purchases from related companies in the period of		Company receivables as at		Company liabilities as at	
	12 months ended	12 months ended	12 months ended	12 months ended	31 Dec. 2010	31 Dec. 2009	31 Dec. 2010	31 Dec. 2009
	31 Dec. 2010 (audited)	31 Dec. 2009 (audited)	31 Dec. 2010 (audited)	31 Dec. 2009 (audited)	(audited)	(audited)	(audited)	(audited)
<b>Transactions with parent company</b>	<b>0</b>	<b>2 000</b>	<b>1 040</b>	<b>21</b>	<b>0</b>	<b>2 000</b>	<b>1 040</b>	<b>0</b>
Asseco Poland S.A.	0	2 000	1 040	21	0	2 000	1 040	0
<b>Transactions with subsidiaries</b>	<b>648 426</b>	<b>783 723</b>	<b>513 092</b>	<b>280 829</b>	<b>582 069</b>	<b>775 726</b>	<b>664 979</b>	<b>135 266</b>
Slovanet, a.s.	133 914	88 220	123 080	138 815	39 025	24 020	476 615	1 744
Asseco Solutions a.s. SR	21 651	12 448	44 974	8 744	275 195	0	7 214	672
MPI CONSULTING s.r.o.	0	0	46 818	132 879	0	0	0	5 982
Asseco Czech Republic a.s.	256 937	305 060	295 119	279	266 970	302 191	180 903	124 298
Asseco Solutions a.s. ČR	235 924	377 743	2 826	0	879	449 515	247	0
Berit GmbH	0	0	275	0	0	0	0	0
ISZP, s.r.o.	0	252	0	112	0	0	0	2 570
<b>Transactions with related companies</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22 890</b>	<b>0</b>	<b>0</b>	<b>0</b>
Matrix42 AG	0	0	0	0	22 890	0	0	0
<b>TOTAL</b>	<b>648 426</b>	<b>785 723</b>	<b>514 132</b>	<b>280 850</b>	<b>604 959</b>	<b>777 726</b>	<b>666 019</b>	<b>135 266</b>

### 23. Information on transactions with other related entities

According to information available to Asseco Central Europe, a.s., as at 31 December 2010 there were no outstanding liabilities due from transactions conducted with companies related through the Key Management Personnel (management boards and supervisory boards of the Group companies) or with the Key Management Personnel themselves.

As at 31 December 2009, according to information available to Asseco Central Europe, a.s., there were no outstanding liabilities due from transactions conducted with companies related through the Key Management Personnel (management boards and supervisory boards of the Group companies) or with the Key Management Personnel.

As at 31 December 2010, according to information available to Asseco Central Europe, a.s., there were no outstanding receivables due to transactions conducted with companies related through the Key Management Personnel (management boards and supervisory boards of the Group companies) or with the Key Management Personnel.

Whereas, as at 31 December 2009 there were no outstanding receivables under transactions conducted with companies related through the Key Management Personnel (management boards and supervisory boards of the Group companies) or with the Key Management Personnel.

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

Whereas, during 12 months ended 31 December 2009, according to the accounting books of Asseco Central Europe, a.s., there were no transactions conducted with companies related through the Key Management Personnel or with the Key Management Personnel.

### 24. Changes in working capital

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

Changes in working capital	12 months ended 31 Dec. 2010	12 months ended 31 Dec. 2009 (audited)
	31 Dec. 2010 (audited)	31 Dec. 2009 (audited)
Change in inventories	3 814	(278 488)
Change in receivables	(2 334 682)	(2 057 859)
Change in liabilities	(511 581)	(2 530 356)
Change in deferred and accrued expenses	1 427 433	824 042
Change in provisions	97 015	1 069 718
	<b>(1 318 001)</b>	<b>(2 972 943)</b>

### 25. Commitments and contingent liabilities concerning related companies

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

- Asseco Central Europe a.s. uses a bank guarantee issued by Československá Obchodná Banka a.s. for the amount of EUR 20 thousand to secure its obligations towards the Statistics office (the guarantee is effective up to 30 June 2011).;

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

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

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

As at 31 December 2009, guarantees and sureties issued for Asseco Central Europe a.s. were as follows:

- Asseco Central Europe a.s. uses a bank guarantee issued by Československa Obchodna Banka a.s. for EUR 19 thousand to secure its obligations towards the Ministry of Finance (the guarantee is effective up to 30 June 2011).;

As at 31 December 2009, guarantees and sureties issued by Asseco Central Europe a.s. were as follows:

- subsidiary Slovanet a.s. was granted a guarantee for EUR 5,066 thousand to back up its liabilities towards Tatra Banka under a framework crediting agreement.;
- guarantee for EUR 1,673 thousand extended for subsidiary Slovanet a.s. to back up a credit from Tatra Banka. It is a non-current credit to be repaid by the end of 2012.;

## 26. Commitments and contingent liabilities in favour of other companies

Within its commercial activities, the Company uses bank guarantees, letters of credit, contract performance guarantees as well as tender deposits as forms of securing its business transactions with miscellaneous organizations, companies and administration bodies. As at 31 December 2010, the related contingent liabilities equalled EUR 53,581, while as at 31 December 2009 there were no contingent liabilities.

Additionally, as at 31 December 2010 and 31 December 2009, the Company was a party to a number of leasing and tenancy contracts or other contracts of similar nature, resulting in the following future liabilities:

Liabilities under operating lease of property, plant and equipment	31 December 2010 (audited)	31 December 2009 (audited)
In the period up to 1 year	52 050	53 821
In the period from 1 to 5 years	53 187	34 067
In the period over 5 years	0	0
<b>105 237</b>	<b>87 888</b>	
Liabilities under lease of space	31 December 2010 (audited)	31 December 2009 (audited)
In the period up to 1 year	937 200	937 200
In the period from 1 to 5 years	3 748 800	3 748 800
In the period over 5 years	1 874 400	2 811 600
<b>6 560 400</b>	<b>7 497 600</b>	

## 27. Employment

Average Company workforce in the reporting period	12 months ended	12 months ended
	31 Dec. 2010 (audited)	31 Dec. 2009 (audited)
Management Board of the Company	3	4
Production departments	270	258
Maintenance departments	33	26
Sales departments	12	12
Administration departments	16	20
Other	10	13
<b>Total</b>	<b>344</b>	<b>333</b>

The Company workforce as at	31 December	31 December
	2010 (audited)	2009 (audited)
Management Board of the Company	3	3
Production departments	271	256
Maintenance departments	32	28
Sales departments	20	20
Administration departments	10	14
Other	10	14
<b>Total</b>	<b>346</b>	<b>335</b>

## 28. Objectives and principles of financial risk management

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

### Foreign currency exposure risk

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

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

Measurement: The foreign currency risk exposure is measured by the amount of an embedded financial instrument on one hand, and on the other by the amount of currency

derivative instruments concluded in the financial market. All the changes in the value of exposure are closely monitored on a fortnightly basis. The procedures applicable to the execution of IT projects require the making of systematic updates of the project implementation schedules as well as the cash flows generated under such projects.

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

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

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

The Company concluded no forward currency contracts at the reporting period. The overall impact of foreign currency risk, from a change in exchange rates, on the financial statements was insignificant as of 31 December 2010.

### **Interest rate risk**

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

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

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

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

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

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

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

### **Credit risk**

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

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

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

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

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

**Matching:** It is difficult to discuss this element of risk management in such a case.

### **Financial liquidity risk**

The Company monitors the risk of funds shortage using the tool for periodic planning of liquidity. This solution takes into account the maturity deadlines of investments and financial assets (e.g. accounts receivable, other financial assets) as well as the anticipated cash flows from operating activities.

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

The following table shows the Company's trade accounts payable and other liabilities as at 31 December 2010 and 31 December 2009, by maturity period based on the contractual undiscounted payments.

	as at 31 December 2010 (audited)		as at 31 December 2009 (audited)	
<b>Aging structure of trade accounts payable and other liabilities</b>	<b>amount</b>	<b>structure</b>	<b>amount</b>	<b>Structure</b>
Liabilities already due	5 142 919	55%	5 449 456	83%
Liabilities due within 3 months	510 400	5%	479 938	7%
Liabilities due within 3 to 12 months	1 808 964	19%	131 494	2%
Liabilities due after 1 year	1 864 162	21%	511 648	8%
	<b>9 326 445</b>	<b>100%</b>	<b>6 572 536</b>	<b>100%</b>

Liabilities due within 3 to 12 months – liability of EUR 1,430 thousand is due when partial payments come for related receivable of EUR 1,471 thousand.

The tables below present the ageing structure of other financial liabilities as at 31 December 2010 and 31 December 2009.

<b>As at 31 December 2010 (audited)</b>	<b>Liabilities due within 3 months</b>	<b>Liabilities due within 3 to 12 months</b>	<b>Liabilities due within 1 to 5 years</b>	<b>Liabilities due after 5 years</b>	<b>Total</b>
Finance lease commitments	17 884	34 166	53 187		105 237
<b>Total</b>	<b>17 884</b>	<b>34 166</b>	<b>53 187</b>	<b>0</b>	<b>105 237</b>
<b>As at 31 December 2009 (audited)</b>	<b>Liabilities due within 3 months</b>	<b>Liabilities due within 3 to 12 months</b>	<b>Liabilities due within 1 to 5 years</b>	<b>Liabilities due after 5 years</b>	<b>Total</b>
Finance lease commitments	16 322	37 499	34 067		87 888
<b>Total</b>	<b>16 322</b>	<b>37 499</b>	<b>34 067</b>	<b>0</b>	<b>87 888</b>

### Foreign currency risk

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

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

<b>Trade accounts receivable and payable as at 31 December 2010 (audited)</b>	<b>Amount exposed to risk</b>	<b>Impact on financial results of the Company</b>	
		<b>(10%)</b>	<b>10%</b>
<b>CZK :</b>			
Trade accounts receivable	404 090	(40 409)	40 409
Trade accounts payable	139 401	(13 940)	13 940
<b>Other</b>			
Trade accounts receivable	4 995	(500)	500
Trade accounts payable	1 308	(131)	131
<b>Balance</b>	<b>549 794</b>	<b>(54 980)</b>	<b>54 980</b>

<b>Trade accounts receivable and payable as at 31 December 2009 (audited)</b>	<b>Amount exposed to risk</b>	<b>Impact on financial results of the Company</b>	
		<b>min</b>	<b>Max</b>
<b>CZK :</b>			
Trade accounts receivable	58 326	(5 833)	5 833
Trade accounts payable	73 639	(7 364)	7 364
<b>Other</b>			
Trade accounts receivable	0	0	0
Trade accounts payable	5 983	(598)	598
<b>Balance</b>	<b>137 948</b>	<b>(13 795)</b>	<b>13 795</b>

<b>Financial assets as at 31 December 2010 (audited)</b>	<b>Amount exposed to risk</b>	<b>Impact on financial results of the Company</b>		
		<b>(10%)</b>	<b>10%</b>	
<b>CZK</b>				
<b>Financial assets</b>				
Current forward contracts for purchase of foreign currencies	232 952	(23 295)	23 295	
<b>Financial assets as at 31 December 2009 (audited)</b>				
<b>CZK</b>	<b>Amount exposed to risk</b>	<b>Impact on financial results of the Company</b>		
		<b>(10%)</b>	<b>10%</b>	
<b>Financial assets</b>				
Current forward contracts for purchase of foreign currencies	459 902	(45 990)	45 990	

### **Effects of reducing the interest rate risk**

Company has no loans and credits.

### **Other types of risk**

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

### **Methods adopted for conducting the sensitivity analysis**

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

### **Fair value**

As at 31 December 2010, fair values of the Company's assets and liabilities are not significantly different from the values recognized in the statement of financial position

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

The table below discloses the total amounts due to the entity authorized to audit financial statements, namely Ernst & Young Slovakia s.r.o. resp. Kredit Audit, s.r.o., paid or payable for the years ended 31 December 2010 and 31 December 2009, in breakdown by type of service:

Type of service	31 Dec. 2010 (audited)	31 Dec. 2009 (audited)
Obligatory audit of the annual financial statements	34 000	16 756
Other certification services	-	-
Tax advisory services	-	-
Other services	-	-
<b>Total</b>	<b>34 000</b>	<b>16 756</b>

## 30. Equity management

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

The Company manages its equity structure which is altered in response to changing economic conditions. In order to maintain or adjust its equity structure, the Company may change its dividend payment policy, return some capital to its shareholders or issue new shares. In 2010, as in the year ended 31 December 2009, the Company did not introduce any changes to its objectives, principles and processes adopted in this area.

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

Equity management	31 December 2010 (audited)	31 December 2009 (audited)
Interest-bearing credits and loans	0	0
Trade accounts payable and other liabilities	15 783 665	11 674 630
Minus cash and cash equivalents (-)	(11 450 057)	(15 370 781)
<b>Net liabilities</b>	<b>4 333 608</b>	<b>(3 696 151)</b>
Shareholders' equity	94 256 291	91 949 382
Total equity	94 256 291	91 949 382
<b>Equity plus net liabilities</b>	<b>98 589 899</b>	<b>88 253 231</b>
<b>Leverage ratio</b>	<b>4.40%</b>	<b>-4.19%</b>

### 31. Remuneration of the Members of the Management Board and Supervisory Board of the Company

The table below presents remuneration payable to individual Members of the Management Board and the Supervisory Board of the Company for performing their functions in 2010 and 2009.

Remuneration for the period of	12 months	12 months
	ended	ended
	31 Dec. 2010	31 Dec. 2009
	(audited)	(audited)
<b>Management Board</b>	<b>684 613</b>	<b>875 162</b>
Klein Jozef – President of the Management Board	354 115	355 068
Moravek Martin – Member of the Management Board	264 078	268 665
Klacan Andrej	0	76 699
Angyalova Edita	0	121 362
Navratil Michal	66 420	53 368
<b>Supervisory Board</b>	<b>31 800</b>	<b>31 800</b>
Góral Adam	7 800	7 800
Košári Andrej	6 000	6 000
Kolník Marián	0	5 000
Balážová Eva	6 000	6 000
Seczkowski Piotr	6 000	6 000
Marek Panek	6 000	1 000
<b>Total</b>	<b>716 413</b>	<b>906 962</b>

### 32. Seasonal and cyclical nature of business

The Company's activities are subject to seasonality in terms of uneven distribution of turnover in individual quarters of the year. Because the bulk of sales revenues are generated from the IT services contracts executed for large companies and public institutions, the fourth quarter turnovers tend to be higher than in the remaining periods. This phenomenon occurs for the reason that the afore-mentioned entities close their annual budgets for implementation of IT projects and carry out investment purchases of hardware and licences usually in the last quarter.

### 33. Significant events after the balance sheet date

Up to the date of preparing these financial statements for the 12 months period ended 31 December 2010, being 15 March 2011, no significant events occurred that might have an impact on these financial statements.