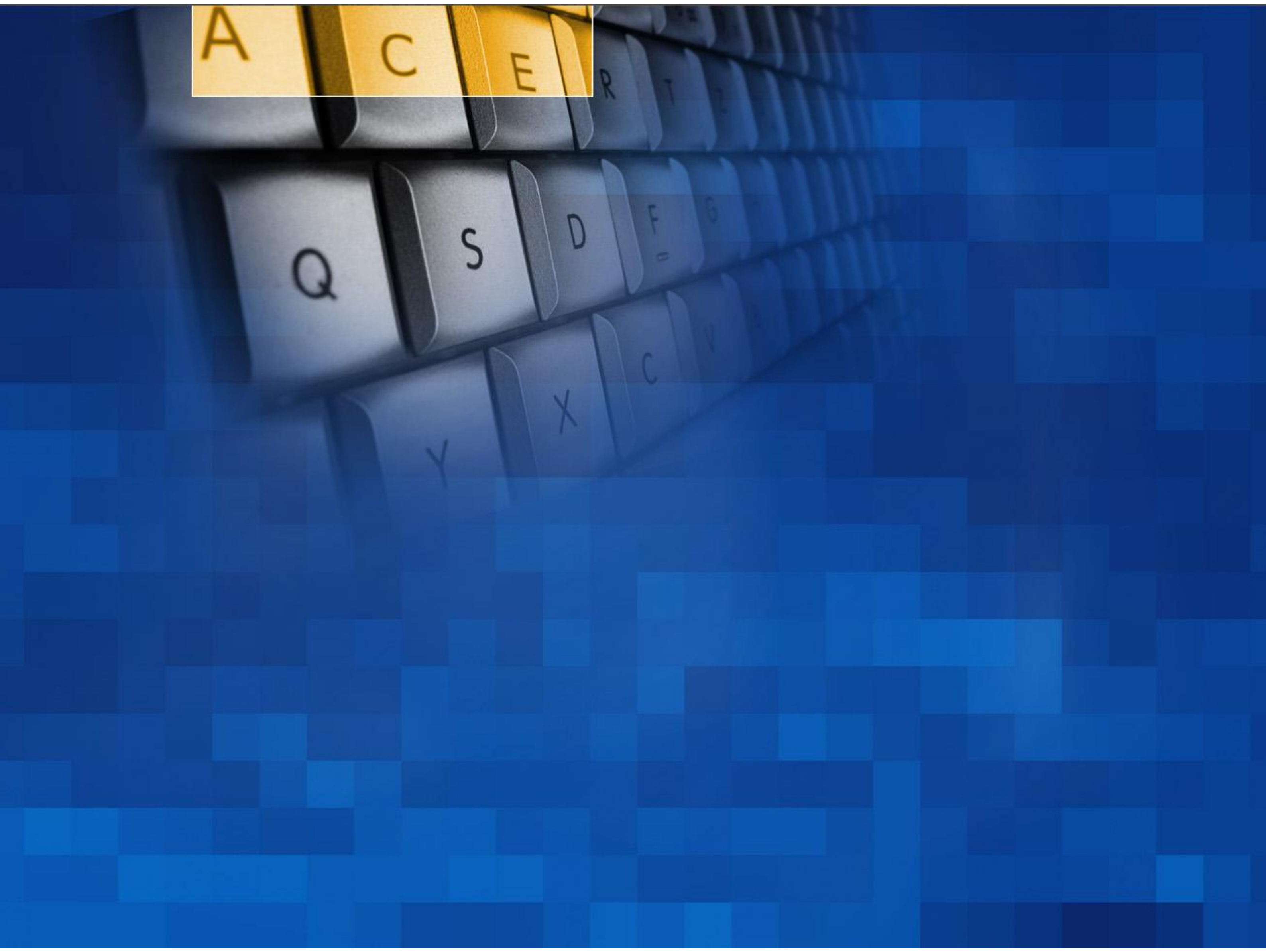
asseco CENTRAL EUROPE

Solutions for Demanding Business



CONSOLIDATED ANNUAL REPORT 2011

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

8 March 2012

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I. CHAIRMAN´S LETTER

Dear colleagues, shareholders and investors, dear friends,

The first months of 2012 have already passed, and it seems to me that each day goes by faster than those before it.

Exactly one year ago, I stated here that following the elections held in mid-2010 we expected in both the Czech and Slovak government sectors a "*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".*

And how did it turn out? Well, our expectations were far from fulfilled.

During 2011, public IT contracts nearly vanished from Slovakia. We were expecting them particularly in the fourth quarter and believed several large tenders would be called. Our government fell, however, and again everything slowed to a halt. It seems as if certain state institutions have stopped working, and the expected public contracts are no longer on the schedule and will not be for the foreseeable future. Everyone is waiting for the March elections! Slovakia's political scene, on the other hand, is teeming with scandals, the investigation of which is being awaited by journalists, politicians, as well as the common people like us. In the Czech Republic, too, the political climate is far from ideal. Frequent personnel changes at ministries and the steamy topic of corruption do not in any way contribute to accelerating today's already strained schedule for drawing European funds. Despite these sceptical statements about the state sector, 2011 marked one of the best periods in the past four years for the Czech arm of Asseco Central Europe and the Public Business Unit (BU). We won a public tender to deliver one of the basic registries – the **Registry of Rights and Obligations (RRO)** – and upon signing the contract with the Ministry of the Interior of the Czech Republic this project became one of our company's driving projects for 2011–2012.

Last year, I addressed you with these words: "*I 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 the 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 well done together."*

And did this come to pass? Not only do I think it has, I know for a fact that it has.

For 2011, we had laid out several important objectives at Asseco CE. I am pleased to report that we nearly managed to fulfil many of them:

To acquire at least one prominent new customer in each of the Czech and Slovak republics

The most important contract for Asseco CE in 2011 was, and still is, the aforementioned RRO project for the **Ministry of the Interior of the Czech Republic (MICR)** of nearly EUR 17 million for the Public BU. The RRO project will continue into 2012. In addition to MICR, we also acquired as a client the **Vysočina Regional Office** for which we are supplying a BI project. The Building Savings Division again concluded a contract with **Českomoravská stavební spořitelna** for supply of the StarBUILD solution.

In Slovakia, our new customers are the **Ministry of Transport**, for which we implemented the Smart Traffic System in 2011 as part of the NSDI project, and the **National Highway Company**, for which we supply SAP consultation services.

To supply our customers with contracted projects in the required quality

Customers become more demanding each year, requiring higher quality of services while expecting a lower rate of errors. We did not manage to carry out all implemented projects on time, and thus we must openly admit that there is still room for improvement. In 2012, we will need to focus on stronger quality testing. Although we did not deliver the projects for Wüstenrot in the Czech Republic in the agreed time, we believe that with StarINS initiated in January we will also manage to initiate StarBUILD as from 1 March 2012.

Nevertheless, we did successfully implement and conclude many projects last year. These indisputably include the KIS project for the Supreme Audit Office, integrated traffic system within the NSDI for the City of Trnava, the registry of persons for the Czech Statistical Office, StarBUILD II for Česká Spořitelna’s constructions savings company, as well as logistics projects for Vodafone and T-Mobile. Many other partial implementations also were successful, and, both on my own behalf as well as that of the management, I would like to thank all of you for your contributions.

To fulfil the budget of Asseco CE

The audited financial results of Asseco Central Europe in the Czech Republic and Slovakia show that in 2011 we achieved **10%** higher revenues versus 2010 and we even surpassed the budgeted revenues for 2011 by **8%.** Earnings before interest and taxes (EBIT) for 2011 were **2%** higher than the budgeted EBIT.

And once again I am pleased to state that Asseco in the Czech Republic contributed significantly to Asseco CE’s financial results, achieving profitability comparable to that of Asseco CE in Slovakia and in proportion to the overall results achieved.

To form a functional Board of Directors of Asseco CE

In January, Public BU Director **Radek Levíček** was appointed to the Board of Directors of Asseco CE in the Czech Republic. In February, the Czech branch was reinforced with two new managers – **Miroslav Řezníček** as Country Manager and **David Stoppani** as Sales Director. After initiation and acquiring Secret level clearance, both gentlemen were appointed members of the Board of Directors of the Czech Asseco CE. The last person appointed to a statutory position was **Hana Bečková** (Chief Financial Officer CZ), who became company secretary.

The Slovak Board of Directors also was reinforced by two new members in 2011: **Tomáš Osuský** (Business Development Director) and **Marek Grác** (Healthcare BU Director). **Branislav Tkáčik** (Chief Financial Officer) became company secretary for Asseco CE SK. These appointments by the Supervisory Board brought membership in the Board up to the full count of five members. I believe my colleagues in the Board of Directors will confirm with their work and attitude that they were the right choices for their appointments and that they will significantly help Asseco CE to achieve top performance and, last but not least, to continue in step with the results and targets reached in 2011.

The difficult task of searching for new customers and projects again awaits us in 2012. In Slovakia, we are faced with early elections and the subsequent lengthy post-election formation of state institutions’ managements. In the Czech Republic, we would like to follow up on the successes of 2011 and thus confirm the stability of Asseco CE CZ’s development. We are anticipating new internal projects within the entire Asseco Group for enhancing group integrity in 2012. In addition to existing Business Units in the group, a new HR project entitled “Corporate Spirit” is under preparation. The project aims to formulate values for the company and Asseco Group as a whole and to introduce a united spirit and principles throughout Asseco Group.

Dear colleagues and friends,

Thank you for your efforts in 2011. I wish you all the best in 2012 and an abundance of good luck, health, strength and the strong nerves to endure in carrying out complicated tasks in the projects ahead. I also wish you the calm and energy necessary to overcome any hardships you may face in your social and personal lives. May you fare at least as well in 2012 as in 2011. May our teamwork bring us pleasant moments and may we fulfil the satisfaction of our customers.

Jozef Klein

CEO and Chairman of the Board of Directors

II. MANAGEMENT REPORT

1 COMPANY PROFILE

Asseco Central Europe (“Asseco CE”, “the Company”) is a member of the international Asseco Group, one of the leading software houses in Europe.

1.1 History

The Company 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 Asseco Group. The main reason behind the formation of the IT group of companies operating in Central and Eastern Europe was to face the pressure of multinational giants and to ensure successful growth in domestic as well as foreign markets.

One of the main objectives of both companies was to gain trust of renowned European investors and analysts, and the acquisition of funds to implement a strategic acquisitions plan. 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.

1.2 Present Days

In July 2009 the Company expanded by integrating Asseco Slovakia and Asseco Czech Republic, two suppliers of complex IT solutions for recognized financial institutions, public administration authorities and for large commercial entities. The commercial name Asseco Central Europe was registered in both countries in spring 2010. This project is a logical conclusion of the integration process in the Asseco Group. It mirrors the current trends in the global IT markets and the Company’s goal to be one of the European leaders in this area.

Through a joint strategy for the development of new solutions, knowledge sharing, and expanding offer for its customers, Asseco Central Europe has increased its sales potential and competitiveness. Proven Slovak solutions can thus be used in the Czech Republic, and vice versa (e.g. Slovak banking systems and Czech digital telematics). Part of the Asseco Central Europe Group are also other companies with IT and telecommunications focus and the Company thus employs more than 1.500 people.

1.3 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:	EUR 709,023.84
Number of shares:	21,360,000
Type of shares:	bearers shares
Nominal value of share:	EUR 0.033194
Registered :	Commercial Register maintained by the District Court of Bratislava I., Section.: Sa, File No.:2024/B,

1.4 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 withauthors
- 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 computertechnology
- 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 datanetworks 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 cope of safe voltage
- Advisory and consultancy activity in the area of information systems in information technologies
- Providing of Internet access, transfer of data and other communication services, electronic transactions with authenticity, authorization and clearance
- Research and development in natural sciences and engineering

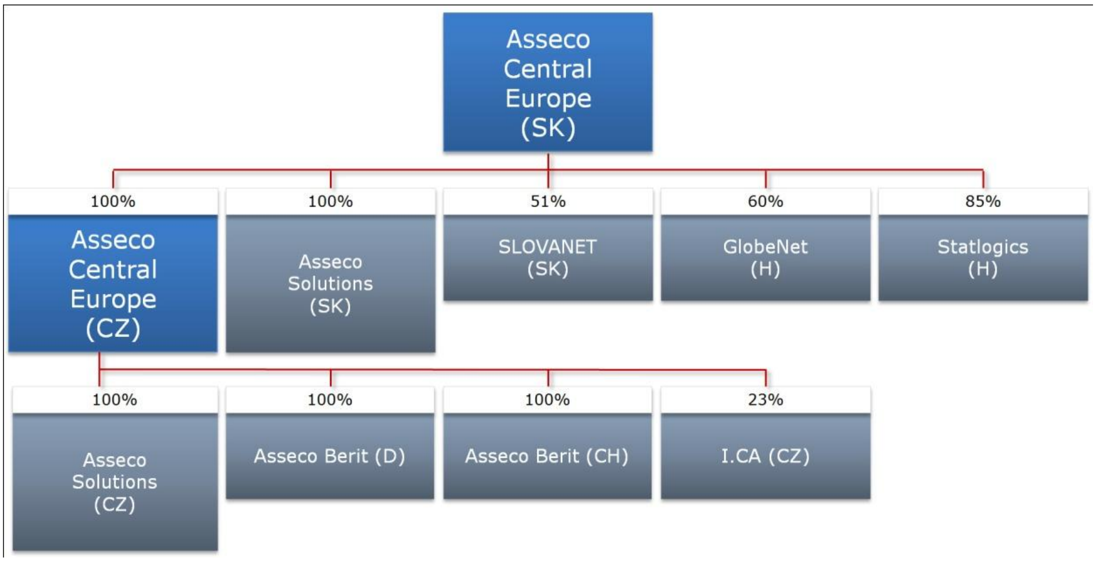
2 THE ASSECO CENTRAL EUROPE GROUP

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

In particular, perent company Asseco Central Europe headquarted in the Slovak Republic, is a majority owner of two companies in Slovakia (Asseco Solutions - 100%, Slovanet - 51%), one in the Czech Republic (Asseco Central Europe - 100%) and two in Hungary (Statlogics – 85.02%, GlobeNet – 60%). On 10 May 2011, Asseco Central Europe, a. s. exercised put option, which was concluded in December 2009 with Statlogics Zrt. From that time, Asseco Central Europe controls 85.02 % shares in Statlogics Zrt. and the same percentage of votes at the general meetings of shareholders of that Company.

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

Structure of the capital of Asseco Central Europe Group as at the date of publication of this report i.e. 8 March 2012:



Asseco Central Europe, a. s. (CZ)

Asseco Central Europe (CZ) is one of the most significant providers of comprehensive solutions and services in the field of information technology within the Czech Republic. It has undertaken challenging projects in both the commercial and private sectors. More specifically, it is focused on tailored made solutions, integrating and outsourcing project, ECM and BI solutions for national and regional governments, regional authorities, ministries, as well as private sphere. Thanks to several legal predecessors (PVT, PVT Prokom) the Company's history in the Czech market dates back to 1954. In 2007, Asseco Slovakia (today Asseco Central Europe), enters the Czech market and the Company is joining the Asseco family. In 2009, Asseco Czech Republic and Asseco Slovakia integrate under the common brand Asseco Central Europe and a strong regional software center is established. Thanks to the integration, sharing the single strategy for development of new products, as well as sharing knowledge, the business offers of both companies have significantly enhanced and thus sales potential and competitiveness increased.

Asseco Solutions (CZ, SK)

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

Asseco Solutions provides a wide range of products and services that cover businesses in the areas of production, sale, services and public administration. Their IT systems are also used by the companies providing catering or accommodation services.

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

The Company is a member of the multinational Asseco Group. In Slovakia and the Czech Republic there are currently more than 450 employees in total.

Slovanet (SK)

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

In the last years it has been focusing on constructing its own optical infrastructure, particularly by acquiring local operators and expanding their networks. According to the TREND Top Telecom 2010 Slovanet is among the relevant competitors the Company with the highest annual increase in sales of data services. In 2011, the operator acquired another two companies - WiMAX Telecom Slovakia and M-Elektronik - and with them more than 16 thousand new customers in dozens of Slovak towns and municipalities. Slovanet has also continued its own research activities and the extension of services in the field of the Internet security.

Statlogics (HU)

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

On 10 May 2011, Asseco Central Europe, a. s. exercised put option, which was concluded in December 2009 with Statlogics, Zrt. From that time, Asseco Central Europe controls 85.02% shares in Statlogics Zrt. and the same percentage of votes at the general meetings of shareholders of that Company.

GlobeNet (HU)

Since its founding in 1995, GlobeNet, Zrt. became one of the leading entities in the Hungarian healthcare information technology market. Hospital information solutions derived from GlobeNet are being used every day by more than 60 healthcare facilities - clinics, hospitals and general practitioners. The philosophy is to effectively use most of the possibilities of information technology and support the work of health facilities in Hungary, as well as in other parts of Europe. The Company has been dealing with the management of various hospitals by means of MedWorks software for one and a half decade now. MedWorkS covers each process in hospitals, ranging from ambulance services, constitutional patients care through diagnosis and treatment to administrative tasks, using all kinds of management, organizational work or healthcare. The result of long-standing partnership with Oracle Hungary is cooperation with cuttingedge and highly reliable technology for database management. The corporation is ISO 9001:2008, ISO 27001:2005 and ISO 14001:2004 certified.

GlobeNet employs more than 60 specialists and since April 2010 it is a part of the Asseco Group.

Asseco BERIT (GE, CH)

The Asseco BERIT group is a bearer of competences in the field of geographic information systems, the assets administration system and systems supporting processes in utility administration within Asseco Central Europe. The group consists of the Geographic & Network Systems Divisions of the affiliated Asseco BERIT GmbH, seated in Mannheim, Germany and Asseco BERIT AG, seated in Sissach, Switzerland. The group currently employs about 80 people, a third of which focuses on development. The supplied solutions are based on their own development (LIDS, TOMS, AMES, AGPortal Technology), which has continued over the twenty-year-long history of BERIT, a. s. and which has been incorporated in Asseco CE since 2008. Thanks to their own business-implementation network, the products developed in Asseco CE are used by customers in Germany, Switzerland, the Czech Republic, the Slovak Republic, Austria and Poland.

3 BUSINESS OFFER

During 2011, products and services provided by individual entities of the group were divided at the level of Asseco Group to transparently defined business units. A matrix-oriented organisational structure was created, which combines the hierarchic management line of individual regions and entities in regions with a segment-oriented organisational structure, which is strictly focused on creating business opportunities in the given segment. This organisational arrangement makes it possible to consolidate products and services within Business Units and at the same time to simplify the offer of the whole group. Products and services at the group level were divided into the following areas: **Banking, Insurance, Healthcare, Public, Telco & Utility, IT infrastructure and ERP (Enterprise Resource Planning).**

The offer of products and services is arranged within every regional grouping to segment-oriented groups/areas which are autonomously managed. Within Asseco Central Europe, they include the following areas: **Finance, Healthcare, Public, Telco and ERP.**

Specific divisions of Asseco CE SK/CZ or entities belonging to Asseco CE at the regional level are allocated to individual Business Units.

Products or product groups are divided in the same way. Asseco CE builds its offer on key products which represent the basis of its competences and experience. One of the basic goals of the Company is to create efficient and easily accessible solutions which fully respect the differences and specifics of individual customers and thus help them achieve their competitive advantage. This goal has been fulfilled by a suitable combination of offered products and preset solutions and by the development of customized solutions.

The product offer is complemented by key services and competences which spread across the product portfolio. They include two basic services: software development and outsourcing.

3.1 Software development

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

3.2 Outsourcing

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

Servicing information technologies

To provide assistance to both external and internal customers, an jot just with service-related activities: handling queries regarding repairing of different types of ICT equipment (computers, notebooks and servers) and peripherals (printers, scanners and UPS), HW and SW procurement consulting, HW upgrade, equipment, equipment installation and consequent preventive checks, installation and maintenance of operating systems – all of that by means of remote, as well as local service support in the entire territory of Slovak Republic.

POS management

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

Printing and enveloping services

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

Logistics

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

Personalization of smart cards

Smart card personalization services, supplies of hardware, software and cards, development and integration of complete card systems, commercial and technical services. The complexity of services is provided by subsequent support for users. In addition smart cards personalisation, we provide graphic personalisation of plastic cards, magnetic tape encryption, covering and distributing these cards together with the printing and distribution of PINs.

A complementary service is the creation of customer applications using an identification or authentication carrier – a chip or hybrid card. These applications are used in all areas, including organisational processes such as payment and loyalty systems, identification, and attendance systems, etc.

3.3 Business Unit Finance

StarBANK

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

eStarBANK

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

StarTREASURY

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

CrediLogic

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

StarCARD

Full information system supporting pay card transactions for banks and processing centers. It includes authorization support, clearing and transaction settlement and dealer administration. Integral part of the system is an application software for end devices, ATM, and POS terminals.

StarBUILD

A complex banking information system specialized for the needs of building savings banks, which fully covers the individual business processes of the building savings bank. Besides the core-banking system, it also contains a wide portfolio of superstructure modules which are mutually integrated into one unit. The maximum integration of individual modules in a single complex solution brings a significant reduction in the costs of HW, standard SW licensing (operating systems, databases) and their maintenance.

StarINS

Comprehensive information system for insurance companies automates all front-office and back-office operations including personal, property and liability insurance, as well as life (capital, investment and hazardous) insurance. The system operates as an independent product above the electronic distribution channels.

SofiSTAR

Production information system for management of the 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.

StarSTAT

This solution matches the requirements of all types of companies that deal with regular extraction, loading, transformation and production of generated data. Its key functionalities can be described in two ways.

The first group of usage is to use StarSTAT as a universal reporting tool for daily reporting activities. Gathering financial data, cash-flow information, key statistical data about an organization, management and managerial reports or regular statistical reports processing; all activities are focused on gathering, editing, processing data and producing reports for public institutions.

The other group of StarSTAT usage is represented by banks, insurance houses, leasing companies and other financial institutions. StarSTAT brings ready-made functionalities for mandatory reporting to finance market regulators.

StarBI

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

AQS (Asseco Quality Services)

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

3.4 Business Unit Healthcare

Asseco Group has a wide range of solutions for the whole vertical of health segment. Our activities are targeted for three basic customer groups:

- State represented by the central bodies of public administration (such as ministries and specialized health institutions) and organizations of local governments (owners and operators of regional health care networks)
- Health insurance companies
- Health care providers ranging from the biggest hospitals and specialized medical facilities to ambulances and general practitioners

Mediform

A comprehensive information system for health insurance companies covers the most important processes in the insurance company, e.g. IS administration, dials and catalogues, client registers, receipt and claiming of insurance premium, annual accounting, realization of payments of provided healthcare, medical revision of costs and refunding of costs for insured persons from the EU. Accounting is a part of the system.

ZPIS

ZPIS is a centralized multi-tier information system (IS) for health insurance companies (HIC). It includes complete application program facilities for the administration and support of health insurance company activities. It is built based on the long lasting experiences in developing and extending of the systems for health insurance and contains the latest modern technologies knowledge. It is a universally usable and modifiable system based on relational database technology. The IS is integrated with Internet portal and electronic registry for contact between the customer and their clients and partners. The IS can be connected to other support systems (ERP, MIS, call centre, ect.).

MedWorkS

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

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

3.5 Business Unit Public

In the field of central public administration, we specialize in the creation and supplying such solutions which cannot be implemented using standard means and tools without a large amount of creative work. Our biggest domain is the ability to design and implement systems for processing large volumes of data with sophisticated transaction logics. A specific offer for public administration consists of the design and delivery of complex systems for the state administration including HW, network infrastructure and specialized highly loaded applications with a guaranteed high availability for the specific needs of the state administration, such as central registers, commercial registers, control systems for state allowance and subsidy distributions or budget information systems for processing and publishing large data files on the Informix or Oracle platform, using application servers of Weblogic and Geocluster RAC topologies and the Java development environment.

The biggest projects implemented in this field include deliveries of solutions for the Ministries of the Interior, Transport, and Finance. We also cooperate with the Supreme

Audit Office, Central Statistical Offices and many other offices and Ministries in Slovakia, as well as in the Czech Republic.

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

AG Portal

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

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

LIDS

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

Transport telematics

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

StarBI*G

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

StarECM

A modular information system making possible to cover all aspects associated with the administration and recording of documents, fast search, process processing and archiving of documents and information. The solution covers the whole life cycle of documents. It enables working with all types and formats of documents and information (structured / non-structured document, database record, image, sound or otherwise recorded information). The solutions use standard products and technologies of Microsoft, IBM and Oracle. These products are extended by services in the field of designing the electronization of customer’s processes, workflow setting, working with digitally signed documents, etc.

3.6 Business Unit ERP

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

Within the composition of Asseco CE, the competence in the field of corporate information systems is supplemented with SAP consulting services. The main focus is the provision of consulting services in the field of implementation of the complex economic information system SAP ERP and introducing and selling SAP ERP and software solutions such as SAPCRM, SAP SRM, etc.

HELIOS Green

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

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

HELIOS Orange

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

HELIOS Fenix

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

HELIOS Spin

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

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

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

3.7 Business Unit Telco & Utility

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

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

TOMS

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

AMES

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

Organizationally, BU Telco & Utility also includes Slovanet, an affiliated company which is one of the biggest alternative telecommunication operators on the Slovak market. It provides a wide spectrum of telecommunication services and complex solutions thanks to which it actively operates in various customer segments – from households and smaller enterprises to large corporations. It offers complete solutions to Internet communication, data services, calling and entertainment.

4 COMPANY VALUES

4.1 Mission

The mission of Asseco CE comprises binding values which form an integral part of the business environment and also apply internationally. These binding values are represented in particular by the high and stable quality of the offered solutions and services, continuous care for customers, flexible response to the needs of the market and providing the customers professional IT services and information systems on the basis of modern information technologies which support their business activities and success. Last, but not least, it includes the assurance of the long-term prosperity of Asseco Central Europe.

4.2 Visions

Asseco Central Europe's vision

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

Asseco Group's vision

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

4.3 Our values

Satisfied Customer

The only reliable way how to win and keep customers is to provide them with quality services and solutions with a high added value to reach their strategic goals. Their satisfaction and loyalty resulting from it are the basis of success of each company.

Trust of Investors and Shareholders

With its listing on a stock exchange market Asseco Central Europe was transformed from a privately-owned joint-stock company to a publicly traded one. Its presence on the stock exchange means particularly the necessity of a new approach to process management and the implementation of key decisions, while considering the interests of investors, fulfillment of their expectations and building their trust.

Constant Organic Growth

We want to improve constantly, keep up with the times and bring advanced technologies and "Solutions for Demanding Business" to the market, thus meeting the needs of our clients.

Employee Satisfaction

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

Social Responsibility

Asseco Central Europe strives to contribute to increasing the quality of life of society not only by developing of modern information technologies, but also by supporting scientific institutions committed to this goal.

4.4 Company Management Code

Asseco CE is fully aware of the importance of having Corporate Governance standards in place and complying with them. In accordance with standards valid in the market, the above corporate management principles and methodology - "Best Practices" – were incorporated into the Company's documents and procedures.

The Company Management Code was approved by the Company´s Board of Directors and published in the Current Report, i.e. in the stock exchange report, on March 13, 2008. This report is accessible on the Company's official web site under the "Investors" Section. It contains complete information about the management methods utilized in the Company as well as all information about deviations from the Management Code and the reasons why the decision deviating from the Code was made.

4.5 Code of Conduct

The Company's Code of Conduct represents a set of principles that are focused inside the Company – towards the employees, as well as towards its surrounding environment. It recognizes principles of ethical behaviour while conducting business and upholds principles of objectivity, transparency, accountability and openness in its activities. Asseco Central Europe declares that it nowadays, as well as in the future, wants to be a reliable partner for its customers, shareholders, business partners, employees and also for the public in all the countries and regions where it operates. Based on conditions for an open and transparent corporate culture that are created by the Company, the staff members are able to distinguish between reasonable and contentious actions.

Asseco CE regards as its core values, above all, to be:

Relations within the Company, especially:
- respect for people – a basis for interpersonal relationships
- honest, conscientious and efficient work
- communication ethics
- company loyalty
- upholding the company's reputation and safeguarding its assets
- ethics in conflict resolution

and **relations with customers and suppliers**, meaning respect for customers and correctness toward business partners.

Local or international legal frameworks apply to all entrepreneurial conduct. Once the Company was listed on the Warsaw Stock Exchange, the impact of these frameworks on Company's conduct is even more significant.

Asseco CE encourages any expression of opinions and suggestions staff members make. If necessary, staff members can make any non-public expressions of opinion, complaints or communications by means of anonymous post box located in unmonitored spaces in the Company's headquarters or via intranet. The Company will handle each opinion, suggestion or recommendation it receives, with answers to anonymous inquiries being released on the intranet of Asseco CE.

4.6 The Company's Strategic Goals

- Improve existing customer`s satisfaction by delivering modern information systems with business value.
- Penetrating the international market through a portfolio of the Company's solutions and mutual synergies within the Asseco Group
- Improve cooperation within Asseco Central Europe and Asseco Group, focused on synergies in sales enforcement, customer benefits and knowledge sharing
- Maintaining customer focused, morally strong and technically robust company staff base

- Sharpening and improving internal corporate processes and raising the Company's corporate culture.

5 SHAREHOLDER STRUCTURE OF ASSECO CENTRA EUROPE, A.S.

According the information available to the Board of Directors following shareholders exceeded the 5% share as at 31 December 2011:

Shareholder	Number of shares	Number of votes	% share
Asseco Poland	8,560,000	8,560,000	40.07
ING Otwarty Fundusz Emerytalny	1,406,946	1,406,946	6.59

The share capital of the Company as at 31 December 2011 was equal to EUR 709,023.84 and was divided into 21,360,000 bearer's shares with a nominal value of EUR 0.033194 each.

5.1 Changes in the shareholders structure

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 exceeded the 5% share as at 8 March 2012:

Shareholder	Number of shares	Number of votes	% share
Asseco Poland	8,560,000	8,560,000	40.07
ING Otwarty Fundusz Emerytalny	1,406,946	1,406,946	6.59

The share capital of the Company as at 8 March 2012 was equal to EUR 709,023.84 and was divided into 21,360,000 bearer's shares with a nominal value of EUR 0.033194 each.

6 MEMBERS OF THE BOARDS OF ASSECO CENTRAL EUROPE, A.S.

There were following members of the Board of Directors and Supervisory Board of Asseco Central Europe, a. s. as at 31 December 2011:

Board of Directors	Period	Supervisory Board	Period
Jozef Klein	1.1.2011-31.12.2011	Adam Tadeusz Góral	1.1.2011-31.12.2011
Marek Grác	8.12.2011-31.12.2011	Andrej Košári	1.1.2011-31.12.2011
Martin Morávek	1.1.2011-31.12.2011	Eva Balážová	1.1.2011-6.6.2011
Michal Navrátil	1.1.2011-31.12.2011	Ján Handlovský	23.9.2011-31.12.2011
Tomáš Osuský	1.8.2011-31.12.2011	Marek Paweł Panek	1.1.2011-31.12.2011
		Przemysław Sęczkowski	1.1.2011-31.12.2011

There were following members of the Board of Directors and Supervisory Board of Asseco Central Europe, a. s. as at 8 March 2012:

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

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

Person	Number of shares as on 8 March 2012	Number of shares as on 31 Dec 2011	Number of shares as on 31 Dec 2010
Jozef Klein (BoD)	275,000	275,000	275,000
Martin Morávek (BoD)	300,000	300,000	300,000
Michal Navrátil (BoD)	4,050	4,050	300
Andrej Košári (SB)	522,385	522,385	566,220

7 PERSONNEL INFORMATION AND POLICY

Asseco Central Europe is an important employer in the IT sector in the Czech Republic and 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 behaviour and communication towards external and internal environment.

Given the focus of the Company, software development specialists have the largest representation. Almost 90% of the total number of employees consists of programmers, analysts, system and database specialists, testers, documentarians, project specialists and consultants. A model based on transferring experts – business consultants – directly to production divisions to join developers and consultants together and provide our customers with solutions has been proven to work. Sales and Marketing specialists steadily represent 3%, management staff similarly 3% and less than 5% of the employees secure the financial, personnel and administrative support of the Company. More than four-fifths of the Slovak employees have achieved a university degree.

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

7.1 Employment structure in the Asseco Central Europe Group

Number of employees	31 Dec 2011	31 Dec 2010
Management Board of the parent company	5	3
Management Board of the Group companies	25	34
Production departments	972	957
Maintenance departments	257	315
Sales departments	140	148
Administration departments	122	130
Other	20	17
TOTAL	**1,541**	**1,604**

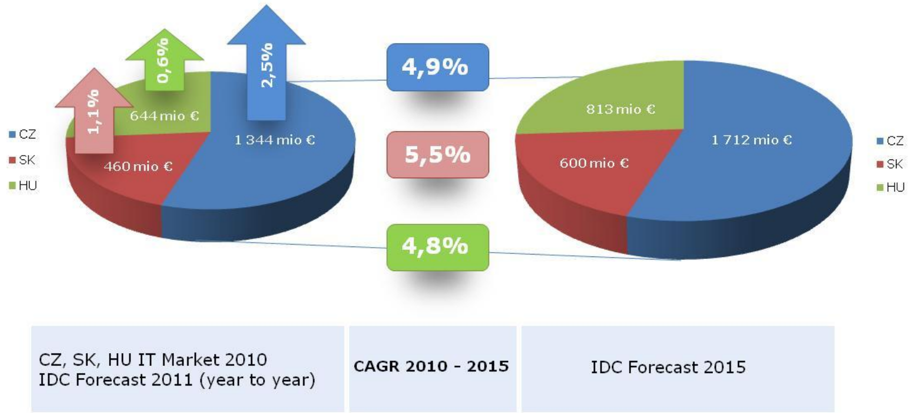
Number of employees	31 Dec 2011	31 Dec 2010
Asseco Central Europe, a.s. (SK)	342	347
Slovanet Group	192	190
Asseco Solutions Group (SK)	157	203
Asseco Solutions Group (CZ)	280	274
Asseco Central Europe, a.s. (CZ) + Asseco BERIT	437	470
Statlogics Zrt	68	63
GlobeNet Zrt	65	57
TOTAL	**1,541**	**1,604**

8 MARKET POSITION

8.1 IT Market

In 2011, the IT market in Slovakia was influenced by several factors. At the beginning of the year slight optimism prevailed with regard to positive economic predictions. These gradually began to turn to negative zones, which clearly caused a gradual increase of concerns in the field of IT. The political situation also contributed to the fact that numerous ongoing projects in the state and public administration have gradually slowed down the pace. The IT sector in Slovakia is highly influenced by financial support from the EU structural funds and many big projects have currently been in the last stage of the approval process. All IT sector participants strongly believe that the change in government and state officers after early election will not result in the suspension of these projects, which have already been delayed, and further slowing in the preparation of these projects can have a fatal consequence – the failure to draw the offered financial funds from the EU.

In 2010, the Slovak market of information and communication technologies represented about EUR 460 million in the field of IT services with a predicted growth of 0.6% for 2011 (to compare: it is EUR 1,344 million (2.5%) in the Czech Republic and EUR 644 million (1.1%) in Hungary). The market is characterized by the domination of a small number of main suppliers and software providers, which together control more than one third of the IT market. Asseco CE is very well established in the market and permanently belongs among important suppliers of IT solutions, which is proven by several leading positions in the lists of IT companies published by the opinion-shaping professional magazine, Trend. In 2011, Asseco CE ranked 1st as the biggest IT solution supplier for financial institutions and 2nd in the list of suppliers for public administration, which is an improvement of three places compared with 2010.



The year of 2012 will be demanding for the sector. Domestic financial institutions face big challenges due to the overall financial situation in the EU countries and their pressure to reduce costs will accelerate during 2012. The industry is also before a difficult period, because the demand for products will gradually drop until signs of the end of the debt crisis in EU and the world appear. All of that is flavoured with the domestic political situation, because after the early election the new government will have to be compiled, as well as the administration of public issues.

During this period, IT companies will have to reach to the bottom of their capabilities, come to the market with innovative solutions that will help clients face these political, economic and financial challenges of 2012. It will be a period when competition will increase not only in the field of IT, but we can presume it will apply to other economic sectors as well. Modern and innovative IT solutions provide clients with an ideal tool for increasing their competitive power, on the one hand by making it possible to reduce operating costs through correct setting of the optimum to decrease operating costs, and on the other hand by helping to come to clients with new products, absolutely necessary for keeping their customer base, and at the same time enable penetrating competitors´ areas.

8.2 Trade

Asseco CE operates throughout the entire EU and within Asseco Central Europe we manage operations in the Czech Republic, Slovakia and Hungary. This is a big advantage because we are able to diversify our efforts over a larger geographic area and with a bigger customer background. Our plan for the coming period is to continue the development of solutions and products which we provide our clients with. We will continue unifying and simplifying our product portfolio and we will further closely cooperate with our clients to be able to provide them with the necessary solutions for their business.

The main strategic role of the Sales Department of Asseco CE is to identify new business opportunities, thoroughly perform business activities at our new potential customers which should consequently result in signing contracts. The aim is to bring about reasonable projects for the Company and professional work for our specialists.

The main attributes the Sales Department is built on, are as follows:

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

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

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

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

8.3 Awards

Asseco Central Europe and its affiliated companies are holders of numerous important awards. The Company has for a long time placed high in the rankings of the most important IT companies in Slovakia, which are compiled by economic weekly Trend. The Company is also successful with its products. In the Czech Republic, IB Mini has become a finalist in the "IT Product of the Year" a competition of Computerworld Magazine. Moreover, the Company has also ranked among the most stable companies in the Czech Republic.

ČEKIA Stability Award

Asseco Central Europe obtained the highest possible rating – AAA – in the evaluation of ČEKIA. The ČEKIA Stability Award rating provides an independent view of financial as well as non-financial indicators of a Company. It expresses the current status of a Company, its financial standing, including the prediction of future risks.

Asseco Central Europe among TOP ICT Companies

In 2011, Asseco Central Europe appeared at leading positions of the prestigious "TREND TOP in Information Technologies" ranking compiled on the basis of economic results of the previous year. The Company was successful in several categories. It won the category of IT service providers in Slovakia, where it moved from the 5th place in the previous year. It also defended its first place among TOP IT suppliers for the private financial sector. It also got to the proverbial golden rung in the category of TOP IT suppliers for its industrial production. The Company ranked second in the category of suppliers to the public sector where it moved to from the last year´s 5th position. Asseco CE also ranked among the most important software houses in Slovakia – it placed fourth in this category.

Poskytovatelia IT služieb na Slovensku (2010)
IT Service Providers in Slovakia (2010)

	Predaj IT služieb (tis. €)	Ročná zmena (%)	Služby subjektom v zahraničí	Rozdelenie tržieb podľa typu služieb [1] (tis. €)					
				vývoj softvéru na zákazku	nové implementácie	podpora nasadených aplikácií	outsourcing	technický servis hardvéru	bezpečnosť IT
	IT services sales (000 €)	Annual Change (%)	Exported services	Sales by type of service [1] (000 €)					
				tailor-made software development	new implementations	support of existing applications	outsourcing	technical hardware maintenance	IT security
1. Asseco Central Europe, a.s., Bratislava	106 704	-8,3	106 763	15 698	11 688	36 211	30 198	689	–
2. Siemens IT Solutions and Services, s.r.o., Bratislava	69 249	6,9	–	n	n	n	n	n	n
3. T-Systems Slovakia, s.r.o., Košice	60 333	48,2	60 333	–	–	–	60 333	–	–
4. Soitron, a.s., Bratislava	47 070	12,6	–	–	15 970	–	19 800	11 300	–
5. Tempest, a.s., Bratislava	47 048	46,3	–	1 055	5 695	10 550	19 033	7 925	2 000
6. Siemens Program and System Engineering, s.r.o., Bratislava [2]	37 626	-17,5	34 992	37 626	–	–	–	–	–
7. Ness Slovensko, a.s., Bratislava	34 032	25,0	n	16 523	7 633	9 813	–	–	63
8. SAP Slovensko, s.r.o., Bratislava	23 635	n	–	n	n	n	n	n	n
9. PosAm, s.r.o., Bratislava	20 707	20,0	950	9 157	1 351	4 314	3 957	1 928	–
10. Alcatel-Lucent Slovakia, a.s., Bratislava	17 678	n	–	–	–	–	–	17 678	–
11. Datalan, a.s., Bratislava	16 551	-10,2	340	7 303	179	181	3 042	2 554	–
12. S&T Slovakia, s.r.o., Bratislava	14 108	2,4	–	–	5 751	2 344	1 161	2 103	510
13. RWE IT Slovakia, s.r.o., Košice	13 377	17,4	n	2 007	3 344	8 026	–	–	–
14. Gratex International, a.s., Bratislava	13 081	-26,2	n	6 547	1 150	5 055	–	–	–
15. Konica Minolta Slovakia, s.r.o., Bratislava	11 940	n	–	–	–	–	–	6 385	–
16. Softip, a.s., Bratislava	11 875	-12,7	n	5 258	–	6 542	75	–	–

Softvérové domy na Slovensku (2010)

Software Houses in Slovakia (2010)

	Vývoj softvéru celkovo (tis. €) / Software development (000 €)		Zmena (%) / Change (%)	Podiel na celkových tržbách (%) / Share on total sales (%)	Výroba balíkového softvéru (tis. €) / Production of package software (000 €)	Vývoj aplikácií na zákazku (tis. €) / Tailor-made development (000 €)	Počet vývojárov / No. of developers	
	2010	2009	2010/2009	2010	2010	2010	2010	2009
1. Eset, s.r.o., Bratislava	92 312	80 274	15,0	100,0	92 312	–	160	102
2. Siemens Program and System Engineering, s.r.o., Bratislava	37 626	45 593	-17,5	100,0	–	37 626	585	667
3. Ness Slovensko, a.s., Bratislava	16 523	9 709	70,2	48,6	–	16 523	288	200
4. Asseco Central Europe, a.s., Bratislava	15 698	18 730	-16,2	12,3	–	15 698	373	n
5. PosAm, s.r.o., Bratislava	9 157	8 297	10,4	29,5	–	9 157	109	98
6. Softec, s.r.o., Bratislava	8 051	9 157	-12,1	84,6	15	8 036	190	180
7. Datalan, a.s., Bratislava	7 303	5 064	44,2	17,0	–	7 303	72	72
8. Gratex International, a.s., Bratislava	6 547	9 653	-32,2	37,7	–	6 547	193	n
9. Softip, a.s., Bratislava	6 374	n	n	45,0	1 116	5 258	67	69
10. Sygic, a.s., Bratislava	6 074	4 339	40,0	98,5	6 074	–	20	15
11. Alcatel-Lucent Slovakia, a.s., Bratislava[1]	5 774	5 327	8,4	–	–	5 774	88	76
12. Unicorn Systems Sk, s.r.o., Bratislava	5 082	1 822	178,9	99,8	–	5 082	80	n
13. Anasoft APR, s.r.o., Bratislava	2 668	4 184	-36,2	43,3	169	3 499	n	n
14. I.S.D.D. plus, s.r.o., Bratislava	2 614	1 822	43,5	68,0	–	2 614	40	n
15. Kros, a.s., Žilina	2 497	1 974	26,5	35,8	2 358	139	55	51
16. InsData, s.r.o., Nitra	2 442	3 489	-30,0	25,4	–	2 442	47	41
17. RWE IT Slovakia, s.r.o., Košice	2 007	1 709	17,4	15,0	–	2 007	36	20
18. QBSW, a.s., Bratislava	1 831	1 945	-5,8	45,0	–	1 831	n	n
19. YMS, a.s., Trnava	1 760	2 219	-20,7	79,8	–	1 760	24	19
20. ICZ Slovakia, a.s., Trenčín	1 698	789	115,2	61,3	–	1 698	16	16
21. Axasoft, a.s., Bratislava	1 644	5 170	-68,2	13,8	–	1 644	35	43
22. Ipesoft, s.r.o., Žilina	1 623	1 673	-3,0	35,2	1 120	503	20	12
23. Asseco Solutions, a.s., Bratislava	1 460	491	197,4	16,3	962	498	43	n
24. Gamo, a.s., Banská Bystrica	1 325	864	53,4	7,8	–	1 325	17	12
25. Sféra, a.s., Bratislava	1 160	3 384	-65,7	33,7	–	1 160	30	30
26. Tempest, a.s., Bratislava	1 055	2 856	-63,1	1,4	–	1 055	n	n

Najväčší dodávatelia IT pre priemyselnú výrobu (2010)

Top IT Suppliers For Industrial Production (2010)

	Dodávky pre priemyselnú výrobu (tis. €) / Supplies for industrial production (000 €)		Zmena (%) / Change (%)	Podiel na celkových tržbách (%) / Share on total revenues (%)	
	2010	2009	2010/2009	2010	2009
1. Asseco Central Europe	51 663	n	n	40,6	n
2. Siemens Program and System Engineering	10 145	4 103	147,2	27,0	9,0
3. SAP Slovensko	7 715	n	n	22,0	n
4. Siemens IT Solutions and Services	6 671	7 809	-14,6	6,9	8,9
5. S&T Slovakia	4 688	4 245	10,4	15,1	14,7
6. Ness Slovensko	3 760	3 194	17,7	11,0	11,7
7. Telegrafia	3 156	2 688	17,4	30,0	29,3
8. Datalan	2 576	1 848	39,4	6,0	3,0
9. Soitron	1 880	2 240	-16,1	2,3	3,0
10. Gratex International	1 735	1 865	-6,9	10,0	9,0
11. Softip	1 712	3 240	-47,2	12,1	20,6
12. Asseco Solutions	1 544	724	113,3	17,2	9,4
13. Tempest	1 516	972	56,0	2,0	1,9
14. BSC Line	1 475	1 587	-7,1	35,0	55,0
15. GiTy-Slovensko	765	937	-18	25,2	35

Pozn.: Priemyselná výroba zahŕňa sektory ako automotive, strojárstvo, elektrotechnika, potravinárstvo, chémia alebo hutníctvo

Najväčší dodávatelia IT pre verejný sektor (2010)

Top IT Suppliers For Public Sector (2010)

	Dodávky pre verejný sektor (tis. €) / Supplies for the public sector (000 €)		Zmena (%) / Change (%)	Podiel na celkových tržbách (%) / Share on total revenues (%)	
	2010	2009	2010/2009	2010	2009
1. Siemens IT Solutions and Services	53 585	37 627	42,4	55,5	42,8
2. Asseco Central Europe	40 599	37 047	9,6	31,9	27,0
3. Tempest	36 849	27 676	33,1	48,6	54,1
4. Datalan	28 760	36 964	-22,2	67,0	60,0
5. Soitron	25 677	15 680	63,8	31,4	21,0
6. SAP Slovensko	20 690	n	n	59,0	n
7. PosAm	17 368	11 784	47	56,0	50
8. S&T Slovakia	13 224	7 966	66,0	42,7	27,5
9. Ness Slovensko	12 025	7 404	62,4	35,3	27,2
10. Gamo	11 421	5 268	116,8	67,0	51,2
11. elfa	10 363	5 149	101,3	84,3	62,4
12. Gratex International	4 339	5 594	-22,4	25,0	27,0
13. Telegrafia	4 208	1 154	264,6	40,0	12,6
14. Softip	3 400	3 989	-15	24,0	25
15. BSC Line	2 529	866	192,1	60,0	30,0

Pozn.: Verejný sektor zahŕňa štátnu a verejnú správu, školstvo, verejnoprávne organizácie, vrátane Slovenskej televízie, Slovenského rozhlasu, Sociálnej poisťovne, štátnych zdravotných poisťovní, Národnej diaľničnej spoločnosti, Slovenskej správy ciest a štátnych železničných firiem

Najväčší dodávatelia IT pre súkromný finančný sektor (2010)

Top IT Suppliers For Private Financial Sector (2010)

	Dodávky pre súkromný finančný sektor (tis. €) / Supplies for the private financial sector (000 €)		Zmena (%) / Change (%)	Podiel na celkových tržbách (%) / Share on total revenues (%)	
	2010	2009	2010/2009	2010	2009
1. Asseco Central Europe	35 002	35 297	-0,8	27,5	25,7
2. Siemens IT Solutions and Services	12 169	14 697	-17,2	12,6	16,7
3. InsData	9 628	7 488	28,6	100,0	100,0
4. Soitron	9 400	7 571	24,2	11,5	23,0
5. Ness Slovensko	8 615	5 907	45,8	25,3	21,7
6. Gratex International	6 768	8 908	-24,0	39,0	43,0
7. Softec	6 516	7 410	-12,1	68,5	70,8
8. PosAm	5 238	5 502	-4,8	16,9	23,5
9. S&T Slovakia	4 596	2 483	85,1	14,8	8,6
10. Logica Slovakia	3 528	n	n	33,1	n
11. Datalan	3 005	4 312	-30,3	7,0	7,0
12. Axasoft	2 367	3 862	-38,7	19,9	15,7
13. Unicorn Systems Sk	1 971	n	n	38,7	n
14. SAP Slovensko	1 753	n	n	5,0	n
15. Tempest	1 628	2 302	-29,3	2,1	4,5

Pozn.: Súkromný finančný sektor zahŕňa banky, poisťovne, súkromné zdravotné poisťovne, dôchodkové správcovské spoločnosti a podobne

Source: Trend TOP in IT, economy weekly Trend, May 2011

IB Mini – the Finalist of the IT Product of the Year Competition

eStarBank Lite, the IB Mini module, an application for accessing Internet banking via smart phones, qualified among the finalists of the IT Product of the Year competition in the category of Communication Products.

The Best Annual Report

The Annual Report for 2011 won the highest prize in the competition in the Slovak Republic. Members of the jury particularly appraised its openness, comprehensiveness and specificity of the stated data.

9 NEW PROJECTS, PRODUCTS AND SERVICES

Implementation of StarINS for Wüstenrot Life Insurance Company and Wüstenrot Insurance Company

At the beginning of 2010, a big project for the supply and customizing of production systems for the Wüstenrot Group started in the Czech Republic. Its major part included the delivery of StarINS, a production system, for Wüstenrot Life Insurance Company and Wüstenrot Insurance Company. In the first half of the year, the main implementation works were finished together with the preparation of migration from the original production-supportive systems of both of the insurance companies. In the second half of the year, intensive works on acceptance testing were carried out together with the implementation of modifications to the system and its setting for the needs of Wüstenrot. StarINS was put into operation at the end of the year and starting from 1 January 2012 Wüstenrot Life Insurance Company and Wüstenrot Insurance Company have only been working with StarINS. The migration to StarINS has brought a significant automation of corporate processes to both of the insurance companies, which speeded up the processing of client requirements and contributed to a higher productivity and a reduction of operating costs. Better support for consultants and clients resulted in a faster and higher quality of provided services.

Implementation of the portal for online selling of VZP Insurance Company products

The VZP Insurance Company is an affiliated company of the biggest Czech health insurance company - VZP CR (the General Health Insurance Company of the Czech Republic). StarINS, a production-information system has been operating in the VZP Insurance Company since 2007. In 2011, we continued the provision of services and solutions, which improve the quality of VZP Insurance Company services. One of these types of activities was the implementation of a new portal intended for on-line selling of VZP Insurance Company products, with the products of travel insurance being sold first. The commencement of the portal brought an interesting increase of growth.

Implementation of a new production system in Slovenská sporiteľňa

Slovenská sporiteľňa, to which we supply electronic banking and payment card solutions, implemented a new production banking system during 2011. The migration to the new system was divided to several stages throughout the year. This difficult process, to which the bank had prepared for over a long period of time, was successfully completed largely thanks to our eStarBANK and StarCARD systems. Our solutions for electronic banking and payment cards had to communicate, due to a gradual branch-by-branch migration, on-line in parallel with two production systems (the old and the new ones), while the migration time had to be minimized due to the 24x7 operation. This parallel operation of both of our systems enabled the bank to replace the production system with a minimum impact on services to its clients.

Connecting the Slovenská pošta network to the Poštová banka banking system

In 2011, Poštová banka implemented a project which interconnected on-line, the StarBANK banking information system with the counters of Slovenská pošta. This project, which is difficult in terms of integration, gradually connected individual branches of Slovenská pošta to the environment of Poštová banka during the year. At the end of 2011, the majority of the 1,600 operating units were connected. At present, on-line services for cash deposits and withdrawals and the opening of personal and term accounts and the processing of selected types of postal services are run under the production operation. The system will gradually integrate and connect other services to cover as wide a scope of client requirements as possible.

Innovation of StarBUILD in Stavební spořitelna České spořitelny (Building Savings Bank of Česká spořitelna)

In 2010, the works on the innovation to the StarBUILD production information system for Stavební spořitelna České spořitelny started. The goal of this project was to implement a new generation of the information system - StarBUILD II. This system represents a technologically new generation of StarBUILD, built on a three-layer smart-client architecture in the Microsoft.NET environment. One of the key aspects of StarBUILD II is its Service Oriented Architecture (SOA), which brings the possibility to simplify the integration of other information systems with StarBUILD, increases the reusability of the solution and thereby, reducing the costs of integration of various information systems. In addition to the technological innovation, StarBUILD II brought the customer the entire portfolio of new services.

By using web services provided by StarBUILD II, StarBUILD II in SSČS were interconnected on-line with the systems at branches of Česká spořitelna (ČS) by means of the ESB layer (Enterprise Service Bus). Through the on-line connection of the ČS internet banking - Servis24 with StarBUILD II, the clients of SSČS gained the advantage of direct access to their accounts and loans and to selected changes in building savings accounts.

New generation of StarSTAT

During 2011, we implemented a project on the innovation of the compulsory reporting system of commercial banks to the National Bank - StarSTAT II. The system innovation meant a complete migration to the new technological platform of Microsoft.NET. User functionalities and system services were extended and the processing speed and efficiency improved. During 2011, we implemented the innovated version of StarSTAT II in OTP Bank and UniCredit Bank.

Extension of the data storage for the Vysočina Region

After winning the public tender for the extension of the data storage of the Vysočina Region, we started the project in the summer months. Stage 1 included a pre-implementation analysis and consequently; we migrated the original solution to the latest version of MS SQL Server 2008 R2. We identified and proposed the extension of the existing data storage by new data sources in the analysis and in 2012 the implementation and handover of the extended solution will be carried out. Users at the Regional Office, external entities, as well as the general public will have a wide range of information available, by means of the internal and external portal in the form of standardized reports, dashboards and OLAP bricks for further analyses.

Controlling tool for monitoring profitability in Allianz Slovenská poisťovňa

In the first half of 2011, we elaborated and delivered a feasibility study for our client of long standing - Allianz Slovenská poisťovňa, which contained a proposal for the solution of profitability and performance monitoring, including the proposal of modifications to the affected IS, as well as the data delivery systems. Upon accepting the feasibility study, the customer signed a contract for the creation and delivery of the controlling tool for monitoring profitability. The solution delivery included the implementation of a presentation and analytical layer on the SAS BI platform.

By the end of 2011, a detailed analysis was elaborated and we started implementing the solution which would provide managers and methodologists at various management levels tools for multidimensional cost-benefit analysis. In addition, the solution will include a user interface with the functionality for defining allocation rules and key KPI indicators. Another part of the solution will be a presentation layer with pre-defined outputs, with the possibility to create one's own outputs or perform multidimensional analyses using a wide SAS platform functionality. After delivery of the solution, Allianz Slovenská poisťovňa will obtain a comprehensive set of new information and analytical functions which will provide, support for decision-making processes and open another space for improving the profitability and performance.

Vojenská zdravotní pojišťovna České republiky (the Military Health Insurance Company of the Czech Republic)

At the end of 2011, we won a tender for the delivery of an information system for the storage and processing of documents at Vojenská zdravotní pojišťovna. The project will be implemented in 2012 and it will contain a solution for the digitalising and usage of data, DMS system with a centralized file service and incorporating the existing applications, process management system supporting data transmissions with relevant subsystems and completely assuring the circulation and storage and controlled access to electronic documents. An important part of the system will be the long-term trustworthy digital storage of electronic documents. This is a compulsory part following from the law valid in the Czech Republic since 1 July 2012.

The Vysočina Region – Extension of the data storage for the Vysočina Regional Office

At the end of 2011, we won a tender for the extension of the data storage for the Vysočina Regional Office. The subject of the solution will be to build a system for analyzing non-structured data and the monitoring of data sources containing the system of analysis, monitoring and processing of selected tasks with a non-structured content.

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

In December 2011, Asseco CE won a tender for the implementation of the "Preparation of LV data for SCADA" contract for ČEZ Group, which belongs among the biggest power groups in Europe.

During the extensive project which started in December 2011 and will be completed in January 2013, a total of 23 000 km low voltage distribution networks will be revised and changes will be incorporated into the geographic information system of ČEZ. The goal of the project is to align the equipment recorded in the GIS with the real physical condition of the equipment in the terrain.

Vodárenská akciová společnost – geoportal implementation

In August 2011, a contract for the implementation of a Geoportal was concluded with Vodárenská akciová společnost, a. s., which belongs among the important regional operating water supply companies and supplies about 540 thousand inhabitants in the South Moravian Region and the Vysočina Region with water.

The project started in the autumn of 2011 and in February 2012 a portal for the automated provision of statements on the existence of water mains and sewerage networks and for making GIS data on networks to external entities (municipalities) was implemented. The portal which will be built on the company's technology, AG Portal, will enable responding to thousands of requests per year in an automated manner and will greatly contribute to fast and comfortable serving of its customers.

ŽĎAS – Implementation of the Geographic Information System

In July 2011, Asseco CE won a tender for the delivery and implementation of the geographic information system for ŽĎAS, a. s., which forms a part of the international Železiarne Podbrezová Group and belongs among leading Czech producers of forming machines and forging presses.

Within the project, which was carried out from August to December 2011, LIDS software, which serves for the administration and analyzing geographic and descriptive data of all premises and facilities in the territory of the company and provides support to corporate processes in the fields of construction investment and the operation and maintenance of assets, was successfully implemented. The contract was performed in cooperation with GB-geodézie which surveyed the whole premises of the company and utility networks and prepared a database for the geographic information system.

EWR Netz - TIS and GIS implementation

In the summer of 2011 Asseco BERIT GmbH, an affiliated company, signed a contract for the delivery and implementation of the operating-technical information system and the geographic information system for EWR Netz GmbH, a utility company (seated in Worms) which operates electrical, gas and water networks in the Rheinhessen and Ried Regions and serves about 240 000 customers.

Within the extensive project, which will be finished at the end of 2012, TOMS software will be implemented for the support of media distribution processes, LIDS software for documenting distribution networks and an AG Portal, a portal solution for communication with external entities. The project also includes data migration from the original systems and the integration to the surrounding systems (ERP, measuring on networks, etc.). About 140 users will work with the system in its targeted form.

Participation of Asseco CE in projects of the Basic Registers of the Czech Republic

The programme for the creation of central Basic Registers (BR) of the public administration, which would address previous problems related to the non-uniformity of key databases, is one of the pillars of applying electronics in the public administration. The BR programme is included among the priority initiatives of the current government in the field of IT and it enjoys wide publicity and is perceived as a significant milestone in the development of e-Government in the Czech Republic. Unlike the previous projects, the BR existence is anchored in law and electronically issued data from BR have a "reference meaning" for the other systems. They are considered to be the only updated and valid operation by law and therefore, they need not be further verified, e.g. by means of interaction with an inhabitant.

Asseco CE participates in two of four basic registers:

RoP – Register of Persons

The register of legal entities, natural persons conducting business and public authorities. ROS forms a part of the established information system of basic registers. The register contains data on legal entities including the address of their registered office or plants and names of their statutory representatives. The basic principle is the registration or recording of a person or entity before they start their activity at an administrative or other authority. Asseco CE ensures the key delivery of the core of the register in this project - SW application development and assurance of its operation.

RRO – Register of Rights and Obligations

This register controls the access of external agenda information systems and their users to data of all basic registers. It is carried out on the basis of decisions, i.e. legal acts, records of which, together with other activities, are also ensured by the register. A basic principle is that data from the basic registers on specific persons can only be provided if stipulated so by law and securing this principle is the task of RPP.

Asseco CE acts as a system integrator in this project and ensures the complete delivery of the whole work as key-ready, including the application development, data migration, and HW and infrastructure delivery.

Both of the registers are designed as highly loaded applications and their infrastructure must meet the requirements for high accessibility and safety and enable continuous operation. All of that is ensured by means of a Geocluster which contains a highly accessible primary operating workplace and a backup site in a remote location. From the technological point of view, both of the registers use an Oracle database and application servers.

Pilot solution to the National Transport and Information Centre and building a pilot intelligent transport system in Trnava

The pilot solution to the National Transport and Information Center (pNDIC) forms a part of the "Concept and Documentation of the National Transport Information System" project. The National Transport Information System is a unique technological solution and at the same time, an advanced central workplace. By creating a central control room and by centralizing all transport information and transport-related data, an effective environment is created which will help to objectively make decisions of operative and strategic importance. The main goals of the system may include a reduction of the number of accidents and travel time and an increase in the safety and fluency of traffic on roads. This will also contribute to lower pollution. From the point of view of travelling people, positive impacts will especially manifest in the availability of transport information by means of various distribution channels.

A pilot solution of the Intelligent transport system (pIDS) in Trnava was a part of the delivery within the "Concept and Documentation of the National Transport Information System" project. The pilot project represents a project on the creation of the network of facilities for dynamic collection and processing of transport and transport-related data, for the purposes of creating real-time transport information. More than 100 detectors have been installed in the road network of Trnava which will be, together with the developed background, an integral part of the future NSDI system with the possibility of gradual extension of functions and gradual coverage of a larger territory. Results of the pilot solution serve as a source of permanent transport monitoring in the city and provide information about the current status of traffic and a prediction of traffic development for the nearest two hours. Information will be available for the professional and general public and together with the created operative instructions they are the basis both for the support of the transport control process and the planning and designing transport systems.

10 KEY CLIENTS

BANKING

Bankovní informační technologie, s. r. o. (BANIT, s. r. o.)

Československá obchodní banka, a. s.

Česká spořitelna, a. s.

EXIMBANKA SR

GE Money Bank, a. s.

GE Money Multiservis, a. s.

Ingenico CZ, s. r. o.

Istrobanka, a. s.

Magyar Nemzeti Bank
OTP Banka Slovensko, a. s.
Poštová banka, a. s.
Slovenská sporiteľňa, a. s.
Tatra banka, a. s.
UniCredit Bank Slovakia, a. s.
Všeobecná úverová banka, a. s.
Wincor Nixdorf, s. r. o.
Wüstenrot hypoteční banka, a. s.
Živnostenská banka

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

INSURANCE
Allianz - Slovenská poisťovňa, a. s.
AXA neživotní, a. s.
ČSOB d.s.s., a. s.
ČSOB Penzijní fond Progress, a. s.
ČSOB Pojišťovna, a. s.
Pojišťovna Všeobecné zdravotní pojišťovny, a. s.
STABILITA d.d.s., a. s.
VICTORIA VOLKSBANKEN pojišťovna, a. s.
VÚB Generali dôchodková správcovská spoločnosť, a. s.

HEALTHCARE
Česká národní zdravotní pojišťovna
Európska zdravotná poisťovňa, a. s
Fakultná nemocnica s poliklinikou F. D. Roosevelta
Fakultná nemocnica Trnava
Ministertvo zdravotníctva SR
Národné centrum zdravotníckych informácií
Union zdravotná poisťovňa, a. s.
Všeobecná zdravotná poisťovňa, a. s.
Všeobecná zdravotní pojišťovna České republiky, a. s.
Vojenská zdravotní pojišťovna České republiky

PUBLIC
Centrální depozitář cenných papírů, Česká republika
Český úřad zeměměřický a katastrální
Daňové riaditeľstvo Slovenskej republiky
Energetický regulačný úrad
Hlavní město Praha

Kraj Vysočina, ČR
Královéhradecký kraj, ČR
Ministerstvo dopravy, ČR
Ministerstvo dopravy, výstavby a regionálneho rozvoja SR
Ministerstvo financí ČR
Ministerstvo vnitra ČR - Generální ředitelství HZS ČR
Ministerstvo zdravotníctva SR
Moravskoslezský kraj, ČR
Najvyšší kontrolní úrad SR
Plzeňský kraj, ČR
Senát Parlamentu ČR
Štatistický úrad SR
Úřad pro zastupování státu ve věcech majetkových, ČR
Česká správa sociálního zabezpečení

UTILITY
ČEZ Distribuce, a. s.
ELTODO-CITELUM, s. r. o.
ENNI Energie Wasser Niederrhein GmbH, Moers
Erdgas Südbayern GmbH, München
E.ON Distribuce, a. s.
Kapsch Telematic Services, s. r. o.
Kapsch TrafficCom Construction & Realization, s. r. o.
LKW Liechtensteinische Kraftwerke Schaan
N-ERGIE Aktiengesellschaft, Nürnberg
SIG Genéve, Stadtwerke Genf, Geneve
Technische Werke Ludwigshafen AG, Ludwigshafen
Teplárny Brno, a. s.
Brněnské vodárny a kanalizace, a. s.
Vodárenská akciová společnost, a. s.
Podtatranská vodárenská spoločnosť, a. s.
Východoslovenská vodárenská spoločnosť, a. s.
Západoslovenská vodárenská spoločnosť, a. s.

TELCO AND IT
Orange Slovensko, a. s.
SWAN
Telekom, a. s.
T-Mobile ČR, a. s.
Vodafone

PRODUCTION
BASF SE, Ludwigshafen
Bayer Industry Services GmbH & Co. OHG, Dormagen, Leverkusen, Uerdingen
Bosch Diesel, s. r. o.
ČEPS, a. s.
GOHR

KORADO, a. s.
Novartis Services AG, Werk Basel
Philip Morris ČR, a. s.
Roche Diagnostics, Mannheim
SYNTHOS Kralupy, a. s.
ŠKODA AUTO, a. s.
Třinecké železárny, a. s.
Vattenfall Europe Mining AG, Cottbus
AUDI AG, Ingolstadt, Neckarsulm
BMW AG, Berlin, München,
Daimler AG, závody Berlin, Bremen, Mannheim, Sindelfingen

11 ANALYSIS OF FINANCIAL RESULTS OF THE ASSECO CENTRAL EUROPE GROUP

In the last three financial years ended 31 December 2011, 31 December 2010 and 31 December 2009, the Asseco Central Europe Group (the "Group") reported the following consolidated financial results:

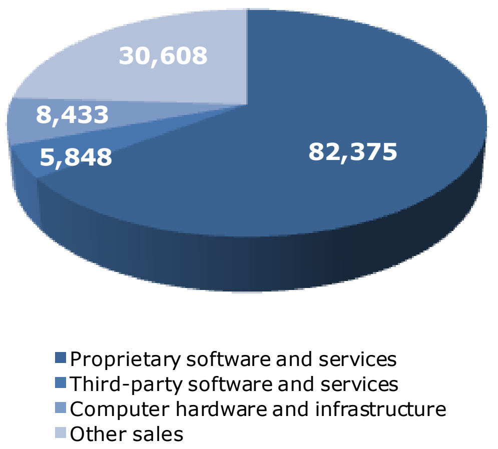
EUR thousand	2009	Margin	2010	Margin	2011	Margin
Sales revenues	130,276	*N/A*	127,264	*N/A*	133,485	*N/A*
Operating profit	14,016	*10.8%*	16,167	*12.7%*	18,001	*13.0%*
Pre-tax profit	14,595	*11.2%*	16,254	*12.8%*	18,817	*14.0%*
Net profit for the period	10,396	*8.0%*	9,610	*7.6%*	15,742	*12.0%*

The Group's sales increased by solid 5% in 2011 y/y due to a relatively low revenue base in 2010. Compared to the 2009 sales, the step-up in revenues was only moderate (up by 2.7%). Still, the 2011 results can be considered successful, given the fragile political situation in Slovakia. Parliamentary elections in 2010 and early elections planned for 10 March 2012 resulted in personnel changes in public administration and have essentially stopped new tenders in public sector in Slovakia. Further to that, the very modest macroeconomic development in the Central European countries in 2011 initiated IT cost savings by clients from commercial sphere and ERP business. Owing to that, the Group's management expects year 2012 to be challenging.

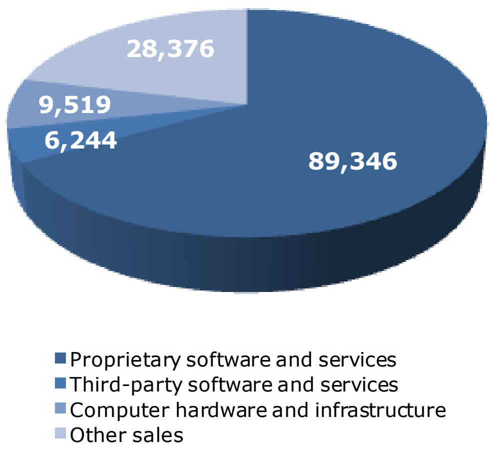
Operating profits and margins improved from EUR 14 million (11% on Sales revenues) posted in 2009 to EUR 18 million in 2011 (13%). Segment analysis below provides details on the sources of the growth. Unlike the 2011 net profit, net profits reported in 2009 and 2010 were adversely affected by UNiQUARE results which was discontinued in mid-2010. The impact of the UNiQUARE losses on the financial result of the Group was EUR 1.5 million and EUR 3.4 million in 2009 and 2010, respectively.

Reported revenues developed positively mainly in the core business activities of the Group. Provision of proprietary software and services grew by 8.5% in 2011 y/y, though it was slightly compensated by a drop in revenues from sale of third party software and services. Other revenues represented mainly by telco company Slovanet accounted for 24% of the Group revenues in both 2011 and 2010.

Structure by type of revenues in 2010



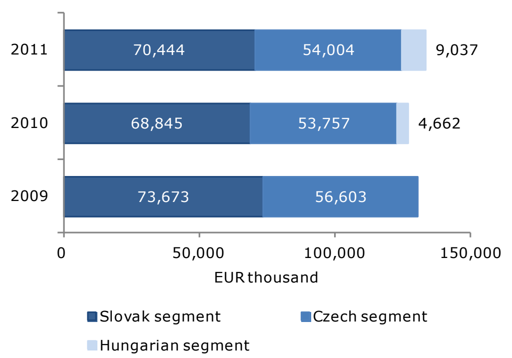
Structure by type of revenues in 2011



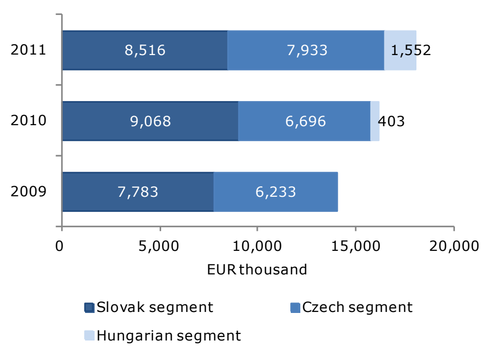
Financial performance of segments

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

Revenues by segments



Operating profit by segments



The major Slovak and Czech segments saw almost flat revenues in the 2009-2011 period. The ERP business of Asseco Solutions SK and CZ stagnated in both segments with total revenues at a level of EUR 25 million in 2010 and 2011. Slovanet revenues dropped in 2011 by EUR 1.5 million y/y due to a sizeable contract included in the 2010 figures. A moderate positive impact on the 2011 revenues was brought in by Asseco Central Europe CZ through realization of projects for Central Depository ("CDCR") and Registry of Rights and Obligations and Asseco Central Europe SK with its project for Narodná diaľničná spoločnosť. Unlike the traditional segments, the new Hungarian segment was the main contributor to the growth of the Group's revenues in 2011.

Despite the growing revenues, operating profit of the Slovak segment deteriorated by EUR 0.5 million in 2011 y/y. The main reasons were (i) worsened operating performance of Asseco Solutions SK in 2011 and (ii) higher amortization and depreciation expense in Slovanet (related to assets acquired in business combinations) and Asseco Central Europe SK (amortization of UNiQUARE license and intangibles write-off). A combined influence of the factors on the segment's operating profit was negative of EUR 2.5 million. Released provisions and higher grants for technological research compensated this negative impact to a final EUR 0.5 million reduction in operating profit of the segment in 2011.

Unlike the Slovak segment, the Czech segment experienced growth in operating profit by EUR 1.2 million in 2011 y/y. The trends in the ERP business were however, similar to those in the Slovak segment. Operating profit of Asseco Solutions CZ depressed by almost EUR 0.9 million, most of which was due to lower income from subsidies for creation of new work positions in 2011 y/y. This drop was more than offset by income from the CDCR project completed by Asseco Central Europe CZ.

Finally, the Hungarian sector had a clear positive contribution to the Group's results. Better than expected results were delivered mainly by Statlogics in 2011. The sector accounted for 6.7% of the Group revenues in 2011 whereby the operating profit contribution was almost 9% in the same period (after deduction for amortization of ingatibles recognized in business combinations).

Financial position of the Group

EUR thousand	As at 31 Dec 2009	Share on total	As at 31 Dec 2010	Share on total	As at 31 Dec 2011	Share on total
Goodwill and intangibles	64,087	*44.5%*	73,204	*47.1%*	65,337	*37.2%*
Other non-current assets	19,536	*13.6%*	22,008	*14.1%*	22,248	*12.7%*
Current assets, excluding cash	36,471	*25.3%*	38,000	*24.4%*	47,010	*26.8%*
Cash and cash equivalents	23,933	*16.6%*	22,357	*14.4%*	41,024	*23.4%*
Total Assets	**144,027**	*100.0%*	**155,569**	*100.0%*	**175,619**	*100.0%*
Equity	92,719	*64.4%*	99,374	*63.9%*	106,957	*60.9%*
Interest-bearing debt[1]	13,414	*9.3%*	10,570	*6.8%*	9,428	*5.4%*
Other non-interest bearing liabilities[1]	37,894	*26.3%*	45,625	*29.3%*	59,234	*33.7%*
Total Equity and Liabilities	**144,027**	*100.0%*	**155,569**	*100.0%*	**175,619**	*100.0%*

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

Financial indicators

Net debt	(10,519)		(11,787)		(31,596)	
Net liabilities	27,375		33,838		27,638	
Net liabilities to Equity	30%		34%		26%	

The balance sheet of the Group reflects that of a typical software group with a high proportion of assets allocated in goodwill and intangibles and relatively low leverage. Total assets grew by EUR 11.5 million in 2010 owing to the acquisitions carried out in Hungary and Slovakia. In 2011, the Group reported a steep increase in total assets to EUR 176 million which corresponded to increase in current assets from ordinary operations as well as retention of cash not paid out in dividends. The Group's net working capital position (current assets less current liabilities) remained very solid in the analyzed period.

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

Cash-flow analysis

EUR thousand	2009	2010	2011
Cash-flow from operating activities and FX differences	11,029	22,733	30,534
Cash-flow from investing activities	(18,434)	(16,593)	(4,573)
Cash-flow from financial activities	(11,309)	(7,632)	(7,294)
Change in cash for the period	**(18,714)**	**(1,534)**	**18,667**
Cash and cash equivalents, beginning of period	42,647	23,933	22,357
Cash and cash equivalents, end of period	23,933	22,357	41,024

The Group's cash generating ability remained strong in the period under assessment, with a good conversion of operating earnings into cash-flows. Operating cash-flows served as a main source of financing investments and acquisitions as well as dividend payouts. Further to that, the Group managed to create cash reserves for future periods.

Main uses of cash were allocated to acquisition of subsidiaries and non-current assets. In 2009, the Group settled liabilities outstanding from acquisition of UNiQUARE and ISZP and non-controlling interests in Asseco Solutions SK in total amount of EUR 13 million while property, plant and equipment ("PP&E") purchases totalled EUR 5 million. In the course of 2010, the Group acquired controlling interests in Statlogics and GlobeNet for a total cash consideration of EUR 11.7 million and PP&E investments (net of proceeds from disposals) of EUR 7 million. In 2011 the Group focused on consolidation of subsidiaries. During the same period, Slovanet outlays for infrastructure and acquisition of local internet providers exceeded EUR 6 million.

Since major investments carried out by the Group were financed from sources accumulated from operations, the debt balance continually decreased in the period of 2009-2011. Along with the prevailing debt repayments (debt was also drawn by Slovanet for the investments and acquisitions), the Group paid out dividends to shareholders of the Parent Company EUR of 10 million in 2009 and EUR 4.7 million in both 2010 and 2011.

Analysis of concentration risks

There were no customers (suppliers) exceeding a 10% share on total revenues (purchases) of the Group in year 2011.

11.1 Information on subsidiaries

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

EUR thousand	Sales revenues of the Group companies in the period of		Profits/(losses) attributable to the Group companies in the period of	
	12 months ended 31 Dec 2011	12 months ended 31 Dec 2010	12 months ended 31 Dec 2011	12 months ended 31 Dec 2010
	(audited)	(audited)	(audited)	(audited)
Asseco Central Europe SK	33,162	31,285	11,687	7,006
Asseco Solutions SK	9,394	8,980	269	433
Slovanet	29,783	31,257	1,229	1,217
MPI consulting	-	842	-	(101)
Asseco BERIT GmbH	2,866	2,168	105	85
Asseco BERIT AG	1,047	849	3	(5)
Asseco Solutions CZ	15,438	16,655	1,384	2,030
Asseco Central Europe CZ	37,870	33,030	6,453	5,178
UNiQUARE	-	2,352	-	(1,399)
Statlogics	6,082	3,380	2,524	627
Globenet	2,962	1,375	159	327
	138,604	**132,174**	**23,813**	**15,398**

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

12 DESCRIPTION OF SIGNIFICANT RISKS AND THREATS

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

- Risks associated with the macroeconomic situation in the markets where the Group operates. Unpredictable development of the markets, mainly because of still appreciable effects of the global financial crisis, uncertain economic growth, decline in business investments in the previous periods which may repeat in future, decline in public procurement due to budgetary restrictions or increase in inflation can have a negative impact on the activities and financial situation of the Group, its financial results and prospects of development

- Unstabile political situation prior to elections in Slovakia – early parliamentary elections will be held on 10 March 2012

- 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 Group's customers are customers from the financial sector, development in this sector will have an impact on the results of the Group

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

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

Risks associated with business activities of the Asseco Central Europe Group

- Dependence on few big projects and any difficulties in obtaining new projects may have an adverse impact on the Group's activities - each loss of an important project, which is not offset by revenue from new or existing projects may affected adversely the operation activities, forecasts, financial results and situation of the Group

- Dependence on major customers, loss of which could have an adverse impact on the Group's activities, may adversely affected operation activities, forecasts, financial results and position of the Group

- Failure to prepare and implement new products and services may have a material adverse effect on the Group's activities

- The Group plans to participate in the implementation of projects in the public sector, some of which will be co-financed from the resources available in the operational programs of the European Union. Any delays or restrictions on these projects may adversely affect the Group's operations

- Failure to meet contractual deadlines, or other parameters specified by the clients of the Group or the improper functioning of the solutions provided by the Group - there is still a potential risk that companies in the Group will not be able to meet all the needs of customers, which may result in a penalty payment.

- Loss of reputation in the eyes of customers - for example, following a competitive efforts toward the creation of competitive pressure on the Group through the media

- Customization of products to changes in the law may incur significant costs that may not be fully paid by the customer

- Major suppliers may limit cooperation with the Group (this applies primarily to support of the standardized third-party products that we use to deliver our solutions)

- Operational and financial difficulties of sub-contractors may adversely affect the reliability of the Group in the eyes of customers.

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

- Failure to execute the strategic goals of expansion

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

- A majority shareholder can take action in contradiction with the interests of other shareholders

- The risk of a potential conflict of interest of members of the Board of Directors and the Supervisory Board

- The number of members of the Supervisory Board, which elect employees according to relevant provisions of the Statute, may not be consistent with the law

- Insurance policy may not cover all risks

- Rapid growth and development can lead to difficulties in obtaining adequate managerial and operational resources

- Dependence on key personnel whose loss could adversely affect the Group's activities

- Board members who resign, may require compensation

- Group may not be able to maintain the existing corporate culture in relation with activities development

- Integration of management processes in the Group may be incorrectly interpreted and cause divergent decisions

- The adoption, interpretation and application of legislation in Slovakia may be different than in Poland and other countries

- Polish courts issued rulings against the Company may be more difficult to apply in Slovakia than it would be if the Company and its management were in Poland

- Shareholders from Poland may have difficulty with the exercise of rights under the Slovak legislative

- Investors may not be able to sell shares of the Company at the expected price or the expected date due to the lack of an active or liquid market

- Excess supply of the Company shares on the stock market may have an adverse impact on their price

13 CHANGES IN THE GROUP STRUCTURE

Asseco Central Europe, a. s. (SK) and following subsidiaries and associated companies form the Group as at 31 December 2011 :

	Country of registration	Scope of activities	Relationship with Parent Company	Voting interest			Equity interest		
				8 March 2012	31 Dec 2011	31 Dec 2010	8 March 2012	31 Dec 2011	31 Dec 2010
Subsidiary companies									
Slovanet, a.s.	Slovak Republic	Telco services	Direct subsidiary	51%	51%	51%	51%	51%	51%
AmiTel, s.r.o.	Slovak Republic	Internet provider	Indirect subsidiary	51%	51%	51%	51%	51%	51%
M-ELEKTRONIK, s.r.o.	Slovak Republic	Internet provider	Indirect subsidiary	100%	100%	-	100%	100%	-
Asseco Solutions, a.s. (SK)	Slovak Republic	ERP solutions	Direct subsidiary	100%	100%	100%	100%	100%	100%
Axera, s.r.o.	Slovak Republic	Software solutions	Indirect subsidiary	100%	100%	100%	100%	100%	100%
Data spol. s r.o.	Slovak Republic	Software solutions	Indirect subsidiary	100%	100%	-	100%	100%	-
Asseco Central Europe, a.s. (CZ)	Czech Republic	Software, integration and outsourcing	Direct subsidiary	100%	100%	100%	100%	100%	100%
Asseco Solutions, a.s. (CZ)	Czech Republic	ERP solutions	Indirect subsidiary	100%	100%	100%	100%	100%	100%
LCS Deutchland GmbH	Germany	ERP solutions	Indirect subsidiary	100%	100%	100%	100%	100%	100%
Asseco BERIT AG	Switzerland	Software, Geospatial and Network Solutions	Indirect subsidiary	100%	100%	100%	100%	100%	100%
Asseco BERIT GmbH	Germany	Software, Geospatial and Network Solutions	Indirect subsidiary	100%	100%	100%	100%	100%	100%
Statlogics Zrt.	Hungary	Banking IS	Direct subsidiary	85.02%	85.02%	70.04%	85.02%	85.02%	70.04%
Globenet Zrt.	Hungary	Hospital IS	Direct subsidiary	60%	60%	60%	60%	60%	60%
Associated companies									
Crystal Consulting s.r.o.	Slovakia	ERP solutions		30.23%	30.23%	30.23%	30.23%	30.23%	30.23%
Prvni Certifikacni Autorita, a.s. (I.CA)	Czech Republic	IT security		23.25%	23.25%	23.25%	23.25%	23.25%	23.25%

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

During the period of 12 months ended 31 December 2011 the following changes in the Group structure were observed:

Asseco Central Europe, a.s.:

- Notified call for 14.98% put option in Statlogics Zrt. Since May 2011 the Group owns 85.02% shares in the Company.

Slovanet, a.s.:

- Acquisition of 100% shares in M-Elektonik, s.r.o. in April 2011 and acquisition of 100% shares in WiMAX Telecom Slovakia, s.r.o. in May 2011. By the end of 2011 WiMAX Telecom Slovakia legally merged with Slovanet, a.s.

Asseco Solutions, a.s. (SK):

- Acquisition of 100% shares in Data spol. s r.o. in October 2011

14 SIGNIFICANT EVENTS AND ACHIEVEMENTS OF THE ASSECO CENTRAL EUROPE GROUP

On 28 July 2011, the Supervisory Board of the Asseco Central Europe, a.s. adopted a resolution on the appointment of Mr. Tomáš Osuský, Sales Director of Asseco Central Europe (SK), as a new member of the Board of Directors of the Company. The appointment came into effect on 1 August 2011.

On 8 December 2011, the Supervisory Board of the Company at its meeting adopted a resolution on the appointment of Mr. Marek Grác, Healthcare Business Unit Director of the Company as a new member of the Board of Directors of the Company. On the same day, Finance Director of the Company, Mr. Branislav Tkáčik, was appointed to the role of Authorised Signatory of the Company. Both appointments came into effect on the same day.

On 23 September 2011, the employees of the Company elected Mr. Ján Handlovský as a new employee representative in the Supervisory Board of the Company.

Important business contracts realized by the Company

- Ministry of Transport - National System of Traffic Information, pilot project
- Ministry of Transport – (ERRU) - Implementation of National level of European Register of Road Transport Undertakings
- Národná diaľničná spoločnosť - Comprehensive information system and extended SAP support
- Slovak Telekom – SAP Unification project T-Com, T-Mobile
- Českomoravská stavěbní spořitelna – StarBUILD, first phase of project - Proof of Concept
- Slovenská sporiteľňa (the Erste Group) – Contactless Payment Cards, 3D-Secure Payment

General Shareholders Meeting

Ordinary general shareholders meeting held on 21 April 2011 approved consolidated and standalone financial statements of Asseco Central Europe, a. s. (SK) and a distribution of net profit for financial year 2010. The dividends were paid out in the total amount of EUR 4,699,200 which represents EUR 0.22 per share.

Important business contracts realized by the Company's subsidiaries

Company	Significant events during the reporting period
Asseco Central Europe, a.s. (CZ)	▪ Ministry of Interior - Register of Rights and Obligations - **The most important/master register for e-Government** ▪ Ministry of Finance **-** Integration of ARES (Administration Register of Economic Subjects) to System ZR ▪ ČEZ ICT Services **-** Data preparation for SCADA distribution network ▪ Vysočina region - delivery of BI solution for the regional authority ▪ Kapsch **-** „Portal" support of new functionality extension of BUS category, New service for tolling systems dedicated to Phases ▪ Czech Statistical Office – Implementation part of Register of Legal Entities (ROS) – member of the consortium
Slovanet, a.s.	▪ Contract with Vizada - 3-year service contract ▪ Contract with Generali - sale and implementation of HW ▪ Contract with Coop Jednota Nové Zámky - 2-year service contract ▪ Contract with Konica Minolta - 2-year service contract ▪ Contract with Vares - 2-year service contract
Asseco Solutions, a.s. (SK)	▪ Contract with Consumer Finance Holding (Intesa Sanpaolo Group) - implementation of SLA Helios SPIN ▪ Contract with Úrad verejného zdravotníctva for the project e-learning ▪ Contract with Národná diaľničná spoločnosť - licence and implementation of Helios SPIN ▪ Contract with Turčianská vodárenská spoločnosť - licence and implementation of Helios Greeen ▪ Contract with TV Markíza - licence and implementation of Helios Green
Asseco Solutions, a.s. (CZ)	• Contract with BRANO – licence and implementation of Helios Green • Contract with X-Energy – licence and implementation of Helios Orange • Contract with Energie AG Bohemia – licence and implementation of Helios Orange
GlobeNet, Zrt.	• Contract with Hospital HEK, Csapatorvosi development • Contract with Hospital Jósa, Képdoktor PACS interface • Contract with BSI-Hospital Ajka, PACS interface

Statlogics, Zrt.	• Societe Generale Serbia - delivery of Credilogic Decision and Acquisition modules • Eurasian Bank Kazakhstan – Full Credilogic system for consumer and retail loans • MIG Credit - new client contract signed in Russia – Full Credilogic system – raise from 5 to 100 branches until the end of 2011

15 ADDITIONAL INFORMATION

15.1 Indication of proceedings pending before courts and public administration

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

15.2 Information about seasonality

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

15.3 Information on dividends paid or declared

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

Ordinary general shareholders meeting which was held on 21 April 2011 approved consolidated and standalone financial statements of Asseco Central Europe, a. s. and the distribution of net profit for 2010. The dividends were paid out in the total amount of EUR 4,699,200 which represents EUR 0.22 per 1 share.

15.4 Information on changes in contingent liabilities or contingent assets

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

15.5 Transactions with related parties

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

15.6 Loans, loan agreements, sureties, guarantees and commitments

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

15.7 Feasibility of achievement of published of forecasts for 2011

The Board of Directors of the Parent Company did not published any forecast for 2011.

15.8 Management of financial resources

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

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

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

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

15.9 Evaluation of feasibility of investment projects

Investments of the Group in 2011 were connected mostly with the purchase of non-controlling interests in subsidiaries with a plan to further integrate and consolidate the Group. Furhter to that, the Group invested in infrastructure, mainly in its telco subsidiary Slovanet.

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

15.10 Factors and events, particularly of unusual character, having an impact on financial results

There were the following one-off transactions having significant impact on financial results of the Group in 2011:

- Impairment charge on software and intangible assets (software used by MPI Consulting and acquisition related intangibles at Asseco Central Europe CZ) in total amount of EUR 1 million;
- Provisions created for warranties, legal proceedings and other provisions (net of provisions used) in net amount of EUR 1.7 million; and

- Received grants for research and creation of new labour positions in the total amount of EUR 0.8 million (Slovanet and Asseco Solutions (CZ)).

15.11 Characteristics of factors relevant to development of the Group

External factors affecting the future financial performance of the Group include:
- Development of economic situation in the countries of Central Europe and economic situation in the customers market
- Level of demand for IT solutions in the financial sector
- Level of demand for IT solutions in public administration
- The rapid pace of technological development
- Actions of competitors from the IT industry
- Exchange rate volatility

Internal factors affecting the future financial performance of the Group include:
- Realization of customer contracts
- Results of tenders and negotiation of new contracts in the IT sector
- Cooperation and synergies resulting from the collaboration of companies within the Group in order to maintain competitive advantages and strengthening the Group's position in the market
- The Group expects further integration of the Group companies, based on planned synergies enabling more benefits for Asseco Central Europe SK and CZ and Asseco Solutions SK and CZ in the future.

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

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

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

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

15.14 Information on salaries, bonuses or benefits for managers and supervisors

Information on salaries, bonuses or benefits for managers and supervisors are presented in the Note 33 of the Group's consolidated financial statements.

15.15 Information about existing agreements that may result in future changes of the proportions of shares held by existing shareholders

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

15.16 Information about the system checks of the employee share schemes

The Group does not conduct employee share schemes.

15.17 Agreement with the entity authorized to audit financial statements

The General Shareholders Meeting of Asseco Central Europe, a. s. approved the selection of Ernst & Young Slovakia, spol. s r. o. with registered seat at Hodžovo námestie 1/A Bratislava, SKAU Licence No. 257 as independent auditor for standalone and consolidated financial statements of Asseco Central Europe, a.s. for the year 2011.

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

15.18 Significant events after the balance sheet date

Receivable from disposal of shares in UNiQUARE

The Company and shareholders of UNiQUARE agreed on a new repayment schedule of the outstanding receivable from disposal of shares in UNiQUARE. The final maturity of the amount due is in December 2012. On 2 February 2012, the shareholders of UNiQUARE made an extraordinary instalment of EUR 2 million.

16 SELECTED FINANCIAL DATA OF CONSOLIDATED 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
	1 Jan 2011 - 31 Dec 2011	1 Jan 2010 - 31 Dec 2010	1 Jan 2011 - 31 Dec 2011	1 Jan 2010 - 31 Dec 2010
Sales revenues	552,641	509,616	133,485	127,264
Operating profit (loss)	74,526	64,738	18,001	16,167
Pre-tax profit (loss)	77,904	65,089	18,817	16,254
Net profit for the period reported attributable to Shareholders of the Parent Company	61,663	37,697	14,894	9,414
Net cash provided by (used in) operating activities	131,067	90,864	31,658	22,691
Net cash provided by (used in) investing activities	(18,933)	(66,445)	(4,573)	(16,593)
Net cash provided by (used in) financing activities	(30,198)	(30,562)	(7,294)	(7,632)
Increase (decrease) in cash and cash equivalents	81,937	(6,143)	19,791	(1,534)
Assets total	775,674	616,100	175,619	155,569
Non-current liabilities	28,113	54,304	6,365	13,712
Current liabilities	275,153	168,245	62,297	42,483
Shareholders' equity attributable to Shareholders of the Parent Company	450,377	373,349	101,969	94,273
Share capital	2,808	2,808	709	709
Number of shares (pcs.)	21,360,000	21,360,000	21,360,000	21,360,000
Earnings per share (in ZŁ/EUR)	2.89	1.76	0.70	0.44
Book value per share (in ZŁ/EUR)	21.09	17.48	4.77	4.41
Declared or paid dividends per share (in ZŁ/EUR)	0.91	0.87	0.22	0.22

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

Exchange rates

The following exchange rates between ZŁ and EUR were used to recalculate financial information

- Selected items of Statement of financial position as at 31 December 2011 were recalculated at exchange rate announced by National Bank of Poland on the balance sheet date (EUR 1 = ZŁ 4.4168)
- Selected items of Statement of financial position as of 31 December 2010 were recalculated at exchange rate announced by National Bank of Poland on the balance sheet date (EUR 1 = ZŁ 3.9603)

- Selected items of Profit and loss account and Statement of cash flows for the period from 1 January 2011 to 31 December 2011 were recalculated at average exchange rate calculated from exchange rates announced by National Bank of Poland on the last day of each month in the reported period (EUR 1 = ZŁ 4.1401)
- 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 at average exchange rate calculated from exchange rates announced by National Bank of Poland on the last day of each month in the reported period (EUR 1 = ZŁ 4.0044)
- The highest and the lowest exchange rate for the reported periods:

		1 Jan 2011 - 31 Dec 2011	**1 Jan 2010 - 31 Dec 2010**
max	ZŁ -> EUR	4.5642	4.1770
min	ZŁ -> EUR	3.8403	3.8356

Signatures of all members of the Board of Directors of Asseco Central Europe, a. s. under the Management report on activities of the Asseco Central Europe Group for the 2011 year

Jozef Klein Chairman of the Board	Marek Grác Member of the Board	Martin Morávek Member of the Board
Michal Navrátil Member of the Board	Tomáš Osuský Member of the Board	

8 March 2012, Bratislava

ASSECO CENTRAL EUROPE BOARD OF DIRECTORS STATEMENT

Statement of the Board of Directors of Central Europe, a. s. on the reliability of the consolidated financial statements of the Group of Asseco Central Europe for the period from 1 January to 31 December 2011.

The Board of Directors of Asseco Central Europe, a. s., according to its best knowledge, declares that the consolidated financial statements for the period from 1 January to 31 December 2011 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	Marek Grác Member of the Board of Directors	Martin Morávek Member of the Board of Directors
Michal Navrátil Member of the Board of Directors	Tomáš Osuský Member of the Board of Directors	

Statement of the Board of Directors of Asseco Central Europe, a. s. on the entity authorized to the consolidated financial statements of Central Europe, a. s. for the period from 1 January to 31 December 2011.

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

Jozef Klein	Marek Grác	Martin Morávek
Chairman of the Board of Directors	Member of the Board of Directors	Member of the Board of Directors

Michal Navrátil	Tomáš Osuský
Member of the Board of Directors	Member of the Board of Directors

8 March 2012, Bratislava

asseco CENTRAL EUROPE

Solutions for Demanding Business

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

8 March 2012

Declaration of Asseco Central Europe, a. s. on compliance with the Corporate Governance Standards, prepared pursuant to §91 sect. 5 item 4 of the Regulation of the Minister of Finance regarding current and periodic information to be submitted by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state, dated 19 February 2009 (Journal of Laws No. 33, item 259)

I. THE SET OF CORPORATE GOVERNANCE STANDARDS APPLICABLE TO THE ISSUER AND THE PLACE WHERE IT IS PUBLICLY AVAILABLE.

Asseco Central Europe, a. s. („the Company") is bound by the Code of Best Practice for WSE Listed Companies (2008) adopted by a resolution of the Supervisory Board of the Warsaw Stock Exchange on 4 July 2007. The report on corporate governance standards applied by Asseco Central Europe, a. s. was published in the Company's current report No. 15/2008 of 13 March 2008. Furthermore, the Company made a declaration of compliance with the corporate governance standards, which has been published on our corporate website www.asseco-ce.com, in the Investor Relations section.

II. CORPORATE GOVERNANCE STANDARDS WHICH HAVE BEEN PARTIALLY OR ENTIRELY WAIVED BY THE ISSUER AND THE RATIONALE FOR DOING SO.

The Company's Board of Directors decided to abandon application of the following corporate governance rules:

Rule No.	**Rule**	**Our comment**
II.1.11.	A company should operate a corporate website and publish information known to the Management Board based on a statement by a member of the Supervisory Board on any relationship of a member of the Supervisory Board with a shareholder who holds shares representing not less than 5% of all votes at the company's General Meeting.	We apply this rule in a limited scope, i.e., the Company discloses information on shareholders holding not less than 5% of the total number of votes at the general meeting in the form of a current report. Information on stakes held by members of our Board of Directors and Supervisory Board is disclosed in our periodical reports.
II. 3.	Before a company executes a significant agreement with a related entity, its Management Board shall request the approval of the transaction/agreement by the Supervisory Board. This condition does not apply to typical transactions made on market terms within the operating business by the company with a subsidiary where the company holds a majority stake. For the purpose of this	We apply this rule in line with our binding Articles of Associations. The powers of the Supervisory Board include *inter alia* granting consent for entering into agreements between the Company and members of its Board of Directors and Supervisory Board, our shareholders or entities linked with the Company or entities having capital or personal connection to members of our Board of Directors, Supervisory Board or our

	document, related entity shall be understood within the meaning of the Regulation of the Minister of Finance issued pursuant to Article 60.2 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (Dz.U. No. 184, item 1539, as amended).	shareholders.
II.7	A company shall set the place and date of a General Meeting so as to enable the participation of the highest possible number of shareholders.	We do not apply this rule. We are registered in Slovakia and our General Meetings take place in Slovakia. The possibility of some of our Polish shareholders to participate in General Meetings may be limited. In order to make this easier for our shareholders, we plan to organize, in Poland, meetings preceding the General Meeting at a convenient time and place. These pre-meetings will allow all shareholders to register and discuss topics intended to be subject matter of the General Meeting. They will be able to grant powers of attorney to persons delegated by us to such meetings.
III.1.1)	In addition to its responsibilities laid down in legal provisions the Supervisory Board should: once a year prepare and present to the Ordinary General Meeting a brief assessment of the company's standing including an evaluation of the internal control system and the significant risk management system.	We apply this rule in a limited scope, i.e. annual reports signed by Board of Directors include information regarding evaluation of the Company's situation.
III.4.	A member of the Supervisory Board should notify any conflicts of interest which have arisen or may arise to the Supervisory Board and should refrain from taking part in the discussion and from voting on the adoption of a resolution on the issue which gives rise to such a conflict of interest.	We apply this rule in a limited scope, i.e., our major shareholder, Asseco Poland is entitled to designate three out of five members of the Supervisory Board. Asseco Poland has a very similar business activities profile and potentially acceptance of this rule could be impossible or could complicate the activities of our Supervisory Board.
III.6	At least two members of the Supervisory Board should meet the criteria of being independent from the company and entities with significant connections with the company. The independence criteria should be applied under Annex II to the *Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board*. Irrespective of the provisions of point (b) of the said	We apply this rule in a limited scope, i.e. our major shareholder, Asseco Poland is entitled to designate three out of five members of the Supervisory Board. One Supervisory Board member is appointed by our employees. For these reasons, the Board of Directors is not able to ensure compliance with this rule.

	Annex, a person who is an employee of the company or an associated company cannot be deemed to meet the independence criteria described in the Annex. In addition, a relationship with a shareholder precluding the independence of a member of the Supervisory Board as understood in this rule is an actual and significant relationship with any shareholder who has the right to exercise at least 5% of all votes at the General Meeting.	
III.8	Annex I to the *Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors…* should apply to the tasks and the operation of the committees of the Supervisory Board.	We apply this rule in a limited scope, i.e., our Supervisory Board shall act on the basis of the laws of the Slovak Republic.
IV.6	The date of setting the right to dividend and the date of dividend payment should be set so to ensure the shortest possible period between them, in each case not longer than 15 business days. A longer period between these dates requires detailed grounds.	The Company acts on the basis of the regulations in force in the Slovak Republic and, as a company listed on the WSE, is obliged to obey the regulations in force in Poland. In the case of dividend payments, the Company must adjust the method of payment to the two systems. For this reason, there might be a slight delay between the day on which a right to a dividend is established and the day the dividend is actually paid.

III. MAIN FEATURES OF THE INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS APPLIED BY THE ISSUER IN THE PROCESS OF PREPARING ITS SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS.

The Company's separate and consolidated financial statements are prepared in compliance with the International Accounting Standards ("IAS") as well as the International Financial Reporting Standards ("IFRS"). Both IAS and IFRS include interpretations approved by the International Financial Reporting Interpretations Committee ("IFRIC").

One of the key control mechanisms in the process of preparing the Company's financial statements involves periodical verification of such financial statements by an independent certified auditors, and in particular the review of semi-annual financial statements as well as the preliminary and final audits of annual financial statements.

Certified auditors are selected by the Company in such a way as to ensure that their entrusted tasks are performed impartially. For the sake of such impartiality, the Company changes the entity authorized to audit its financial statements at least once every five years. The change of certified auditors should be also understood as changing the individual carrying out the audit. Certified auditors are each year selected by the Supervisory Board from among reputable auditing firms, which can guarantee high standards of service and independence. Auditing agreements are concluded for one-year periods.

In order to ensure accuracy of the Company's accounting books as well as generation of highly reliable financial data, the Company's Board of Directors adopted the following documents:

1. Company Organizational Regulations,
2. Accounting Policy and Chart of Accounts, both consistent with the International Financial Reporting Standards,
3. Quality Management System ISO 9001:2000,
4. Numerous internal procedures regulating the Company's operations with significant exposure to risk.

Quality of the accounting data, which provide basis for the preparation of financial statements, is additionally guaranteed by the fact that the Company's accounting books are maintained in an integrated ERP system.

The Audit Committee, established from among Members of the Supervisory Board, plays an important role in internal control of the preparation of separate and consolidated financial statements. This committee is entitled to perform financial auditing activities within the company and in particular to:

- monitor the financial reporting process;
- monitor efficiency of the internal control, internal audit and risk management systems;
- monitor performance of the financial audit activities;
- monitor independence of the certified auditor as well as of the entity authorized to audit financial statements.

The internal control and risk management procedures applied in the process of preparing the financial statements of Asseco Central Europe are very effective and enable production of high quality reports, which is best proved by the opinions issued by certified auditors following their audits of the Company's annual financial statements.

IV. SHAREHOLDERS WHO, DIRECTLY OR INDIRECTLY, HOLD SIGNIFICANT STAKES OF SHARES INCLUSIVE OF THE NUMBERS OF SHARES AND EQUITY INTERESTS HELD, AND THE NUMBERS OF VOTES AND VOTING INTERESTS THEY ARE ENTITLED TO AT THE GENERAL MEETING OF SHAREHOLDERS.

To the best knowledge of the Company's Board of Directors, as at the publication date of this report, i.e. on 8 March 2012, the Shareholders who, either directly or through their subsidiaries, held at least 5% of the total votes at the General Meeting of Shareholders were as follows:

Shareholder	Number of shares	Number of votes	% share
Asseco Poland	8,560,000	8,560,000	40.07

ING Otwarty Fundusz Emerytalny	1,406,946	1,406,946	6.59

V. HOLDERS OF ANY SECURITIES CARRYING SPECIAL RIGHTS WITH REGARD TO CONTROL OF THE COMPANY AND DESCRIPTION OF SUCH RIGHTS.

None

VI. LIMITATIONS ON THE EXERCISE OF VOTING RIGHTS, SUCH AS LIMITATIONS ON VOTING BY HOLDERS OF A CERTAIN PORTION OR NUMBER OF VOTES, TIMING LIMITATIONS ON VOTING, OR OTHER PROVISIONS UNDER WHICH, IN COOPERATION WITH THE COMPANY, OWNERSHIP OF SECURITIES IS DEPRIVED OF SOME RIGHTS INCIDENTAL THERETO.

None

VII. LIMITATIONS ON TRANSFERABILITY OF OWNERSHIP RIGHTS TO THE ISSUER'S SECURITIES.

None

VIII. RULES REGARDING APPOINTMENT AND DISMISSAL OF THE MANAGEMENT MEMBERS AND DETERMINING THEIR AUTHORITY, IN PARTICULAR THE RIGHT TO DECIDE ON ISSUANCE OR REDEMPTION OF SHARES.

The Board of Directors is the statutory body that manages the Company and acts on its behalf. Two members of the Board of Directors acting jointly are entitled to represent the Company. The Board of Directors decides all matters related to the operations of the Company unless the matter lies within the competence of the General Meeting or the Supervisory Board. Any 2 (two) members of the Board of Directors shall act jointly on behalf of the Company in all of the Company's matters towards third parties.

Members of the Board of Directors are elected for the period of 5 (five) years and recalled by the Supervisory Board of the Company. The Supervisory Board shall at the same time determine which of the members of the Board of Directors shall be the Chairman of the Board of Directors. If in accordance with the Articles of Association the Supervisory Board fails to elect/recall the member(s) of the Board of Directors or to appoint the Chairman of the Board of Directors, the General Meeting shall elect/recall members of the Board of Directors, appoint the Chairman of the Board of Directors in accordance with the Articles of Association. A repeated election is possible.

IX. RULES REGARDING AMENDMENT OF THE ISSUER'S ARTICLES OF ASSOCIATION

Commercial Code (Journal of Laws No. 513/1991) applicable in the Slovak Republic regulates the formal requirements for change of the Articles of Association in joint stock companies under § 173 and 174. Articles of Association of Asseco Central Europe, a. s. does not provide specific provisions governing the amendment of the Articles of Association, i.e. the Company applies the provisions of the Commercial Code in force in the Slovak Republic (Commercial Code), according to which a change of the Company Articles of Association requires a resolution of general meeting and the introduction of new wording to the Registrer of District Court Bratislava I.

If the general meeting agenda includes a change of the Articles of Association, the notice of general meeting must include at least a summary of the proposed changes. The draft amendments to the Articles of Association must be made available to shareholders for inspection at the premises of the company within a general meeting. The resolution of the general assembly to amend the Articles of Association requires a two-thirds of shareholders present at a general meeting and a notarial record must be prepared. After any change to the Articles of Association of the Board shall be obliged to prepare the full text of the Articles of Association and is responsible for its completeness and correctness.

X. THE MANNER OF OPERATION AND ESSENTIAL AUTHORITIES OF THE GENERAL MEETING OF SHAREHOLDERS, DESCRIPTION OF THE SHAREHOLDERS' RIGHTS AND THE EXERCISE THEREOF, AND IN PARTICULAR THE RULES SET FORTH BY THE BYLAWS OF THE GENERAL MEETING OF SHAREHOLDERS PROVIDED SUCH BYLAWS HAVE BEEN ADOPTED, UNLESS SUCH INFORMATION IS DETERMINED DIRECTLY BY THE PROVISIONS OF LAW.

The General Meeting shall be the supreme body of the Company. All shareholders and/or their proxies authorized under power of attorney, as well as other persons/entities shall have the right to participate in the General Meeting in compliance with provisions of the Articles of Association of the Company.

Members of the Board of Directors and the Supervisory Board shall attend the General Meeting. The General Meeting shall be held at least once per year and it shall be convened by the Board of Directors.

The General Meeting shall usually take place in Bratislava in the Company's registered seat. The General Meeting may be also held in another place determined by the Board of Directors during convocation of the General Meeting.

The Extraordinary General Meeting may be convened if the Company's interests require so, or in cases provided for by the generally binding legal regulations and/or the Articles of Association. The General Meeting shall be convened by the Board of Directors by publishing a notice of the General Meeting at least 30 (thirty) days before the date of the General Meeting in nationally circulated periodicals publishing news from the stock exchange.

In respect of difference in laws regulating operation of joint-stock company within two different systems of law, that means difference between Slovak laws, by which is regulated operation of the Company and Polish law regulating rules of trading with shares of the Company at Warszaw Stock Exchange, and for the purpose of explanation of these laws, the Board of Directors can call before each General Meeting an informational meeting of shareholders (further just „informational meeting"), which can happen in Bratislava and/or in Warszawa.

Informational meeting takes place not earlier than 5 and not later than 1 business day before the date of the General Meeting. The right of the shareholder to attend the General Meeting is checked upon an extract of the shareholder's account led by the member of Central Securities Depository in the Slovak Republic or by the member of foreign central depository, which has proprietor's account led in Central Securities Depository in the Slovak Republic, made out on the determining date in accordance with Articles of Association. The original extract from the shareholder's account must be in Slovak or English language in case it will be delivered directly by the depository (bank) to the address of Asseco Central Europe. In the event that the extract is delivered to the Shareholders' Meeting directly by the shareholder within the time specified in the invitation, it must be certified by a notary translation into Slovak language.

The shareholder may exercise its rights at the General Meeting either in person or through a proxy authorized under a written power of attorney. A shareholder's proxy authorized under a power of attorney may not be a member of the Supervisory Board of the Company.

During registration for the General Meeting the shareholders shall present the documents listed further below in order to allow for verification of their right to participate in the General Meeting:

I.

Original or officially authenticated copy from the extract of the shareholder's account led by the member of the Central Securities Depository in the Slovak Republic or by the member of foreign central depository, which has proprietor's account led in the Central Securities Depository in the Slovak Republic, made out on the determining date in accordance with the Articles of Association.

and

II.

(a) if the shareholder is an individual:

- a valid ID Card or a valid passport or another document replacing the above documents;

(b) if the shareholder is a legal entity:

- an original or an officially verified copy of the Excerpt from the Commercial Register not older than 3 (three) months, stating the situation of a shareholder - the legal entity valid at the time of the General Meeting, and

- its statutory body; members of the statutory body authorized to act in the name of the Company who are attending the General Meeting shall submit a valid ID Card or a valid passport or another document replacing the above documents;

(c) a proxy – an individual:

- an original or an officially verified copy of the power of attorney with an officially verified signature of a shareholder, if he/she is an individual, or with an officially verified signature of statutory body or members of a statutory body authorized to act on behalf of the shareholder if it is a legal entity;

- a valid ID Card or a valid passport or another document replacing the above documents; and

- if the proxy represents a shareholder – a legal entity – also an original or an officially verified copy of the Excerpt from the Commercial Register in respect of the shareholder not older than three (3) months, stating the situation of a shareholder - the legal entity valid at the time of the General Meeting.

(d) a proxy – a legal entity – represented by its statutory body:

- an original or an officially verified copy of the power of attorney with an officially verified signature of a shareholder, if he/she is an individual, or with an officially verified signature of statutory body or members of a statutory body authorized to act on behalf of the shareholder if it is a legal entity;

- an original or an officially verified copy of the Excerpt from the Commercial Register not older than three (3) months, stating the situation of a shareholder - the legal entity valid at the time of the General Meeting,

- a valid ID Card or a valid passport or another document replacing the above documents of the statutory representative of the proxy; and

- if the proxy represents a shareholder – a legal entity – also an original or an officially verified copy of the Excerpt from the Commercial Register not older than three (3) months, stating the situation of a shareholder - the legal entity valid at the time of the General Meeting.

The official language of the General Meeting is the Slovak. If a shareholder needs a translation into a foreign language, it must be provided by the shareholder at the shareholder's costs.

The General Meeting decide about all questions by two-thirds vote majority of present shareholders, except cases, when the generally binding legal acts require higher number of votes of shareholders (more).

The number of a shareholder's votes shall depend on the nominal value of shares held by such shareholder. Each share with a nominal value of 0.033194 EUR shall represent one vote.

Minutes must be taken from every General Meeting in respect of its course.

The following issues shall be entrusted in the scope of competence of the General Meeting:

(a) amendments to the Articles of Association of the Company,

(b) deciding on increase and decrease in the registered capital, on authorization of the Board of Directors to increase the registered capital pursuant to Section 210 of the Commercial Code and to issue bond

(c) selection and recalling of members of the Board of Directors, including appointment of the Chairman of the Board of Directors, provided that the Supervisory Board does not decide on election/recalling of members of the Board of Directors, including appointment of the Chairman of the Board of Directors pursuant to Article of Associatons,

(d) election and recalling of members of the Supervisory Board, except for the members of the Supervisory Board elected and recalled pursuant to Section 200 of the Commercial Code by employees of the Company,

(e) approval of the Annual and Extraordinary Financial Statements, deciding on distribution of profit or payment for losses and determining the royalties,

(f) deciding on transformation of the nature of securities issued as certificated securities into book-entry securities and vice-versa, if allowed by the generally binding legal regulations,

(g) deciding on winding-up of the Company and on a change in its legal form,

(h) deciding on termination of registration of the Company's shares for trading at the Stock Exchange and deciding on Company's ceasing to exist as a public joint-stock company,

(i) approval of directives applicable to remuneration of members of the Company's bodies,

(j) deciding on approval of an Agreement on transfer of the enterprise or Agreement on transfer of a part of the enterprise,

(k) deciding on change of type of the Company's shares issued as registered shares to bearer shares and vice-versa;

(l) deciding on division (split off) of the Company's shares into shares with lower nominal value;

(m) deciding on further questions that the law or the Articles of Associations put under the scope of competence of the General Meeting or that the General Meeting acquires into its scope of competence by its resolution.

Other provisions of the course and organization of the meetings of the shareholders meeting, its activities and the other issues are part of the appropriate provisions of the Commercial Code and Articles of Associations of the Company.

XI. COMPOSITIONS, LAST YEAR CHANGES IN THE COMPOSITIONS, AND OPERATIONS OF THE ISSUER'S MANAGEMENT, SUPERVISORY AND ADMINISTRATIVE BODIES AND THEIR COMMITTEES.

THE SUPERVISORY BOARD

The Supervisory Board is the inspection body of the Company which supervises how the Board of Directors exercises its range of powers and how the business activity of the Company is conducted. The Supervisory Board shall have 5 (five) members. The term of office of the members of the Supervisory Board shall be five (5) years.

Members of the Supervisory Board shall be elected and recalled by the General Meeting. The principle shall apply at all times that 3 (three) members of the Supervisory Board shall be nominated by Asseco Poland, S.A., with its registered office in Rzeszów, ul. Armii Krajowej 80, 35-307 Rzeszów, the Republic of Poland, registered in the Register of Entrepreneurs of the National Court Register held by the District Court in Rzeszów, XII Commercial Division of the National Court Register under the KRS number 0000104838 and 1 (one) member of the Supervisory Board shall be nominated and elected by employees pursuant to valid legal regulations.

The range of powers and duties of the Supervisory Board shall include, in particular, without limitation:

- review of the Annual and Extraordinary Financial Statements of the Company;
- review and evaluation of the Reports of the Board of Directors on the activity and position of the Company and the companies controlled by it, as well as review and evaluation of proposals of the Board of Directors for distribution of profit and/or covering of losses;
- approval of annual budget of the Company;
- submission of a written report on results of the aforementioned reviews at the General Meeting;
- approval of rules for remuneration of members of the Board of Directors of the Company;
- convocation of General Meetings of the Company in compliance with the conditions set forth by the Commercial Code and these Articles of Association;

- other issues entrusted to the competence of the Supervisory Board by legal regulations and/or other provisions of these Articles of Association;
- election and recalling of members of the Board of Directors, including appointment of the Chairman of the Board of Directors;
- granting approval with procuration granted by the Board of Directors of the Company;
- approval for the Company to take/provide loans and credits, the value of which exceeds the value of the registered capital in one transaction or in whole series of connected transactions or, as the case may be, a corresponding value of this amount in other currencies, which have not been taken into account in the financial budget of the Company, or which have not been approved by a resolution of the General Meeting or of the Supervisory Board;
- approval of a sale and purchase of real estate property by the Company, including co-ownership interests in the real estate property regardless of the value of the title to the real estate property to be acquired or transferred, which have not been taken into account in the financial budget of the Company;
- granting approval with disposition of costs, including investment costs of the Company, in the amount exceeding ten times the value of the registered capital in one transaction or in a series of connected transactions or, as the case may be, the corresponding value of this amount in other currencies, which have not been taken into account in the financial budget of the Company;
- provision of any guarantees, security interests, any out-of-balance sheet obligations, acceptance of liability for damage which have not been taken into account in the financial budget of the Company;
- granting approval with establishment or creation of an easement on any part of the real estate property of the Company, which has not been listed in the financial budget of the Company,
- approval of a purchase or any other acquisition of ownership interests of other companies, shares, with entrance of the Company into other business companies, associations of legal entities, foundations or other investment funds;
- approval of sale of assets of the Company, the value of which exceeds 10% (ten percent) of the book value of the assets of the Company based on the last financial statements verified by an independent auditor, the sale of which has not been taken into account in the financial budget of the Company;
- granting approval with entering into agreements between the Company and members of the Board of Directors of the Company, the Supervisory Board of the Company, shareholders of the Company or, as the case may be, Dependent Entities or entities connected through capital or personally with members of the Board of Directors, members of the Supervisory Board or shareholders;
- granting approval with the acquisition and subsequent use of a specific amount of treasury shares within the total amount of treasury shares that the Company is entitled to acquire based on the prior decision of the General Meeting.

Other provisions of the course and organization of the meetings of the supervisory board, its activities and the other issues are part of the appropriate provisions of the Commercial Code and Articles of Associations of the Company.

There were following members of the Supervisory Board of Asseco Central Europe, a. s. as at 31 December 2011:

Name and Surname	Position	Period
Adam Tadeusz Góral	Chairman	1.1.2011-31.12.2011
Andrej Košári	Vice-Chairman	1.1.2011-31.12.2011
Ján Handlovský	Member (elected by employees)	1.1.2011-31.12.2011
Marek Paweł Panek	Member	1.1.2011-31.12.2011
Przemysław Sęczkowski	Member	1.1.2011-31.12.2011

There were following members of the Supervisory Board of Asseco Central Europe, a. s. as at 8 March 2012:

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

THE BOARD OF DIRECTORS

The Board of Directors is the statutory body of the Company which manages all the activity of the Company, acts on its behalf and represents it in legal acts. The Board of Directors decides all matters of the Company unless they fall within the powers of the

General Meeting or the Supervisory Board pursuant to legal regulations or these Articles of Association.

The Board of Directors adopts a decision by majority of all votes of its present members.

The Board of Directors shall in particular, without limitation, to:

a) ensure proper management of the Company's accounting and submit to the General Meeting for approval the Company's annual or extraordinary financial statements and a proposal for distribution of profit or covering of the Company's losses,

b) together with the annual financial statements, submit to the General Meeting once a year a report on the business activities of the Company and the state of its assets and liabilities; this report shall form an integral part of the annual report prepared according to special regulations,

c) submit to the Supervisory Board once a year information on fundamental intentions of the business management of the Company for the future period as well as the expected development of the state of assets and liabilities, finances and proceeds of the Company,

d) upon request and within the term determined by the Supervisory Board submit a written report on the state of the business activity and assets and liabilities of the Company as compared with the expected development,

e) inform the Supervisory Board without undue delay about all facts which may substantially influence the development of the business activity and the state of assets and liabilities of the Company, in particular its liquidity,

f) upon request of the Supervisory Board, participate in meetings of the Supervisory Board and give its members additional information in the requested scope about submitted written reports,

g) convene an extraordinary General Meeting without undue delay if it finds out that the Company's loss has exceeded one third of its registered capital or if this can be expected, and submit to the General Meeting proposals for measures; the Board of Directors shall also inform the Supervisory Board without undue delay about these facts,

h) exercise its range of powers with due diligence and in accordance with interests of the Company and all its shareholders. In particular, it shall obtain and take into account all accessible information concerning the subject matter of decision-making, not to disclose business secret and confidential information and facts to third parties, if such disclosure might be detrimental to the Company or threaten interests of the Company and its shareholders. The obligation to keep confidential shall apply also after the expiration of the term of office of a member of the Board of Directors until such information becomes generally known,

i) ensure publication of data from financial statements verified by an auditor in accordance with Act on Accounting at the cost of the Company by publishing them in Commercial Bulletin,

j) submit all documents prescribed by law to the collection of deeds maintained by the relevant Commercial Register and submit motions for entry/change of entry of all data to be registered with the Commercial Register, and that within 30 days as of their occurrence,

k) with a prior consent of the Supervisory Board adopt principles for founding of a new company with an interest of the Company or acquisition of an interest in an existing company, as well as establishment of its branch office in the Slovak Republic or abroad,

l) observe provisions of relevant generally binding legal regulations, Articles of Association of the Company and decisions of its bodies; executes budget of the

Company, submits it for the approval of the Board of Directors and after obtaining of an approval is responsible for its fulfillment.

Other provisions of the course and organization of the meetings of the board of directors, its activities and the other issues are part of the appropriate provisions of the Commercial Code and Articles of Associations of the Company.

There were following members of the Board of Directors of Asseco Central Europe, a. s. as at 31 December 2011:

Name and Surname	Position	Period
Jozef Klein	Chairman	1.1.2011-31.12.2011
Marek Grác	Member	8.12.2011-31.12.2011
Martin Morávek	Member	1.1.2011-31.12.2011
Michal Navrátil	Member	1.1.2011-31.12.2011
Tomáš Osuský	Member	1.8.2011-31.12.2011

There were following members of the Board of Directors of Asseco Central Europe, a. s. as at 08 March 2012:

Name and Surname	Position	Period
Jozef Klein	Chairman	1.1.2012 – present
Marek Grác	Member	1.1.2012 – present
Martin Morávek	Member	1.1.2012 – present
Michal Navrátil	Member	1.1.2012 – present
Tomáš Osuský	Member	1.1.2012 – present

Jozef Klein	Marek Grác	Martin Morávek
Chairman of the Board of Directors	Member of the Board of Directors	Member of the Board of Directors

Michal Navrátil	Tomáš Osuský
Member of the Board of Directors	Member of the Board of Directors

Ernst & Young Slovakia, spol. s r.o.
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Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of Asseco Central Europe, a.s. and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position as at 31 December 2011, the consolidated profit and loss account, consolidated statement 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

THIS IS A TRANSLATION OF THE ORIGINAL SLOVAK REPORT

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2011, 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.

8 March 2012
Bratislava, Slovak Republic

Ernst & Young Slovakia, spol. s r.o.	Ing. Peter Uram - Hrišo
SKAU Licence No. 257	UDVA Licence No.996

THE ASSECO CENTRAL EUROPE GROUP

CONSOLIDATED FINANCIAL STATEMENTS INCLUDING OPINION OF INDEPENDENT AUDITORS

FOR THE YEAR ENDED 31 DECEMBER 2011

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

Bratislava, 8 March 2012

CONSOLIDATED FINANCIAL STATEMENTS OF THE ASSECO CENTRAL EUROPE GROUP INCLUDING OPINION OF INDEPENDENT CERTIFIED AUDITORS FOR THE YEAR ENDED 31 DECEMBER 2011

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

FOR THE YEAR ENDED 31 DECEMBER 2011

These consolidated financial statements were prepared on 8 March 2012 and authorized for publication by the Management Board of Asseco Central Europe, a.s. on 8 March 2012.

Management Board:

RNDr. Jozef Klein	Chairman of the Management Board
Ing. Martin Morávek	Member of the Management Board
Ing. Michal Navrátil	Member of the Management Board
Ing. Tomáš Osuský	Member of the Management Board
Ing. Marek Grác	Member of the Management Board

Person responsible for maintaining the accounting books:

Ing. Rastislav Mordavský	Chief Accountant

CONSOLIDATED PROFIT AND LOSS ACCOUNT
THE ASSECO CENTRAL EUROPE GROUP

	Note	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (restated)
Sales revenues	1	**133,485**	**127,264**
Cost of sales	2	(88,503)	(83,883)
Gross profit on sales		**44,982**	**43,381**
Selling expenses	2	(11,543)	(12,862)
General and administrative expenses	2	(14,170)	(14,418)
Net profit on sales		**19,269**	**16,101**
Other operating income	3	2,629	1,856
Other operating expenses	3	(3,897)	(1,790)
Operating profit		**18,001**	**16,167**
Financial income	4	2,937	670
Financial expenses	4	(2,415)	(862)
Share in profits of associated companies	13	294	279
Pre-tax profit		**18,817**	**16,254**
Corporate income tax (current and deferred portions)	5	(3,075)	(3,240)
Net profit for the period reported from continuing operations		**15,742**	**13,014**
Profit / loss after tax for financial year on discontinued operations		-	(3,404)
Net profit for reporting period		**15,742**	**9,610**
Attributable to:			
Shareholders of Parent Company		**14,894**	**9,414**
Non-controlling interest	21	**848**	**196**
Consolidated earnings per share attributable to Shareholders of Asseco Central Europe, a.s. (in EUR):			
Basic consolidated earnings per share from continuing operations for reporting period	6	0.70	0.44
Diluted consolidated earnings per share from continuing operations for reporting period	6	0.70	0.44

All figures in thousands of EUR, unless stated otherwise

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME THE ASSECO CENTRAL EUROPE GROUP

	Note	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Net profit for reporting period		**15,742**	**9,610**
Other comprehensive income:			
Foreign currency translation differences on subsidiary companies		(3,161)	3,216
Total other comprehensive income		**(3,161)**	**3,216**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**12,581**	**12,826**
Attributable to:			
Shareholders of Parent Company		*12,071*	*12,630*
Non-controlling interests		*510*	*196*

All figures in thousands of EUR, unless stated otherwise

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
THE ASSECO CENTRAL EUROPE GROUP

ASSETS	Note	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Non-current assets		**87,585**	**95,212**
Property, plant and equipment	9	19,293	18,688
Intangible assets	10	24,020	28,551
Consolidation goodwill	12	41,317	44,653
Investments in associated companies	13	762	745
Non-current loans	14	11	590
Non-current receivables	19	87	1,441
Restricted cash		3	24
Deferred income tax assets	5	2,092	520
Current assets		**88,034**	**60,357**
Inventories	17	501	429
Deferred expenses	16	2,437	2,300
Trade accounts receivable	19	29,636	26,412
Receivables from state budgets	19	1,128	1,084
Other receivables	19	12,700	7,743
Loans granted	14	598	32
Financial assets valued at fair value through profit or loss		10	-
Cash and cash equivalents	20	41,024	22,357
TOTAL ASSETS		**175,619**	**155,569**

All figures in thousands of EUR, unless stated otherwise

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
THE ASSECO CENTRAL EUROPE GROUP

SHAREHOLDERS' EQUITY AND LIABILITIES	**Note**	**31 Dec 2011 (audited)**	**31 Dec 2010 (audited)**
Shareholders' equity (attributable to Shareholders of the Parent Company)		**101,969**	**94,273**
Share capital	21	709	709
Share premium		74,901	74,901
Foreign currency translation differences on foreign operations		(4,762)	(1,939)
Retained earnings		31,121	20,602
Non-controlling interests	21	**4,988**	**5,101**
Total shareholders' equity		**106,957**	**99,374**
Non-current liabilities		**6,365**	**13,712**
Interest-bearing bank credits, loans and debt securities	24	2,122	4,228
Deferred income tax provisions	5	781	2,008
Non-current provisions	25	1,900	-
Non-current financial liabilities	22	534	5,797
Non-current deferred income	26	853	1,534
Other non-current liabilities	26	175	145
Current liabilities		**62,297**	**42,483**
Interest-bearing bank credits, loans and debt securities	24	5,662	3,724
Trade accounts payable	26	18,013	12,725
Liabilities due to state budget	26	5,034	3,901
Financial liabilities	22	5,624	3,912
Other current liabilities	26	12,217	5,015
Provisions	25	2,966	3,185
Current accrued expenses	26	4,826	4,035
Current deferred income	26	7,955	5,986
TOTAL LIABILITIES		**68,662**	**56,195**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**175,619**	**155,569**

All figures in thousands of EUR, unless stated otherwise

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
THE ASSECO CENTRAL EUROPE GROUP

	Note	Share capital	Share premium	Foreign currency translation differences on foreign operations	Retained earnings	Shareholders' equity of Parent Company	Minority interests	Total shareholders' equity
As at 1 January 2011	21	**709**	**74,901**	**(1,939)**	**20,602**	**94,273**	**5,101**	**99,374**
Net profit for period		-	-	-	14,894	**14,894**	848	**15,742**
Total other comprehensive income for reporting period		-	-	(2,823)	-	**(2,823)**	(338)	**(3,161)**
Dividend for 2010	7	-	-	-	(4,699)	**(4,699)**	(321)	**(5,020)**
Put option on non-controlling interests in Statlogics	21	-	-	-	495	**495**	291	**786**
Purchase of 14.98% in Statlogics	21	-	-	-	(108)	**(108)**	(593)	**(701)**
Other movements		-	-	-	(63)	**(63)**	-	**(63)**
As at 31 December 2011 (audited)		**709**	**74,901**	**(4,762)**	**31,121**	**101,969**	**4,988**	**106,957**
As at 1 January 2010	21	**709**	**74,901**	**(5,155)**	**19,542**	**89,997**	**2,722**	**92,719**
Net profit for period		-	-	-	9,414	**9,414**	196	**9,610**
Total other comprehensive income for reporting period		-	-	3,216	-	**3,216**	-	**3,216**
Dividend for 2009	7	-	-	-	(4,699)	**(4,699)**	-	**(4,699)**
Non-controlling interest in Statlogics		-	-	-	-	**-**	683	**683**
Put option on non-controlling interests in Statlogics		-	-	-	(2,460)	**(2,460)**	(877)	**(3,337)**
Release of acquisition costs related to Statlogics to equity		-	-	-	(437)	**(437)**	-	**(437)**
Acquisition of non-controlling interests in MPI Consulting		-	-	-	(116)	**(116)**	116	**-**
Non-controlling interest in GlobeNet		-	-	-	-	**-**	1,701	**1,701**
Derecognition of non-controlling interests on disposal of UNiQUARE		-	-	-	-	**-**	560	**560**
Other movements		-	-	-	(642)	**(642)**	-	**(642)**
As at 31 December 2010 (audited)		**709**	**74,901**	**(1,939)**	**20,602**	**94,273**	**5,101**	**99,374**

All figures in thousands of EUR, unless stated otherwise

CONSOLIDATED STATEMENT OF CASH FLOWS
THE ASSECO CENTRAL EUROPE GROUP

	Note	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (restated)
Cash flows - operating activities			
Pre-tax profit (loss) from continuing and discontinued operations excluding share in profit from associates		18,523	12,578
Total adjustments:		**17,916**	**13,281**
Depreciation and amortization		9,259	6,868
Changes in working capital	27	7,444	3,610
Interest income and expense		(266)	(118)
Gain (loss) on foreign exchange differences		223	88
Gain (loss) on investing activities		1,202	2,203
Other		54	630
Net cash generated from operating activities		**36,439**	**25,859**
Corporate income tax paid		(4,781)	(3,168)
Net cash provided by (used in) operating activities		**31,658**	**22,691**
Cash flows - investing activities			
Disposal of tangible assets and intangible assets		665	942
Acquisition of tangible assets and intangible assets		(5,462)	(7,941)
Acquisition of subsidiary companies	12	(938)	(11,992)
Cash and cash equivalents of subsidiary companies acquired		22	996
Proceeds from disposal of shares in subsidiary companies	8	860	280
Cash and cash equivalents of subsidiary companies divested		-	(213)
Disposal/settlement of financial assets valued at fair value through profit or loss		(5)	-
Loans collected		19	1,314
Interest received		77	62
Dividends received		189	-
Other items		-	(41)
Net cash used in (provided) by investing activities		**(4,573)**	**(16,593)**

All figures in thousands of EUR, unless stated otherwise

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

	Note	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (restated)
Cash flows - financing activities			
Acquisition of non-controlling interests		(699)	-
Proceeds from bank credits and loans		2,600	3,255
Repayment of bank credits and loans		(2,768)	(4,356)
Finance lease commitments paid		(1,103)	(1,832)
Interest paid		(114)	-
Dividends paid to shareholders of Parent entity		(4,699)	(4,699)
Dividends paid to non-controlling interests		(511)	-
Other		-	-
Net cash used in (provided) financing activities		**(7,294)**	**(7,632)**
Increase (decrease) in cash and cash equivalents		19,791	(1,534)
Net foreign exchange differences		(1,124)	(42)
Cash and cash equivalents as at 1 January		22,357	23,933
Cash and cash equivalents as at 31 December		**41,024**	**22,357**

All figures in thousands of EUR, unless stated otherwise

SUPPLEMENTARY INFORMATION AND EXPLANATIONS

I. GENERAL INFORMATION

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

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

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

The parent of Asseco Central Europe, a.s. (SK) is Asseco Poland S.A. As at 31 December 2011, Asseco Poland SA held a 40.07% stake in Asseco Central Europe, a.s.

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

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

These consolidated financial statements cover the 12 months period ended 31 December 2011 and contain comparative data for the 12 months period ended31 December 2010 in the case of the statement of comprehensive income, statement of changes in equity and statement of cash flows; and balance sheet data as at 31 December 2011 and 31 December 2010 in the case of the statement of financial position.

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

II. ACCOUNTING PRINCIPLES APPLIED IN PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis for preparation of consolidated financial statements

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

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

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

Up to the date of approval of these financial statements, no circumstances indicating a threat to the Group companies' ability to continue as going concerns have been identified.

2. Compliance statement

These consolidated financial statements were prepared in compliance with the International Financial Reporting Standards ("IFRS") adopted by the European Union. As at the date of approving publication of these financial statements, given the ongoing process of implementing the IFRS standards in the European Union as well as the Group's operations, in the scope of accounting principles applied by the Group no difference pertains between the IFRS that came into force and the IFRS as endorsed by the EU, other than as disclosed in Note 6.

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

3. Significant professional judgments, estimates and assumptions

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

In the 12 month period ended 31 December 2011, the Group's approach to making estimates was not subject to any substantial changes compared to previous periods. Details of the main areas subject to accounting estimates and the management's professional judgment, and whose estimates, if changed, could significantly affect the Group's future results, are given below.

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

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

Assumed future operating cash flows are not always consistent with the agreements with customers or suppliers, due to modifications of IT projects implementation schedules. As at 31 December 2011, receivables from the valuation of IT contracts amounted to EUR 1,974 thousand (EUR 1,763 thousand as at 31 December 2010), while liabilities due to this valuation equalled EUR 2,832 thousand (EUR 236 thousand as at 31 December 2010). As at 31 December 2011, no valuation of embedded financial derivatives was recognized in financial liabilities. In the case of contracts denominated in foreign currencies, embedded financial derivatives are not disclosed separately. Revenues and expenses relating to such contracts are determined on the basis of spot exchange rates.

ii Rates of depreciation and amortization

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

iii Goodwill – impairment test

As at 31 December 2011, the Management Board of the Parent Company performed impairment tests on goodwill which resulted from acquisitions of subsidiary companies. This task required making estimates of the value in use of cash-generating units to which goodwill was allocated. The value in use is estimated by determination of future cash flows expected to be achieved from the cash-generating units and determination of a discount rate to be subsequently used in order to calculate the net present value of those cash flows. As at 31 December 2011, goodwill arising from the acquisition of subsidiary companies amounted to EUR 41,317 thousand, compared to EUR 44,653 thousand as at 31 December 2010.

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

As at 31 December 2011, the Group recognized liabilities by virtue of future payments to non-controlling interests in the companies Statlogics, Zrt. ("Statlogics"), GlobeNet, Zrt. ("GlobeNet") and Asseco Solutions, a.s. (CZ). Determination of the amounts payable under such liabilities required making estimates of the companies' financial results. As at 31 December 2011 and 31 December 2010, such liabilities equalled EUR 4,354 thousand and EUR 6,590 thousand, respectively.

v Intangible assets acquired in acquisitions

As at 31 December 2011, net value of intangible assets recognized as part of purchase price allocations related to the Group's acquisitions of subsidiaries amounted to EUR 7,833 thousand (EUR 9,668 thousand as at 31 December 2010). The intangibles comprise various categories of assets including customer contracts and related customer relationships and software and licenses recognized in the acquisitions of Statlogics, GlobeNet as well as the business combination carried out by Slovanet, a.s. ("Slovanet").

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

vi Deferred tax

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

4. Changes in principles of presentation applied

In the second half of 2010, the Parent Company harmonized its internal reporting methodology with that of the Asseco Group (Asseco Poland S.A.). As a result, costs of EUR 1,207 thousand have been derecognized from general and administrative expenses and included in cost of sales in the profit and loss account. This presentation change had an impact on the consolidated profit and loss account for the six months period ended 31 December 2010.

In a similar manner, management of Asseco Solutions, a.s. changed the presentation of costs of sales, selling expenses and general and administrative expenses related to the profit and loss account for the 12 months period ended 31 December 2010. As a result, the Group's cost of sales increased by EUR 2,653 thousand and the Group's selling expenses and general and administrative expenses decreased by the corresponding amount, as given in the table below.

Position in Profit & Loss account	12 months ended 31 Dec 2010 (restated)	12 months ended 31 Dec 2010	Change
Cost of sales	(83,883)	(80,023)	(3,860)
Selling expenses	(12,862)	(14,067)	1,205
General and administrative expenses	(14,418)	(17,073)	2,655
	(111,163)	**(111,163)**	**-**

In 2011 the Parent Company corrected the presentation of the following items in the Statement of cash flows:

Position in Statement of cash flows	12 months ended 31 Dec 2010 (restated)	12 months ended 31 Dec 2010	Change
Finance lease commitments paid	(1,832)	(79)	(1,753)
Net foreign exchange differences	(42)	(1,795)	1,753

5. Changes in accounting principles applied

The accounting principles (policy) adopted in preparation of these consolidated financial statements are consistent with those applied for preparation of the Group's consolidated financial statements for the year ended 31 December 2010, except for applying the following amendments to standards and new interpretations effective for annual periods beginning on or after 1 January 2011. The Group applied all Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB as adopted by the European Union ("EU") that are relevant to the Group's operations.

All figures in thousands of EUR, unless stated otherwise

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

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

- *IAS 24 Related Party Disclosures (Amendment)* - The amended standard is effective for annual periods beginning on or after 1 January 2011. It clarifies 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. The Group does not expect any impact on its financial position or performance.
- *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 amends 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. This amendment has no impact on the Group's financial position or performance.
- *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. The amendment does not have any impact on the financial statements of the Group.
- *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. The adoption of this interpretation has no effect on the financial statements of the Group.

Improvements to IFRSs (issued in May 2010)

In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies, but no impact on the financial position or performance of the Group.

- *IFRS 7 Financial Instruments — Disclosures:* The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context.
- *IAS 1 Presentation of Financial Statements:* The amendment clarifies that an entity may present an analysis of each component of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Group:

- IFRS 3 Business Combinations

- IAS 27 Consolidated and Separate Financial Statements
- IAS 34 Interim Financial Statements

The following interpretation and amendments to interpretations did not have any impact on the accounting policies, financial position or performance of the Group:

- IFRIC 13 Customer Loyalty Programmes
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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

Standards issued but not yet effective or not yet adopted by the EU up to the date of issuance of the Group's financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards when they become effective.

- *IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income ("OCI").* The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012.
- *IAS 19 Employee Benefits (Amendment).* The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The application of this amendment will have no impact on the financial position of the Group. The amendment becomes effective for annual periods beginning on or after 1 January 2013.
- *IAS 27 Separate Financial Statements (as revised in 2011).* As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The amendment becomes effective for annual periods beginning on or after 1 January 2013.
- *IAS 28 Investments in Associates and Joint Ventures (as revised in 2011).* As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment becomes effective for annual periods beginning on or after 1 January 2013.
- *IFRS 7 Financial Instruments: Disclosures— Transfers of Financial Assets (Amendments to IFRS 7).* The IASB has amended the required disclosures relating to transfers of financial assets. The objective of the amendments is to help users of financial statements evaluate the risk exposures relating to such transfers and the effect of those risks on an entity's financial position. The amendment becomes effective for annual periods beginning on or after 1 July 2011.
- *IFRS 7 Financial Instruments: Disclosures — Enhanced Derecognition Disclosure Requirements.* The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in

those derecognised assets. The amendment becomes effective for annual periods beginning on or after 1 July 2011. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

- *IFRS 9 Financial Instruments: Classification and Measurement.* IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected over the course of 2012. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets and on classification and measurements of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.
- *IFRS 10 Consolidated Financial Statements.* IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled and, therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27. This standard becomes effective for annual periods beginning on or after 1 January 2013.
- *IFRS 11 Joint Arrangements.* IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities ('JCEs') using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The application of this new standard will have no impact on the financial position of the Group. This standard becomes effective for annual periods beginning on or after 1 January 2013.
- *IFRS 12 Disclosure of Involvement with Other Entities.* IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This standard becomes effective for annual periods beginning on or after 1 January 2013.
- *IFRS 13 Fair Value Measurement.* IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group is currently assessing the impact that this standard will have on the financial position and performance. This standard becomes effective for annual periods beginning on or after 1 January 2013.

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

7. Summary of major accounting principles

i. Basis of consolidation

These consolidated financial statements include the financial statements of the Parent Company – Asseco Central Europe, a.s. (SK) as well as the financial statements of its subsidiary companies prepared in each case for the year ended 31 December 2011. The annual financial statements of subsidiary companies are prepared for the same reporting period as adopted by the Parent Company, with the use of consistent accounting principles for similar transactions and economic activities.

Basis of consolidation from 1 January 2010

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

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

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

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

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

Basis of consolidation prior to 1 January 2010

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

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

Business combinations and goodwill

Business combinations from 1 January 2010

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

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

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

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

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

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

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

Business combinations prior to 1 January 2010

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

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

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

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

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

Business combination under common control

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

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

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

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

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

ii. Investments in associated companies

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

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

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

iii. Goodwill

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

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

iv. Disposal of subsidiary and associated companies

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

v. Participation in a joint venture

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

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

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

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

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

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

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

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

vii. Translation of items expressed in foreign currencies

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

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

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

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

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

Currency	As at 31 Dec 2011	As at 31 Dec 2010
CZK	25.7870	25.0610
CHF	1.2156	1.2504
HUF	314.5800	277.9500
PLN	4.4580	3.9750

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

Currency	Period of 12 months ended 31 Dec 2011	Period of 12 months ended 31 Dec 2010
CZK	24.5900	25.2840
CHF	1.2330	1.3800
HUF	279.3730	275.4805
PLN	4.1210	3.9947

viii. Property, plant and equipment

All figures in thousands of EUR, unless stated otherwise

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

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

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

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

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

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

ix. Intangible assets

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

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

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

Type	Period of useful life
Cost of development work	2-5 years
Computer software	2-9 years
Patents and licences	2-8 years
Customer contracts and related customer relations	2-7 years
Other	2-5 years

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

Except for development work on products (software packages), intangible assets produced by the company on its own are not capitalized, but expenditures on their production are expensed in the profit and loss account for the period in which they were incurred.

Research and development work

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

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

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

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

x. Leasing

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

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

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

xi. Impairment of non-financial assets

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

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

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

Impairment tests are performed every year for intangible assets with an indefinite period of useful life, not yet available for use and those which are no longer used. The remaining intangible assets are tested for impairment if there are indicators of a possible impairment in value. Should the book value exceed the estimated recoverable value (whichever is the higher of the two following values – net sales price or value in use), the value of these assets is reduced to the recoverable value.

xii. Government subsidies

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

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

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

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

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

xiii. Financial instruments

Financial instruments are divided into the following categories:

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

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

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

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

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

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

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

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

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

xiv. Trade accounts receivable

Trade accounts receivable, usually with payment terms ranging from 14 to 60 days, are recognized and disclosed at the amounts initially invoiced, less any allowances for uncollectable receivables. An allowance for doubtful accounts is determined if it is no longer probable that the entire amount receivable will be collected. Doubtful accounts are expensed in the profit and loss account at the time when they are deemed uncollectible.

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

xv. Cash and cash equivalents, restricted cash

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

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

xvi. Interest-bearing bank credits and loans

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

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

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

xvii. Trade accounts payable

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

xviii. Derivative financial instruments

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

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

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

xix. Impairment of financial assets

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

Financial assets carried at amortized cost

If there is objective evidence that an impairment loss on loans or receivables valued at amortized cost has been incurred, the amount of the impairment write-down is measured as the difference between the asset's book value and the present value of estimated future cash flows (excluding future bad debt losses that have not yet been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amounts of such assets are reduced either directly or by establishing an impairment write-down. The amount of the loss is recognized in the profit and loss account.

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

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

Financial assets carried at cost

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

Financial assets available for sale

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

xx. Inventories

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

xxi. Deferred expenses

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

In particular, deferred expenses may include the following items:

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

xxii. Accrued expenses and deferred income

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

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

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

xxiii. Revenues and expenses related to completion of implementation contracts

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

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

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

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

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

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

xxiv. Provisions

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

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

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

Warranty provisions

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

xxv. Equity

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

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

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

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

xxvi. Sales revenue

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

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

Sales revenue

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

Interest income

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

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

Dividends

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

xxvii. Operating costs

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

xxviii. Payroll expenses and costs of social and other insurance

The Group provides current employee benefits (mainly comprising payroll expenses, costs of medical, health and social security as well as the costs of creating the social fund).

Over the course of the year, the Group makes contributions to social and health insurance from the gross wages paid, as well as contributions to the Unemployment Fund as per the statutory rates. The costs of the contributions are posted in the profit and loss account in the same period as the relevant payroll expenses.

In respect of employees who opted to participate in the programme of supplementary pension insurance, the Group contributes an amount of up to 3.0% of the total monthly tariff wage for these purposes.

No pension scheme is currently in operation in the Group.

xxix. Income tax and value added tax

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

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

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

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

Income tax relating to items that are directly recognized in equity is disclosed under equity and not in the profit and loss account.

Revenues, expenses and assets are disclosed in the amounts excluding value added tax unless:

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

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

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

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

Earnings per share (basic and diluted)

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

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

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

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

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

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

III. INFORMATION ON OPERATING SEGMENTS

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

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

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

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

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

All figures in thousands of EUR, unless stated otherwise

For 12 months ended 31 December 2010 and as at 31 December 2010 (audited)	Slovak market	Czech market	Hungarian market	Eliminations	Total
Sales revenues:	**70,023**	**55,137**	**4,662**	**(2,558)**	**127,264**
Sales to external customers	68,845	53,757	4,662	-	**127,264**
Inter/intra segment sales	1,178	1,380	-	(2,558)	**-**
Operating profit (loss) of reportable segment	**9,068**	**6,696**	**403**	**-**	**16,167**
Interest income	119	34	10	-	**163**
Share in profits of associated companies	41	238	-	-	**279**
Interest expense	(413)	(39)	(14)	-	**(466)**
Corporate income tax	(1,851)	(1,378)	(11)	-	**(3,240)**
Non-cash items:					
Depreciation and amortization	(4,717)	(1,118)	(847)	-	**(6,682)**
Impairment write-downs on segment assets	(355)	28	(405)	-	**(732)**
Net profit (loss) of reportable segment	**6,885**	**5,476**	**457**	**(3,404)**	**9,414**
Segment assets, of which:	118,608	38,910	5,227	(7,176)	**155,569**
goodwill from consolidation	*10,597*	*23,544*	*10,512*	-	***44,653***
investments in associated companies	*84*	*661*	-	-	***745***
Segment capital expenditures	**(18,194)**	**(1,164)**	**(575)**	**-**	**(19,933)**

The amount of EUR 3,404 in the elimination column represent loss after tax from a discontinued operation. Impairment write-downs consist of creation and release of allowances for receivables and other assets.

All figures in thousands of EUR, unless stated otherwise

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Sales revenue

In 2011 and the corresponding comparative period, revenues reported by the Group were as follows:

Sales revenues by type of business	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Proprietary software and services	89,346	82,375
Third-party software and services	6,244	5,848
Computer hardware and infrastructure	9,519	8,433
Other sales	28,376	30,608
	133,485	**127,264**

Sales revenues by sectors	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Banking and finance	33,521	35,002
Enterprises	55,754	51,663
Public institutions	44,210	40,599
	133,485	**127,264**

2. Operating costs

	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Materials and energy used	(6,311)	(2,483)
Third-party services	(37,047)	(46,137)
Salaries	(35,154)	(35,183)
Employee benefits, of which	(10,302)	(7,929)
social security contributions	*(3,906)*	*(3,775)*
Depreciation and amortization	(9,259)	(6,682)
Taxes and charges	(105)	(70)
Business trips	(739)	(686)
Other	(1,630)	(532)
Cost of merchandise	(13,669)	(11,461)
	(114,216)	**(111,163)**

All figures in thousands of EUR, unless stated otherwise

3. Other operating income and expenses

Other operating income	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Gain on disposal of non-current assets	298	261
Release of other provisions	1,003	18
Subsidies	776	1,227
Compensations received	253	101
Recharged services	22	17
Other	277	232
	2,629	**1,856**

Following a settlement agreement between the Ministry of Foreign Affairs and Asseco Central Europe, a.s. (CZ) regarding the obligations of the cancelled project Visa Information System, the Group released a provision for legal proceedings of EUR 956 thousand in 2011. The provision was created in 2010 (refer to the table below).

In 2011, grants for technological research of EUR 540 thousand (EUR 294 thousand in 2010) were provided to Slovanet. Asseco Solutions, a.s. (CZ) received subsidies for the creation of new labour positions of EUR 236 thousand and EUR 933 thousand in 2011 and 2010, respectively.

Other operating expenses	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Loss on disposal of non-current assets	(1)	(15)
Liquidation costs of non-current assets and inventories	(197)	(168)
Other provisions created	(3,378)	(961)
Costs of recharged services	(22)	(14)
Charitable contributions to unrelated companies	(19)	(9)
Receivables write-offs	-	(275)
Other	(280)	(348)
	(3,897)	**(1,790)**

In 2011 the Group created a provision of EUR 1,394 thousand related to the non-cancellable office lease contract in Asseco Central Europe, a.s. (CZ) and a provision of EUR 1,107 thousand in connection with software sub-deliveries provided by vendors during the period.

The balance of other provisions created in 2011 is mainly represented by provisions for contractual penalties of EUR 754 thousand, mostly related to delays in project deliveries in 2011.

All figures in thousands of EUR, unless stated otherwise

4. Financial income and expenses

Financial income	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Interest income on loans granted, debt securities and bank deposits	316	106
Other interest income	-	57
Reversal of financial instruments impairment	-	37
Gain on foreign exchange differences	521	63
Other financial income	2,069	405
Gain on change in fair value of currency forward contracts	10	2
Gain on exercise of currency forward contracts	21	-
Total financial income	**2,937**	**670**

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

In 2010, the finance income included profit from derecognition of dividends due to non-controlling shareholders of a former subsidiary MPI Consulting. The non-controlling shareholders waived their claim for the dividends due to the negative performance of the MPI Consulting subsidiary.

Financial expenses	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Interest expense on bank credits, loans, debt securities	(307)	(447)
Interest expense on financial leases	(147)	(19)
Bank fees and charges	(128)	(118)
Loss on foreign exchange differences	(298)	(106)
Loss on disposal of other capital investments	(9)	-
Loss on valuation of capital investments	(1,450)	(120)
Other financial expenses	(50)	(32)
Loss on exercise of financial derivatives	(26)	(20)
Total financial expenses	**(2,415)**	**(862)**

As a result of annual impairment tests performed as at 31 December 2011, the Group recognized an impairment charge of EUR 1,450 thousand related to goodwill from the acquisition of GlobeNet. Refer to Note 12 for more details.

All figures in thousands of EUR, unless stated otherwise

5. Corporate income tax

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

	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Current portion of corporate income tax and prior years adjustments	(4,593)	(3,690)
Deferred portion of corporate income tax	1,518	722
Related to occurrence or reversal of temporary differences	*1,518*	*722*
Thereof: tax attributable to discontinued operations	*-*	*272*
Income tax expense as disclosed in the profit and loss account, of which:	**(3,075)**	**(3,240)**
Corporate income tax attributable to continuing operations	*(3,075)*	*(3,240)*

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

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

	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Pre-tax profit		
Pre-tax profit from continuing operations	**18,817**	**16,254**
Pre-tax loss from discontinued operations	**-**	**(3,676)**
Statutory corporate income tax rate	19%	19%
Corporate income tax computed at the statutory tax rate	**3,575**	**2,390**
Non-deductible expenses from disposal of subsidiary	-	663
Income exempt from taxation	(216)	-
Difference in corporate income tax rates	(220)	-
Other non-deductible expenses and non-taxable income	(64)	187
Corporate income tax computed	**3,075**	**3,240**

The Group made an estimate of taxable income planned to be achieved in the future and concluded it would enable the recovery of deferred income tax assets of EUR 2,092 thousand as at 31 December 2011 (EUR 520 thousand as at 31 December 2010).

Deferred tax asset / liability	**31 Dec 2011 (audited)**	**31 Dec 2010 (audited)**
Deferred income tax assets	2,092	520
Deferred income tax liabilities	(781)	(2,008)
Deferred income tax asset/liability, net	**1,311**	**(1,488)**

All figures in thousands of EUR, unless stated otherwise

	Balance Sheet			Profit and Loss Account	
	31 Dec 2011 (audited)	Business combination (audited)	31 Dec 2010 (audited)	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Deferred income tax provision					
Valuation of intangible assets at fair value	(1,432)	(85)	(1,624)	272	338
Profits due to statement of financial position valuation of IT contracts	-	-	(281)	281	(77)
Valuation of property, plant and equipment, difference between tax depreciation and accounting depreciation	(926)	(128)	(1,026)	228	(321)
Other	(104)	-	(205)	109	407
Deferred income tax provision, gross	**(2,462)**	**(213)**	**(3,136)**		
Deferred income tax assets					
Accrued expenses, provisions and other liabilities	1,579	-	1,168	446	313
Revaluation of current assets, including write-offs	489	2	285	204	32
Statement of financial position valuation of IT contracts	463	-	45	443	45
Unutilized tax losses carriedforward	961	1,552	-	(591)	(26)
Valuation of property, plant and equipment, difference between tax depreciation and accounting depreciation	70	-	84	(10)	-
Revaluation of non-current assets, including write-offs	211	-	30	172	(95)
Other	-	-	36	(36)	106
Deferred income tax assets, gross	**3,773**	**1,554**	**1,648**		
Deferred income tax recognized after net positions from subsidiaries					
Deferred income tax assets (+)	**2,092**		**520**		
/Deferred income tax provision (-)	**(781)**		**(2,008)**		
Change in deferred income tax in the reporting period, of which				**1,518**	**722**
Deferred income tax change recognized in profit or loss				1,518	722

All figures in thousands of EUR, unless stated otherwise

6. Earnings per share

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

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

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

	12 months ended 31 Dec 2011 (audited)	**12 months ended 31 Dec 2010 (audited)**
Net profit attributable to Shareholders of the Parent Company	**14,894**	**9,414**
Dilution factors	-	-
Adjusted average weighted number of ordinary shares, used for calculation of diluted earnings per share	**21,360,000**	**21,360,000**

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

7. Dividends

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

In 2010 the Parent Company paid out a dividend to its shareholders for 2009 in total amount of EUR 4,699 thousand, which represents a dividend of EUR 0.22 per share.

8. Discontinued operations

In May 2010, the Parent Company disposed of the 60% share of its Austrian subsidiary UNiQUARE acquired in 2008. The outstanding receivable from the disposal of EUR 4,360 thousand is presented in other receivables as at 31 December 2011 (EUR 5,220 thousand as at 31 December 2010) (refer to Note 19).

In 2011, the Group did not recognize any profit or loss from discontinued operations in its profit and loss account. In the comparative period, revenues and net loss reported from discontinued operations amounted to EUR 2,352 thousand and EUR 3,404 thousand.

All figures in thousands of EUR, unless stated otherwise

9. Property, plant and equipment

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

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

All figures in thousands of EUR, unless stated otherwise

For 12 months ended 31 December 2010 (audited)	**Land and buildings**	**Computers and other office equipment**	**Transport vehicles**	**Other tangible assets**	**Tangible assets under construction**	**Total**
As at 1 January 2010, less depreciation and impairment allowance	**3,820**	**9,770**	**1,078**	**145**	**1,475**	**16,288**
Additions, of which:	2,223	4,844	567	91	5,130	**12,855**
Purchases	*2*	*480*	*361*	*48*	*5,130*	***6,021***
Taking control over subsidiaries	-	*552*	*65*	*18*	-	***635***
Other changes	*2,221*	*3,812*	*141*	*25*	-	***6,199***
Reductions, of which:	(812)	(2,848)	(520)	(111)	(6,164)	**(10,455)**
Depreciation charge for the reporting period	*(825)*	*(2,735)*	*(538)*	*(48)*	-	***(4,146)***
Impairment write-downs	-	-	-	-	-	**-**
Disposal and liquidation	*7*	-	*3*	-	-	***10***
Other changes	*(3)*	*(166)*	*(15)*	*(70)*	*(6,164)*	***(6,252)***
Foreign currency differences on translation of foreign subsidiaries (+/-)	*9*	*53*	*30*	*7*	-	***99***
As at 31 December 2010, less depreciation	**5,231**	**11,766**	**1,125**	**125**	**441**	**18,688**
As at 1 January 2010						
Gross value	5,220	29,312	3,435	969	1,475	**40,411**
Depreciation and impairment write-downs	(1,400)	(19,518)	(2,381)	(824)	-	**(24,123)**
Net book value as at 1 January 2010	**3,820**	**9,794**	**1,054**	**145**	**1,475**	**16,288**
As at 31 December 2010						
Gross value	7,471	32,206	3,923	1,088	441	**45,129**
Depreciation and impairment allowance	(2,240)	(20,440)	(2,798)	(963)	-	**(26,441)**
Net book value as at 31 December 2010	**5,231**	**11,766**	**1,125**	**125**	**441**	**18,688**

As at 31 December 2010, no property, plant and equipment served as security for bank creditsagreed.

All figures in thousands of EUR, unless stated otherwise

10. Intangible assets

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

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

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

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

All figures in thousands of EUR, unless stated otherwise

For 12 months ended 31 December 2010 (audited)	Internally generated R&D costs	Software, patents and licenses	Intangible assets not put in use	Other	Total
As at 1 January 2010, less amortization and impairment allowance	**340**	**9,786**	**-**	**3,216**	**13,342**
Additions, of which:	2,646	781	12,300	5,154	**20,881**
Purchases	*842*	*150*	*12,300*	*151*	***13,443***
Taking control over subsidiaries	*1,299*	*99*	-	*5,003*	***6,401***
Other	*505*	*532*	-	-	***1,037***
Reductions, of which:	(523)	(3,170)	-	(1,979)	**(5,672)**
Amortization charge for the reporting period	*(311)*	*(1,383)*	-	*(1,028)*	***(2,722)***
Impairment write-downs	-	*(125)*	-	-	***(125)***
Disposal and liquidation	-	-	-	-	**-**
Other changes	*(250)*	*(1,854)*	-	*(896)*	***(3,000)***
Foreign currency differences on translation of foreign subsidiaries (+/-)	*38*	*192*	-	*(55)*	***175***
As at 31 December 2010, less amortization	**2,463**	**7,397**	**12,300**	**6,391**	**28,551**
As at 1 January 2010					
Gross value	350	17,879	-	3,297	**21,526**
Amortization and impairment allowance	(10)	(8,093)	-	(81)	**(8,184)**
Net book value as at 1 January 2010	**340**	**9,786**	**-**	**3,216**	**13,342**
As at 31 December 2010					
Gross value	3,113	17,153	12,300	7,501	**40,067**
Amortization and impairment allowance	(650)	(9,756)	-	(1,110)	**(11,516)**
Net book value as at 31 December 2010	**2,463**	**7,397**	**12,300**	**6,391**	**28,551**

The acquisition of intangible assets of EUR 12,300 thousand relates to the UNiQUARE software. For more detail, refer to the consolidated financial statements of the Group for the period ended 31 December 2010.

As at 31 December 2010, intangible assets with net book value of EUR 400 thousand served as security for bank creditsagreed. Liabilities under the credits secured with those assets as at 31 December 2010 were EUR 212 thousand.

All figures in thousands of EUR, unless stated otherwise

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

Over the 12 months period ended 31 December 2011, the following changes in the Group structure were observed:

- Acquisition of 100% shares in M-ELEKTRONIK, s.r.o. by Slovanet on 1 April 2011
- Acquisition of 100% shares in Wimax Telecom Slovakia, s.r.o. by Slovanet on 12 May 2011
- Acquisition of 100% shares in Data spol. s r.o., by Asseco Solutions, a.s. (SK) on 4 October 2011
- Exercise of put option by non-controlling shareholders in Statlogics. Asseco Central Europe, a.s. (SK) increased the Parent Company's ownership interest in Statlogics to 85.02%. (in 2010: 70.04%)

The table below presents the Group's structure along with equity interests and voting interests held at the general meetings of shareholders/partners as at 31 December 2011:

	Country of registration	Relationship with Parent Company	Voting interest		Equity interest	
			31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
Subsidiary companies						
Slovanet, a.s.	Slovak Republic	Direct subsidiary	51%	51%	51%	51%
AmiTel, s.r.o.	Slovak Republic	Indirect subsidiary	51%	51%	51%	51%
M-ELEKTRONIK, s.r.o.	Slovak Republic	Indirect subsidiary	100%	-	100%	-
Asseco Solutions, a.s.	Slovak Republic	Direct subsidiary	100%	100%	100%	100%
Axera, s.r.o.	Slovak Republic	Indirect subsidiary	100%	100%	100%	100%
Data spol. s r.o.	Slovak Republic	Indirect subsidiary	100%	-	100%	-
Asseco Central Europe, a.s.	Czech Republic	Direct subsidiary	100%	100%	100%	100%
Asseco Solutions, a.s.	Czech Republic	Indirect subsidiary	100%	100%	100%	100%
LCS Deutschland GmbH	Germany	Indirect subsidiary	100%	100%	100%	100%
Asseco BERIT AG	Switzerland	Indirect subsidiary	100%	100%	100%	100%
Asseco BERIT GmbH	Germany	Indirect subsidiary	100%	100%	100%	100%
Statlogics	Hungary	Direct subsidiary	85.02%	70.04%	85.02%	70.04%
GlobeNet	Hungary	Direct subsidiary	60%	60%	60%	60%
Associated companies						
Crystal Consulting s.r.o.	Slovakia		30.23%	30.23%	30.23%	30.23%
Prvni Certifikacni Autorita, a.s. (I.CA)	Czech Republic		23.25%	23.25%	23.25%	23.25%

All figures in thousands of EUR, unless stated otherwise

12. Consolidation goodwill

	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Amitel	34	34
Asseco Central Europe (CZ)	15,426	15,872
Asseco BERIT AG + Asseco BERIT GmbH	605	623
Asseco Solutions (SK)	7,648	7,648
GlobeNet	3,099	5,148
ISZP	533	533
Asseco Solutions (CZ)	6,851	7,050
Micronet	144	144
MPI Consulting	542	542
SLNT	14	14
Slovanet	1,681	1,681
Statlogics	4,740	5,364
Total carrying amount	**41,317**	**44,653**

The balance of goodwill decreased from EUR 44,653 thousand as at 31 December 2010 to EUR 41,317 thousand as at 31 December 2010. Part of the decrease related to an impairment charge of EUR 1,450 thousand recognized on goodwill related to the GlobeNet acquisition (for more details, refer below). Foreign exchange differences from the translation of goodwill-carrying amounts accounted for EUR 1,886 thousand of the difference.

Impairment tests of goodwill related to acquisition of subsidiaries

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

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

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

All figures in thousands of EUR, unless stated otherwise

The discount rates and the terminal growth rates, on a pre-tax basis, were as follows as at 31 December 2011:

CGU	Pre-tax discount rate	Nominal growth rate in terminal period
Czech CGUs	11.7%	2.0%
Slovak CGUs	13.3%-13.7%	2.0%
Hungarian CGUs	17.3%	3.0%

As a result of the impairment tests conducted, the Group recognized an impairment charge of EUR 1,450 thousand on goodwill from the acquisition of GlobeNet as at 31 December 2011. The Parent Company's management considers that the reasons for the impairment were twofold, i.e. the worsened macroeconomic situation in Hungary in 2011 and moderate financial performance of the CGU.

Additionally, the Parent Company carried out a sensitivity analysis with reference to the goodwill impairment tests conducted. The sensitivity analysis examined the impact of changes on key assumptions of the impairment tests, i.e. (i) the discount rates, (ii) operating margins in the terminal period and (iii) nominal growth rate of cash flows in the terminal period. The table below provides the results of the sensitivity analysis, showing impairment of goodwill as resulting from the impairment tests as well as the additional impairment charge against goodwill, should the key assumptions be adversely changed.

	Discount rate			**Operating profitability**			**Growth rate**		
Impairment of goodwill	Applied	+ 0.5%	+ 1.0%	Applied	- 0.5%	- 1.0%	Applied	- 0.5%	- 1.0%
Asseco Central Europe (CZ)	-	-	-	-	-	-	-	-	-
Asseco Solutions (CZ)	-	-	-	-	-	-	-	-	-
Asseco Solutions (SK)	-	-	-	-	-	-	-	-	-
Asseco Central Europe (SK)	-	-	-	-	-	-	-	-	-
Slovanet	-	-	-	-	-	-	-	-	-
Statlogics	-	-	-	-	-	-	-	-	-
GlobeNet	1,450	+ 179	+ 345	1,450	+ 117	+ 235	1,450	+ 110	+ 212

With the exception of goodwill from the acquisition of GlobeNet, the Group would not recognize an impairment loss taking into account the assumptions tested in the sensitivity analysis.

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

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

All figures in thousands of EUR, unless stated otherwise

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

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

	Fair value as at the acquisition date	Book value as at the acquisition date
Assets acquired		
Property, plant and equipment	257	257
Intangible assets	446	-
Receivables	34	34
Cash and cash equivalents	5	5
Total assets	**742**	**296**
Liabilities acquired		
Liabilities	275	275
Provisions incl. deferred tax liabilities	85	-
Total liabilities	**360**	**275**
Value of net assets	**382**	**21**
Percentage of share capital purchased	100%	
Fair value of net assets purchased	**382**	
Purchase price	**296**	
Negative goodwill as at the acquisition date	**(86)**	

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

Transaction costs were expensed as incurred during 2011. Negative goodwill resulting from the acquisition was released to other financial income (refer to the Note 4).

All figures in thousands of EUR, unless stated otherwise

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

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

	Fair value as at the acquisition date	Book value as at the acquisition date
Assets acquired		
Property, plant and equipment	960	960
Intangible assets	894	894
Deferred tax asset	1,552	-
Receivables	137	137
Other assets	64	64
Total assets	**3,608**	**2,055**
Liabilities acquired		
Bank and other credits and loans	1,939	1,939
Liabilities	510	510
Provisions incl. deferred tax liabilities	142	142
Total liabilities	**2,591**	**2,591**
Value of net assets	**1,017**	**(535)**
Percentage of share capital purchased	100%	
Fair value of net assets purchased	**1,017**	
Purchase price	**700**	
Negative goodwill as at the acquisition date	**(317)**	

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

Transaction costs were expensed as incurred in 2011. Negative goodwill resulting from the acquisition was released to other financial income (refer to the Note 4).

Completion of the purchase price allocation related to the acquisition of GlobeNet

On 29 April 2010 Asseco Central Europe, a.s. (SK) signed an agreement for the acquisition of 60% of shares in GlobeNet. Effective control was obtained after regulatory approvals on 6 August 2010. The acquisition price amounted to EUR 4,600 thousand paid in cash and a contingent consideration of EUR 2,900 thousand, payment of which is subject to net profit thresholds defined in the share purchase agreement.

The process of allocation of the purchase price, on a fair value basis, to assets acquired and liabilities assumed in the transaction was completed in 2011, hence the amount of goodwill was finally determined. As at the acquisition date, goodwill arising from the purchase of shares in the company amounted to EUR 4,943 thousand.

All figures in thousands of EUR, unless stated otherwise

The fair values and book values of identifiable assets and liabilities as at the control take-over date are provided below:

	Fair values as at the acquisition date	Book values as at the acquisition date
Assets acquired		
Property, plant and equipment	506	506
Intangible assets	4,377	1,442
Inventories	3	3
Trade receivables	598	598
Other assets	288	288
Cash and cash equivalents	91	91
Total assets	**5,864**	**2,929**
Liabilities acquired		
Bank credits and loans	249	249
Trade liabilities	478	478
Other liabilities	575	575
Provisions incl. deferred tax liabilities	300	6
Total liabilities	**1,602**	**1,308**
Value of net assets	**4,262**	**1,620**
Percentage of share capital purchased	60%	
Fair value of net assets purchased	**2,557**	
Purchase price	**7,500**	
Goodwill as at the acquisition date	**4,943**	

The differences in amount of goodwill (EUR 67 thousand) and intangible assets (EUR 41 thousand) recognized in the provisional purchase price allocation and final determination of goodwill largely result from a more accurate estimate of fair values of intangible assets. The final fair value assessment of intangible assets was based on information related to the acquisition which was not available at the time of the initial accounting of the business combination.

The cost incurred and consequent recognition of goodwill on the acquisition of the company corresponded to:

- product cross-selling opportunities within the Group;
- promotional benefits arising from being a member of the Group, wider recognition in the market, greater credibility for the customers; and
- highly qualified and organized staff being one of the key factors enabling achievement of future economic benefits.

The Group recognized fair value adjustments related to software developed by the company of EUR 906 thousand and customer contracts and related customer relationships of EUR 2,029 thousand. Valuation of the software was performed by the Depreciated Replacement Cost method and the customer contracts and relationship were valued using the Multi-period Excess Earnings Method.

The share purchase agreement also established conditions for payment of the contingent consideration. Originally, the first and second parts of the deferred payment were dependent on the results of the company for the 12 months periods ending 30 June 2011 and 30 June 2012. In 2011, the Parent Company and seller signed an amendment to the share purchase agreement which changed the end of the first measurement period to 31 December 2011 and the second period was shortened from 12 to 6 months ended 30 June 2012.

All figures in thousands of EUR, unless stated otherwise

The deferred payments are payable in a range from EUR 550 thousand to EUR 1,450 thousand. The Group included a maximum amount of contingent consideration of EUR 2,900 thousand in the goodwill calculation and accounted for financial liability at the time of the acquisition.

Since the minimum net profit threshold for the first deferred payment was not met, the Group released a corresponding part of the contingent consideration recognized at the acquisition accounting to the profit and loss account in 2011 (refer to Note 4). As at 31 December 2011, the outstanding liability from the contingent consideration reported by the Group was EUR 1,450 thousand.

In the event of not meeting the minimal net profit criteria for the given periods, the Group has a call option for acquisition of 10% of shares in the company for a price of EUR 1 for each year during the call option period (1.1.2012 – 31.12.2012).

Transaction cost of EUR 237 thousand were expensed as incurred in 2010.

13. Investments in associated companies

As at 31 December 2011 and 31 December 2010, the Parent Company's associated entities included Prvni Certifikacni Autorita a.s. and Crystal Consulting s.r.o.

The above investments are valued using the equity valuation method.

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

	As at and for the period ended	
	31 Dec 2011	**31 Dec 2010**
Current assets	1,188	992
Fixed assets	6	130
Non-current liabilities	1	2
Current liabilities	244	348
Net assets	**949**	**772**
Sales revenues	1,735	1,814
Net profit (loss)	419	375
Share in profits	294	279
Book value of investments	**762**	**745**

As at 31 December 2011 and 31 December 2010, the shares held in associated companies did not serve as security for any bank creditsagreed.

All figures in thousands of EUR, unless stated otherwise

14. Non-current loans

Non-current	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Loans, of which:		
loans granted to employees	11	10
UNiQUARE	-	580
	11	**590**

Current	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Loans, of which:		
loans granted to employees	*7*	*32*
UNiQUARE	*591*	-
	598	**32**

The above loans are valued using the amortized cost method.

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

The following table presents financial income and expenses recognized on particular categories of financial instruments and disclosed in the profit and loss account in the 12 months period ended 31 December 2011, as well as in the prior financial year:

Categories and classes of financial instruments	Statement of financial position		Profit and Loss Account	
	31 Dec 2011 (audited)	31 Dec 2010 (audited)	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Financial assets / liabilities valued at fair value through profit or loss	**10**	**-**	**5**	**(18)**
Gain / Loss on exercise of currency derivatives	-	-	*5*	*(18)*
Loans granted and receivables	**30,332**	**28,475**	**116**	**34**
Loans granted to other companies / Interest income	*609*	*622*	*116*	*34*
Cash in bank accounts and cash equivalents	**41,024**	**22,357**	**200**	**72**
Interest income	-	-	*200*	*72*
Financial liabilities valued at amortized cost	**9,428**	**10,570**	**(454)**	**(470)**
Bank credits	7,784	7,952		
Interest paid			*(307)*	*(262)*
Trade accounts payables	**18,013**	**12,725**		

All figures in thousands of EUR, unless stated otherwise

16. Non-current and current deferred expenses

Current	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Pre-paid maintenance services	1,331	822
Pre-paid insurance	84	76
Pre-paid subscriptions	6	50
Pre-paid rents and pre-paid operating lease payments	197	38
Pre-paid consultancy services	8	383
Other pre-paid services	403	540
Other deferred expenses	408	391
	2,437	**2,300**

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

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

17. Inventories

	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Raw materials and components used in implementations of IT systems (at acquisition cost)	98	152
Computer hardware and software licenses for resale	276	191
Finished products	165	129
Other	42	8
Impairment allowance to inventories	(80)	(51)
	501	**429**

As at 31 December 2011 and as at 31 December 2010, inventories did not serve as security for any bank credits agreed by the Group.

All figures in thousands of EUR, unless stated otherwise

18. Implementation contracts

In 2011 and 2010, the Group executed a number of so-called IT implementation contracts. In line with IAS 11, sales generated from such contracts are recognized according to the percentage of completion of relevant contracts. In 2011 and 2010, the Group measured the percentage of completion of IT implementation contracts using the "cost" method (by determining the relation of costs incurred to the overall project costs) or according to the "work-effort" method.

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

	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Costs incurred due to execution of IT contracts	(13,540)	(11,993)
Profit (loss) on execution of IT contracts	**8,315**	**8,680**
Total revenue attributable to IT contracts	**21,855**	**20,673**
of which		
Progress billing	22,715	19,146
Receivables related to valuation of IT contracts (Note 19)	1,974	1,763
Liabilities related to valuation of IT contracts (Note 26)	(2,832)	(236)
Provision for loss on IT contracts	(2)	-

19. Non-current and current receivables

Non-current receivables	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Trade accounts receivable including:		
Receivables from related companies, of which:	-	13
Receivables from other companies	10	-
Receivables due from disposal of shares	1	1,493
Other receivables	76	53
Revaluation write-down	-	(118)
	87	**1,441**

As at 31 December 2010, receivables due from the disposal of shares of EUR 1,493 thousand correspond to disposal of a 49% ownership interest in Slovanet by SLNT, a.s. ("SLNT") to SNET, a.s. ("SNET"). SLNT was a former 100% shareholder in Slovanet, controlled by the Parent Company (51% interest) and co-owned by SNET (49% interest). In 2006, SLNT disposed of its 100% ownership interest in Slovanet to its shareholders and subsequently legally merged with Slovanet. The receivable due from SNET was collected in 2011.

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

Non-current receivables did not serve as security for any bank guarantees (of due performance of contracts and tender deposits) either at 31 December 2011 or at 31 December 2010.

All figures in thousands of EUR, unless stated otherwise 58

Current receivables

Trade accounts receivable	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Trade accounts receivable including:	**32,069**	**28,612**
Receivables from related companies, of which:	10	38
from associated companies	*1*	*3*
Receivables from other companies	*32,059*	*28,574*
Revaluation write-down on doubtful accounts receivable	*(2,433)*	*(2,200)*
	29,636	**26,412**

Trade accounts receivable are not interest-bearing.

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

Ageing of trade accounts receivable	as at 31 Dec 2011 (audited)		as at 31 Dec 2010 (audited)	
	amount	structure	amount	structure
Receivables not yet due	23,366	79%	19,953	76%
Receivables past-due up to 3 months	5,402	18%	3,316	13%
Receivables past-due over 3 months	868	3%	3,143	11%
	29,636	**100%**	**26,412**	**100%**

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

As at 31 December 2010, receivables and future receivables of EUR 2,200 thousand served as security for bank credits agreed. Liabilities by virtue of those credits amounted to EUR 838 thousand as at 31 December 2010.

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

Receivables from state budgets	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Corporate income tax (CIT)	893	55
Other	235	1,029
	1,128	**1,084**

All figures in thousands of EUR, unless stated otherwise

As at 31 December 2010, the balance of other receivables included receivables due from the Ministry of Trade and Industry of Czech Republic of EUR 923 thousand related to unpaid subsidies.

Other receivables	**31 Dec 2011 (audited)**	**31 Dec 2010 (audited)**
Receivables from book valuation of IT contracts (Note 18)	1,974	1,763
Receivables from non-invoiced deliveries	250	397
Advance payments to other suppliers	238	152
Receivables from employees	40	40
Receivables from disposal of non-current assets	5,685	-
Other receivables	4,592	5,465
Revaluation write-down on other doubtful receivables	(79)	(74)
	12,700	**7,743**

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

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

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

Other receivables of EUR 4,360 thousand related to the disposal of UNiQUARE shares. Refer to Note 8 for details.

In 2011 and 2010, revaluation write-downs on trade accounts receivable and other receivables were as follows:

	31 Dec 2011 (audited)	**31 Dec 2010 (audited)**
As at 1 January	**2,392**	**1,928**
Additions due to taking control over companies	235	-
Creation	1,233	741
Released	(1,329)	(318)
Foreign currency differences on translation of foreign subsidiaries (+/-)	(19)	41
As at 31 December	**2,512**	**2,392**

All figures in thousands of EUR, unless stated otherwise

20. Cash and cash equivalents

	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Cash in bank	26,945	16,033
Cash in hand	220	242
Current deposits	13,700	5,929
Cash equivalents	159	153
	41,024	**22,357**

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

Current deposits did not serve as security for any bank guarantees (of due performance of contracts and tender deposits) either at 31 December 2011 or at 31 December 2010.

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

Share capital		**Par value per share**	**as at 31 Dec 2011 (audited)**	**as at 31 Dec 2010 (audited)**
Shares	**Series**		**Number of shares**	**Number of shares**
Ordinary shares – series		0.0331939	21,360,000	21,360,000

Par value on shares

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

In 2011 and 2010 there were no changes in the Parent Company's share capital and share premium account.

Foreign currency translation reserve

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

All figures in thousands of EUR, unless stated otherwise

Non-controlling interest

	31 Dec 2011 (audited)	31 Dec 2010 (audited)
At the beginning of the period	**5,101**	**2,722**
Net profit attributable to non-controlling interests	848	196
Foreign exchange differences from translation	(338)	-
Dividends paid to non-controlling interests	(321)	-
Put option recognized/derecognized at Statlogics in 2010 (-/+)	877	(877)
Derecognition of non-controlling interest related to exercise of put option	(593)	683
Put option recognized/derecognized at Statlogics in 2011 (-/+)	(586)	-
MPI Consulting non-controlling interest	-	116
GlobeNet non-controlling interest	-	1,701
Derecognition of UNiQUARE non-controlling interest	-	560
At the end of the period	**4,988**	**5,101**

Exercise of put option by non-controlling shareholders in Statlogics

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

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

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

The change in fair value of the put option was accounted for within equity as a movement in NCI in the amount of EUR 877 thousand (derecognition of the 2010 put option accounting) and a recognition of fair value of the put option in the amount of EUR 586 thousand as at 31 December 2011.

22. Non-current and current financial liabilities

Non-current	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Liabilities due to acquisition of shares	-	1,450
Liabilities due to acquisition of shares in Statlogics (put options)	-	3,337
Finance lease commitments	534	1,010
	534	**5,797**

All figures in thousands of EUR, unless stated otherwise

Current	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Liability due to dividend payment	160	501
Finance lease commitments	1,110	1,608
Liabilities due to acquisition of shares	1,803	1,803
Liabilities due to acquisition of shares in Statlogics (put options)	2,551	-
	5,624	**3,912**

The change in valuation of liabilities related to put options in financial year 2011 is connected to both (i) execution of the put option by owners of non-controlling interests at Statlogics and (ii) revaluation of fair value of the remaining put option issued by the Group at the acquisition. For more detail, refer to the Note 21.

In the financial year ended 31 December 2011, the Group recognized a change in a contingent consideration related to the acquisition of GlobeNet, which is presented under the line: liabilities due to acquisition of shares. The contingent consideration decreased from EUR 2,900 thousand (thereof EUR 1,450 thousand reported in non-current liabilities) as at 31 December 2010 to EUR 1,450 thousand as at 31 December 2011. Refer to Note 12 for more detail.

23. Financial lease

Leasing of cars and equipment

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

	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Minimum lease payments		
in the period shorter than 1 year	1,171	1,685
in the period from 1 to 5 years	555	1,097
in the period longer than 5 years	-	-
Future minimum lease payments	**1,726**	**2,782**
Future interest expense	(82)	(164)
Present value of finance lease commitment	**1,644**	**2,618**
in the period shorter than 1 year	1,110	1,608
in the period from 1 to 5 years	534	1,010
in the period longer than 5 years	-	-

As at 31 December 2011, the effective interest rate on the above financial leasing of vehicles equalled 7.7% and IT equipment 11.5%.

All figures in thousands of EUR, unless stated otherwise

24. Interest-bearing bank credits and debt securities issued

Current credit facilities	Name of entity	Effective interest rate % p.a.	Currency	Date of maturity	31 Dec 2011	31 Dec 2010	Available credit as at 31 Dec 2011
Overdraft facility	GlobeNet	Bubor + 2.5%	HUF	31.3.2012	207	194	238
Overdraft facility	Slovanet	1M Euribor + 1.85%	EUR	7.11.2012	772	-	800
Overdraft facility	Slovanet	12.0%	EUR	20.1.2012	4	-	15
Overdraft facility	Slovanet	1M Euribor + 1.85%	EUR	31.8.2012	1,650	838	2,200
Overdraft facility	Slovanet	1M Euribor + 10.0%	EUR	23.6.2012	47	-	50
					2,680	**1,032**	**3,303**

Other current credits:	Name of entity	Effective interest rate % p.a.	Currency	Date of maturity	Current 31 Dec 2011	Current 31 Dec 2010	Non-current 31 Dec 2011	Non-current 31 Dec 2010
Loan	GlobeNet	Euribor + 1.0%	EUR	indefinite	-	-	469	484
Acquisition loan	Slovanet	1M Euribor + 1.1%	EUR	28.6.2013	217	217	163	380
Acquisition loan	Slovanet	1M Euribor + 1.1%	EUR	28.6.2013	272	272	136	408
Acquisition loan	Slovanet	1M Euribor + 1.1%	EUR	28.6.2013	404	404	202	606
Acquisition loan	Slovanet	1M Euribor + 1.1%	EUR	28.6.2013	95	95	71	166
Acquisition loan	Slovanet	1M Euribor + 1.7%	EUR	28.6.2013	437	437	219	656
Acquisition loan	Slovanet	1M Euribor + 2.8%	EUR	28.6.2013	567	567	283	850
Acquisition loan	Slovanet	1M Euribor+2.4%	EUR	31.12.2014	286	-	571	-
Loan	Slovanet	3M Euribor+1.25%	EUR	31.12.2012	561	556	-	561
Loan	Slovanet	6.0%	EUR	31.8.2011	-	12	-	-
Loan Hewlett Packard	Slovanet	6.0%	EUR	31.8.2011	-	15	-	-
Loan Hewlett Packard	Slovanet	6.7%	EUR	15.7.2012	19	33	-	22
Loan Hewlett Packard	Slovanet	6.7%	EUR	15.9.2012	22	24	-	25
Loan	Slovanet	6.7%	EUR	15.12.2012	17	19	-	19
Loan	Asseco Solutions	1.0%	EUR	28.2.2012	45	-	-	-
Loan Hewlett Packard	Slovanet	6.7%	EUR	15.12.2013	40	41	8	51
					2,982	**2,692**	**2,122**	**4,228**

All figures in thousands of EUR, unless stated otherwise

As at 31 December 2011, total funds available to the Group under overdraft facilities were EUR 3,303 thousand (vs. EUR 9,531 thousand as at the end of 2010). As at the end of the reporting period, the Group had a total credit exposure of EUR 7,784 thousand (vs. EUR 7,952 thousand as at the end of the prior year) due to bank institutions and other creditors.

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

Security for credits and loans	**Net book value used as security**		**Loan used**	
	31 Dec 2011	**31 Dec 2010**	**31 Dec 2011**	**31 Dec 2010**
Property, plant and equipment	-	-	-	-
Intangible assets	400	400	106	234
Shares in subsidiary (Slovanet)	3,645	3,645	4,484	6,174
Receivables (current and future)	3,000	2,200	2,422	838
	7,045	**6,245**	**7,012**	**7,246**

All figures in thousands of EUR, unless stated otherwise

25. Non-current and current provisions

	Provision for warranty repairs	Costs related to ongoing court proceedings	Other provisions	Total
As at 1 January 2011	**1,967**	**938**	**280**	**3,185**
Provisions created in financial year	2,014	-	3,378	**5,392**
Provisions released/utilized	(2,559)	(956)	(66)	**(3,581)**
Foreign currency differences on translation of foreign subsidiaries	(26)	18	(122)	(130)
As at 31 December 2011 (audited)	**1,396**	**-**	**3,470**	**4,866**
Current as at 31 December 2011	1,066	-	1,900	2,966
Non-current as at 31 December 2011	330	-	1,570	1,900
As at 31 December 2010 (audited)	**1,967**	**938**	**280**	**3,185**
Current as at 31 December 2010	1,967	938	280	3,185
Non-current as at 31 December 2010	-	-	-	**-**

The provision for court proceedings created in 2010 related to a contract with the Czech Ministry of Foreign Affairs ("MFA CZ") on development and implementation of the Visa information system. As at 14 June 2010, MFA CZ formally terminated the contract prior to its expiration and the Group started formal proceedings. In 2011, the dispute with MFA CZ was resolved by settlement agreement, so the provision for legal proceedings was released.

In 2011 the Group created provisions related to non-cancellable office lease contract, project subdeliveries and contractual penalties related to project delays in a total amount of EUR 3,378 thousand. For more details, refer to Note 3.

Provision for warranty repairs

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

All figures in thousands of EUR, unless stated otherwise

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

Current trade accounts payable	**31 Dec 2011 (audited)**	**31 Dec 2010 (audited)**
Accounts payable to related companies	37	49
Accounts payable to other companies	17,976	12,676
	18,013	**12,725**

Trade accounts payable are not interest-bearing.

Liabilities due to taxes, import tariffs, social security and other regulatory benefits payable	**31 Dec 2011 (audited)**	**31 Dec 2010 (audited)**
Social Insurance Institution	1,002	946
Personal income tax (withheld from employees' salary)	410	391
Corporate income tax (CIT)	1,599	949
Value added tax (VAT)	2,012	1,610
Other liabilities	11	5
	5,034	**3,901**

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

Other current liabilities	**31 Dec 2011 (audited)**	**31 Dec 2010 (audited)**
Liabilities and provisions relating to valuation of IT contracts (Note 18)	2,834	236
Liabilities due to non-invoiced deliveries	1,904	2,230
Trade prepayments received	80	28
Liabilities from purchase of non-current assets	5,313	147
Employee related liabilities	1,882	2,037
Other	204	337
	12,217	**5,015**

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

Other non-current liabilities	**31 Dec 2011 (audited)**	**31 Dec 2010 (audited)**
Liabilities from purchase of non-current assets	133	-
Other liabilities	42	145
	175	**145**

Other liabilities are not interest-bearing.

All figures in thousands of EUR, unless stated otherwise

Current accrued expenses	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Accrual for unutilized vacation	1,191	1,012
Accrual for employee bonuses	3,297	2,546
Other accruals	338	477
	4,826	**4,035**

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

Non-current deferred income	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Maintenance services	823	1,534
Other	30	-
	853	**1,534**

Current deferred income	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Maintenance services	7,810	4,237
Prepayments received	50	1,680
Subsidies	77	69
Other	18	-
	7,955	**5,986**

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

All figures in thousands of EUR, unless stated otherwise

27. Information on the results of related entities

The table below presents selected financial data of companies in the Group before consolidation adjustments for the twelve-month period ended 31 December 2011 and 31 December 2010.

	Sales reported by Group companies in the period of		Net profits/(losses) reported by Group companies in the period of	
	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Asseco Central Europe (SK)	33,162	31,285	11,687	7,006
Asseco Solutions (SK)	9,394	8,980	269	433
Slovanet	29,783	31,257	1,229	1,217
MPI consulting	-	842	-	(101)
Asseco BERIT GmbH	2,866	2,168	105	85
Asseco BERIT AG	1,047	849	3	(5)
Asseco Solutions (CZ)	15,438	16,655	1,384	2,030
Asseco Central Europe (CZ)	37,870	33,030	6,453	5,178
UNiQUARE	-	2,352	-	(1,399)
Statlogics	6,082	3,380	2,524	627
GlobeNet	2,962	1,375	159	327
	138,604	**132,174**	**23,813**	**15,398**

According to information available to Asseco Central Europe, a.s., as at 31 December 2011 liabilities due to transactions conducted with companies related through the Key Management Personnel (management boards and supervisory boards of the Group companies) or with the Key Management Personnel themselves were at EUR 471 thousand.

As at 31 December 2010, according to information available to Asseco Central Europe, a.s., liabilities due to transactions conducted with companies related through the Key Management Personnel (management boards and supervisory boards of the Group companies) or with the Key Management Personnel were at EUR 421 thousand.

As at 31 December 2011 and 31 December 2010, there were no outstanding receivables due to transactions conducted with companies related to the Key Management Personnel (management boards and supervisory boards of the Group companies) or with the Key Management Personnel.

According to the accounting books of the Parent Company, during 12 months periods ended 31 December 2011 and 31 December 2010, the net value of transactions conducted with companies related to the Key Management Personnel or with the Key Management Personnel amounted to nil.

All figures in thousands of EUR, unless stated otherwise

Related-party transactions	Related-party		Related-party	
	Sales in 12 months ended 31 Dec 2011 (audited)	**Purchases in 12 months ended 31 Dec 2011 (audited)**	**Receivables as at 12 months ended 31 Dec 2011 (audited)**	**Payables as at 12 months ended 31 Dec 2011 (audited)**
Transactions with parent company	**5,206**	**6,140**	**5,202**	**5,691**
Asseco Poland S.A.	5,206	6,140	5,202	5,691
Transactions with subsidiaries	**5,775**	**7,399**	**4,569**	**5,621**
Asseco Central Europe (SK)	1,771	1,426	1,984	678
Asseco Solutions (SK)	146	766	42	688
Slovanet	624	156	357	16
Asseco BERIT GmbH	13	1,412	-	643
Asseco BERIT AG	42	320	40	10
Asseco Solutions (CZ)	188	1,240	315	584
Asseco Central Europe (CZ)	2,984	2,079	1,831	2,753
Statlogics	-	-	-	-
GlobeNet	7	-	-	219
Transactions with related companies	**59**	**12**	**35**	**17**
Matrix42 AG	7	-	14	14
Asseco SEE d.o.o. (CROATIA)	19	12	19	3
Asseco SEE SH.P.K (Pronet)	36	-	-	-
Asseco Germany AG	(5)	-	1	-
Asseco SEE S.R.L. (ROMANIA)	-	-	-	-
Asseco Business Solutions S.A.	2	-	1	-
TOTAL	**11,040**	**13,551**	**9,806**	**11,329**

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 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Change in inventories	(18)	(39)
Change in receivables	(5,397)	(5,217)
Change in liabilities	9,236	4,308
Change in deferred and accrued expenses	1,942	4,307
Change in provisions	1,681	251
	7,444	**3,610**

28. Commitments and contingent liabilities

The Parent Company's Board of Directors is not aware of the presence of any commitments or contingent liabilities of the Group as at 31 December 2011, with the exception of guarantees provided by the Parent Company to third parties to back up bank credits of its subsidiaries:

All figures in thousands of EUR, unless stated otherwise

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

As at 31 December 2010, guarantees issued by and for the companies of the Group were as follows:

- Slovanet used a bank guarantee issued by Tatra Banka a.s. for the amount of EUR 66 thousand to secure its obligations towards T-Mobile, a.s.;
- Asseco Central Europe a.s. (SK) used a bank guarantee issued by Československá Obchodní Banka, a.s. in the nominal amount of EUR 20 thousand to secure its obligations towards the Ministry of Finance (the guarantee was effective up to 30 June 2011);
- Asseco Central Europe, a.s. (SK) used a bank guarantee issued by Československá Obchodní Banka, a.s. in the amount of EUR 32 thousand to secure its obligations towards the Supreme Audit Office (the guarantee was effective up to 31 March 2011);
- Slovanet was granted a guarantee for the amount of EUR 5,507 thousand to back up its liabilities towards Tatra Banka a.s. under a framework crediting agreement. The guarantee was granted by Asseco Central Europe, a.s. (SK); and
- A guarantee granted by Asseco Central Europe, a.s. (SK) to Slovanet in the nominal amount of EUR 1,118 thousand was extended for the period of maturity of the underlying bank credit. The bank credit was taken out from Tatra Banka a.s. and should be repaid by the end of 2012.

Within its commercial activities the Group uses bank guarantees, letters of credit, contract performance guarantees as well as tender deposits as forms of securing its business transactions with miscellaneous organizations, companies and administration bodies. As at 31 December 2011, the related contingent liabilities equalled EUR 79 thousand, while as at 31 December 2010 they amounted to EUR 119 thousand.

Additionally, as at 31 December 2011 and 31 December 2010, the Group was party to a number of leasing and tenancy contracts or other contracts of similar nature, resulting in the following future liabilities:

Future lease payments under lease of space	**31 Dec 2011 (audited)**	**31 Dec 2010 (audited)**
In the period up to 1 year	3,546	2,865
In the period from 1 to 5 years	11,488	11,109
In the period over 5 years	937	1,964
	15,971	**15,938**

Future lease payments under operating lease of property, plant and equipment	**31 Dec 2011 (audited)**	**31 Dec 2010 (audited)**
In the period up to 1 year	896	1,085
In the period from 1 to 5 years	1,848	2,531
In the period over 5 years	-	-
	2,744	**3,616**

All figures in thousands of EUR, unless stated otherwise

29. Employment

Average Group workforce in the reporting period	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Management Board of the Parent Company	4	3
Management Boards of the Group companies	28	33
Production departments	958	999
Maintenance departments	250	333
Sales departments	139	155
Administration departments	117	132
Other	19	17
Total	**1,515**	**1,672**

Group workforce as at	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Management Board of the Parent Company	5	3
Management Boards of the Group companies	25	34
Production departments	972	957
Maintenance departments	257	315
Sales departments	140	148
Administration departments	122	130
Other	20	17
Total	**1,541**	**1,604**

Numbers of employees in Group companies as at	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Asseco Central Europe, a.s. (SK)	342	347
Slovanet Group	192	190
Asseco Solutions Group (SK)	157	203
Asseco Solutions Group (CZ)	280	274
Asseco Central Europe, a.s. (CZ)	414	450
Statlogics	68	63
GlobeNet	65	57
Asseco Berit AG	6	5
Asseco Berit GmbH	17	15
	1,541	**1,604**

30. Objectives and principles of financial risk management

All figures in thousands of EUR, unless stated otherwise

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

Foreign currency exposure risk

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

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

Measurement: The foreign currency risk exposure is measured by the amount of an embedded financial instrument on one hand, and on the other by the amount of currency derivative instruments concluded in the financial market. All the changes in the value of exposure are closely monitored on a fortnightly basis. The procedures applicable to the execution of IT projects require making systematic updates of the project implementation schedules as well as the cash flows generated under such projects.

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

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

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

Interest rate risk

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

More information on factor (ii) may be found in the description of the currency risk management.

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

Measurement: The Group companies measure their exposure to the interest rate risk by preparing statements of the total amounts resulting from all the financial instruments based on a variable interest rate.

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

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

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

Credit risk

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

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

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

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

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

Matching: It is difficult to discuss this element of risk management in such cases.

Financial liquidity risk

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

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

The following table shows the Group's trade accounts payable as at 31 December 2011 and 31 December 2010, by maturity period, based on the contractual undiscounted payments.

	as at 31 Dec 2011 (audited)		as at 31 Dec 2010 (audited)	
Ageing structure of trade accounts payable	**amount**	**structure**	**amount**	**Structure**
Liabilities already due	3,331	18%	5,131	40%
Liabilities falling due within 3 months	11,308	63%	7,517	59%
Liabilities falling due within 3 to 12 months	1,928	11%	1	0%
Liabilities falling due after 1 year	1,446	8%	76	1%
	18,013	**100%**	**12,725**	**100%**

The tables below present the ageing structure of other financial liabilities as at 31 December 2011 and 31 December 2010.

As at 31 December 2011 (audited)	**Liabilities falling due within 3 months**	**Liabilities falling due within 3 to 12 months**	**Liabilities falling due within 1 to 5 years**	**Liabilities falling due after 5 years**	**Total**
Current account credit facilities	211	2,469	-	-	**2,680**
Investment credits	708	2,131	1,645	-	**4,484**
Loans	45	98	477	-	**620**
Finance lease commitments	493	617	534	-	**1,644**
Total	**1,457**	**5,315**	**2,656**	**-**	**9,428**

As at 31 December 2010 (audited)	**Liabilities falling due within 3 months**	**Liabilities falling due within 3 to 12 months**	**Liabilities falling due within 1 to 5 years**	**Liabilities falling due after 5 years**	**Total**
Current account credit facilities	1,032	-	-	-	**1,032**
Investment credits	673	2,019	3,744	-	**6,436**
Loans	-	-	484	-	**484**
Finance lease commitments	380	1,228	1,010	-	**2,618**
Total	**2,085**	**3,247**	**5,238**	**-**	**10,570**

Effects of reducing foreign currency risk

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

The analysis of sensitivity of valuation and settlement of the embedded and concluded derivatives to fluctuations in foreign currency exchange rates versus EUR (such assets are only significant in the case of the Parent Company) shows a potential positive impact of EUR 21 thousand on the Group's financial results in the event of the assumed 10% appreciation of EUR versus HUF.

On the other hand, the analysis of sensitivity conducted assuming EUR currency depreciates versus foreign currencies indicates a potential loss to be achieved by the

All figures in thousands of EUR, unless stated otherwise

Group on settlement and valuation of the financial derivatives held. If EUR depreciates by 10% against HUF, the Group will achieve an additional loss of EUR 25 thousand.

As at 31 December 2011 (audited) EUR	**Amount exposed to risk**	**Impact on financial results of the Company -10%**	**+10%**
Financial assets			
Current forward contracts for sale of foreign currencies	228	(25)	21
Financial liabilities	-	-	-
Balance	228	(25)	21

As at 31 December 2010 (audited) CZK	**Amount exposed to risk**	**Impact on financial results of the Company -10%**	**+10%**
Financial assets			
Current forward contracts for sale of foreign currencies	399	(40)	40
Financial liabilities	-	-	-
Balance	399	(40)	40

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

Trade accounts receivable and payable as at 31 December 2011 (audited)	**Amount exposed to risk**	**Impact on financial results of the Group -10%**	**+10%**
CZK:			
Trade accounts receivable	11,661	(1,166)	1,166
Trade accounts payable	6,279	628	(628)
Balance		**(538)**	**538**
CHF:			
Trade accounts receivable	564	(56)	56
Trade accounts payable	22	2	(2)
Balance		**(54)**	**54**
HUF:			
Trade accounts receivable	835	(84)	84
Trade accounts payable	270	27	(27)
Balance		**(57)**	**57**

All figures in thousands of EUR, unless stated otherwise

Trade accounts receivable and payable as at 31 December 2010 (audited)	Amount exposed to risk	Impact on financial results of the Group -10%	+10%
CZK:			
Trade accounts receivable	8,751	(875)	875
Trade accounts payable	4,454	445	(445)
Balance		**(430)**	**430**
HUF:			
Trade accounts receivable	781	(78)	78
Trade accounts payable	310	31	(31)
Balance		**(47)**	**47**

Effects of reducing interest rate risk

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

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

Bank credits based on variable interest rates as at 31 December 2010 (audited)	Amount exposed to risk	Impact on financial results of the Group -15%	+15%
Bank credits based on EURIBOR variable interest rate	7,013	(12)	12
		(12)	**12**

Other types of risk

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

Methods adopted for conducting the sensitivity analysis

The analysis of sensitivity to fluctuations in foreign exchange rates, with potential impact on the Group's financial results, was conducted using the percentage deviations of +/- 10% by which the reference exchange rates, effective as at the balance sheet date, were increased or decreased. The sensitivity of interest rate exposure was analyzed using the percentage deviations of +/- 15%.

All figures in thousands of EUR, unless stated otherwise

Fair value

As at 31 December 2011, the Group held the following financial assets measured at fair value:

	Book value	Level 1 *i)*	Level 2 *ii)*	Level 3 *iii)*
Financial assets valued at fair value through profit or loss				
Currency forward contracts	10	-	10	-
Embedded currency derivatives	-	-	-	-
Other				
	10	**-**	**10**	**-**

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

31. 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, spol. s r. o. paid or payable for the years ended 31 December 2011 and 31 December 2010, in breakdown by type of service:

Type of service	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Obligatory audit of the annual financial statements	39	34
Total	**39**	**34**

32. Equity management

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

The Group manages its equity structure which is altered in response to changing economic conditions. In order to maintain or adjust its equity structure, the Group may change its dividend payment policy, return some capital to its shareholders or issue new shares. In 2011, as in the year ended 31 December 2010, the Group did not introduce any changes to its objectives, principles and processes adopted in this area.

The Group consistently monitors the balances of its capital funds using the leverage ratio, which is calculated as a relation of net liabilities to total capital (sum of equity and net liabilities). It is the Group's principle to keep this ratio below 35%. Net liabilities include interest-bearing credits and loans, trade accounts payable and other liabilities, decreased by cash and cash equivalents. The equity comprises convertible preferred shares, own equity attributable to shareholders of the Parent Company, decreased by capital reserves from unrealized net profits.

All figures in thousands of EUR, unless stated otherwise

Equity management	31 Dec 2011 (audited)	31 Dec 2010 (audited)
Interest-bearing credits and loans	9,428	10,570
Trade accounts payable and other liabilities	59,234	45,625
Cash and cash equivalents	(41,024)	(22,357)
Net liabilities	**27,638**	**33,838**
Shareholders' equity	101,969	94,273
Capital reserve from unrealized net profits	-	-
Total equity	101,969	94,273
Equity plus net liabilities	**129,607**	**128,111**
Leverage ratio	**21.3%**	**26.4%**

33. Remuneration of Members of the Management Board and Supervisory Board of the Parent Company

The table below presents the remuneration payable to individual Members of the Management Board and the Supervisory Board of the Parent Company for performing their functions during 2011 and 2010 (in EUR).

Remuneration for the period of	12 months ended 31 Dec 2011 (audited)	12 months ended 31 Dec 2010 (audited)
Management Board		
Klein Jozef – Chairman of the Management Board	387,292	354,115
Moravek Martin – Member of the Management Board	263,895	264,078
Navratil Michal	92,404	66,420
Osuský Tomáš	37,018	-
Grác Marek	6,938	-
	787,547	**684,613**

Supervisory Board		
Góral Adam	7,800	7,800
Košári Andrej	5,500	6,000
Handlovský Ján	1,500	-
Balážová Eva	4,000	6,000
Seczkowski Przemyslaw	6,000	6,000
Marek Panek	6,000	6,000
Total	**30,800**	**31,800**

The table above presents the remuneration payable to Members of the Management Board and the Supervisory Board of Asseco Central Europe, a.s. (SK) for acting as Members of the Management/ Supervisory Boards in subsidiary companies of Asseco Central Europe, a.s. (SK) in 2011 and 2010.

All figures in thousands of EUR, unless stated otherwise

34. Seasonal and cyclical nature of business

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

35. Capital expenditures

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

In 2010, the Group incurred capital expenditures of EUR 5,313 thousand, of which EUR 3,863 thousand was spent on property, plant and equipment investments.

36. Significant events after the balance sheet date

Up to the date of preparing these consolidated financial statements for the 12 months period ended 31 December 2011, being 8 March 2012, no significant events occurred that might have an impact on these financial statements.

37. Significant events related to prior years

Up to the date of preparing these consolidated financial statements, being 8 March 2012, no significant events related to prior years occurred that might have an impact on these financial statements.