Solutions for Demanding Business

SEMI-ANNUAL REPORT OF THE ASSECO CENTRAL EUROPE GROUP

FOR THE PERIOD OF 6 MONTHS ENDED 30 JUNE 2014

FINANCIAL HIGHLIGHTS

SEMI-ANNUAL MANAGEMENT REPORT ON THE GROUP´S BUSINESS OPERATIONS

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONCENSED FINANCIAL STATEMENTS

7 August 2014

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THE ASSECO CENTRAL EUROPE GROUP	In thousand of zł		In thousand of EUR	
SELECTED FINANCIAL DATA	2 quarters cumulative	2 quarters cumulative	2 quarters cumulative	2 quarters cumulative
	1 Jan 2014 - 30 June 2014	1 Jan 2013 - 30 June 2013	1 Jan 2014 - 30 June 2014	1 Jan 2013 - 30 June 2013
Sales revenues	222,947	186,145	53,357	44,173
Operating profit (loss)	25,906	28,445	6,200	6,750
Pre-tax profit (loss)	26,646	30,176	6,377	7,161
Net profit for the period reported attributable to Shareholders of the parent company	31,037	24,584	7,428	5,834
Net cash provided by (used in) operating activities	42,110	13,438	10,078	3,189
Net cash provided by (used in) investing activities	(28,902)	30,825	(6,917)	7,315
Net cash provided by (used in) financing activities	(36,482)	(39,473)	(8,731)	(9,367)
Increase (decrease) in cash and cash equivalents	(23,274)	4,791	(5,570)	1,137
Assets total	584,740	633,860	140,532	146,415
Non-current liabilities	225	38,461	54	8,884
Current liabilities	146,722	151,319	35,262	34,953
Equity attributable to shareholders of the parent	440,947	425,469	105,974	98,279
Share capital	2,950	3,069	709	709
Number of shares (pcs.)	21,360,000	21,360,000	21,360,000	21,360,000
Earnings per share (in ZL/EUR)	1.45	1.15	0.35	0.27
Book value per share (in ZL/EUR)	20.64	19.92	4.96	4.60
Declared or paid dividends per share (in ZL/EUR)	1.55	1.98	0.37	0.47

	31 Dec 2013	31 Dec 2013
Total assets	653,263	157,519
Non-current liabilities	33,737	8,135
Current liabilities	181,411	43,743
Equity attributable to shareholders of the parent	421,446	101,622
Share capital	2,940	709

ASSECO CENTRAL EUROPE SELECTED FINANCIAL DATA	In thousand of zł		In thousand of EUR	
	2 quarters cumulative	2 quarters cumulative	2 quarters cumulative	2 quarters cumulative
	1 Jan 2014 - 30 June 2014	1 Jan 2013 - 30 June 2013	1 Jan 2014 - 30 June 2014	1 Jan 2013 - 30 June 2013
Sales revenues	79,477	60,669	19,021	14,397
Operating profit (loss)	11,992	12,566	2,870	2,982
Pre-tax profit (loss)	65,521	51,697	15,681	12,268
Net profit for the period reported attributable to Shareholders of the parent company	57,938	48,630	13,866	11,540
Net cash provided by (used in) operating activities	17,884	8,137	4,280	1,931
Net cash provided by (used in) investing activities	(1,036)	54,500	(248)	12,933
Net cash provided by (used in) financing activities	(33,022)	(42,325)	(7,903)	(10,044)
Increase (decrease) in cash and cash equivalents	(16,175)	20,311	(3,871)	4,820
Assets total	527,153	471,519	126,692	108,916
Non-current liabilities	0	0	0	0
Current liabilities	71,422	33,794	17,165	7,806
Equity attributable to shareholders of the parent	455,731	437,725	109,527	101,110
Share capital	2,950	3,069	709	709
Number of shares (pcs.)	21,360,000	21,360,000	21,360,000	21,360,000
Earnings per share (in ZL/EUR)	2.71	2.28	0.65	0.54
Book value per share (in ZL/EUR)	21.34	20.49	5.13	4.73
Declared or paid dividends per share (in ZL/EUR)	1.54	1.98	0.37	0.47

	31 Dec 2013	31 Dec 2013
Total assets	485,961	117,178
Non-current liabilities	-	-
Current liabilities	56,460	13,614
Equity attributable to shareholders of the parent	429,501	103,564
Share capital	2,940	709

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 at the arithmetic average of exchange rates announced by the Polish National Bank at the last day of each month of the period.

Exchange rates

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

- Selected items of Statement of financial position as of 30 June 2014 were recalculated by exchange rate announced by National Bank of Poland as of Statement of financial position date (1 EUR = 4.1609 ZŁ)
- Selected items of Statement of financial position as of 30 June 2013 were recalculated by exchange rate announced by National Bank of Poland as of Statement of financial position date (1 EUR = 4.3292 ZŁ)

- Selected items of Statement of financial position as at 31 December 2013 were recalculated at exchange rate announced by National Bank of Poland on the balance sheet date (EUR 1 = 4.1472 ZŁ)
- Selected items of Profit and loss account and Statement of cash flows for the period from 1 January 2014 to 30 June 2014 were recalculated at average exchange rate calculated from exchange rates announced by National Bank of Poland for last day of each month of the reported period (1 EUR = 4.1784 ZŁ)
- Selected items of Profit and loss account and Statement of cash flows for the period from 1 January 2013 to 30 June 2013 were recalculated at average exchange rate calculated from exchange rates announced by National Bank of Poland for last day of each month of the reported period (1 EUR = 4.2140 ZŁ)
- The highest and lowest exchange rate for the reported periods:

Foreign exchange rates		**1 Jan 2014 - 30 June 2014**	**1 Jan 2013 - 30 June 2013**
Maximum FX rate for the period	ZŁ -> EUR	4.2375	4.3432
Minimum FX rate for the period	ZŁ -> EUR	4.0998	4.0671

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

II. SEMI-ANNUAL MANAGEMENT REPORT ON THE GROUP´S BUSINESS OPERATIONS

1 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 Trenčianska street 56/A, 821 09 Bratislava, Slovakia.

1.1 History and present days

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 30 June 2014, Asseco Poland SA held a 93.51% stake in Asseco Central Europe, a. s.

Asseco Central Europe is one of the leading software houses in Central and Eastern Europe. It is active in Slovakia, the Czech Republic, Hungary, Germany, Switzerland and Austria. Members of the Asseco Central Europe Group are also other IT and telecommunication oriented companies and the Company thus employs almost 1,450 people.

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.

Companies of Asseco Central Europe Group implement challenging projects for commercial sector, as well as for public sector, central and local governments, industry, trade and services. Majority of them are built on the long-time experience in extensive projects of tailor made solutions, where it heavily emphasizes the support to the strategic intentions of its clients. Broad customer base of Asseco Central Europe Group includes large financial and insurance companies, public administration, international corporations, central healthcare institutions, healthcare providers and private companies.

1.2 Vision and Strategy

Asseco Central Europe's vision

"Solutions for Demanding Business" – the credo of Asseco CE 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.

Strategic Goals

- To be a stable partner of the customer and to support its development and competitiveness by deliveries of modern information systems with high added value to the customer.
- To continue to increase customer satisfaction by increasing the quality of services and by application of the latest trends in the development of information systems.
- Strengthen its position in the Central European market and to penetrate international markets using mutual synergies within the Asseco Group.
- Promote a strong, technically and morally savvy and customer-oriented employee base.
- Build a corporate culture that supports cooperation, innovative and dynamic development of the Company.
- Develop and promote scientific research in the field of IT.

1.3 Awards and prizes received

Asseco Central Europe has retained its position among the TOP ICT companies in Slovakia

Trend magazine (one of the most influential economy magazines in Slovakia) published the Trend TOP in ICT rankings for the year 2013. Asseco Central Europe remained No. 1 in two categories (IT Service Providers in Slovakia, Top IT Suppliers for Private Financial Sector). Improvement by one position and top rank received the Company in the category TOP IT Suppliers for Public Sector. It further improved its ranking by one place in the categories Software Houses in Slovakia where it is currently No. 2 and Suppliers of IT products and services in Slovakia ranked by Sales where it is currently No. 4.

1.4 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:	SK7020000691
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,

1.5 Scope of activities

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

2 IT MARKET IN THE FIRST HALF OF 2014 AND ITS FUTURE OUTLOOK

The world market recovers this year. According to Gartner, worldwide sales of IT market will reach $ 3.8 trillion and annual growth at the level of 3.2% this year, while last year it grew only by 0.4%. Gartner sees it as trend of investment and consumption establishment.

Gartner predicts IT services to grow by 4.6% and revenues of $ 964 billion. The current trend for buying IT services represent a shift from consultation (project planning) to implementations (project realisation). Gartner expects that this segment will continuously grow, which will match the improving of overall economic situation.

Enterprise software segment should grow this year the fastest of all, by 6.9% and it should reach revenues of $ 320 billion. According to Gartner, operating systems will this year drop from the first place and in terms of sales they will be replaced by database management systems. It should be connected with the trend of convergence of social networking, mobility, cloud and information, for which the adequate tools are needed.

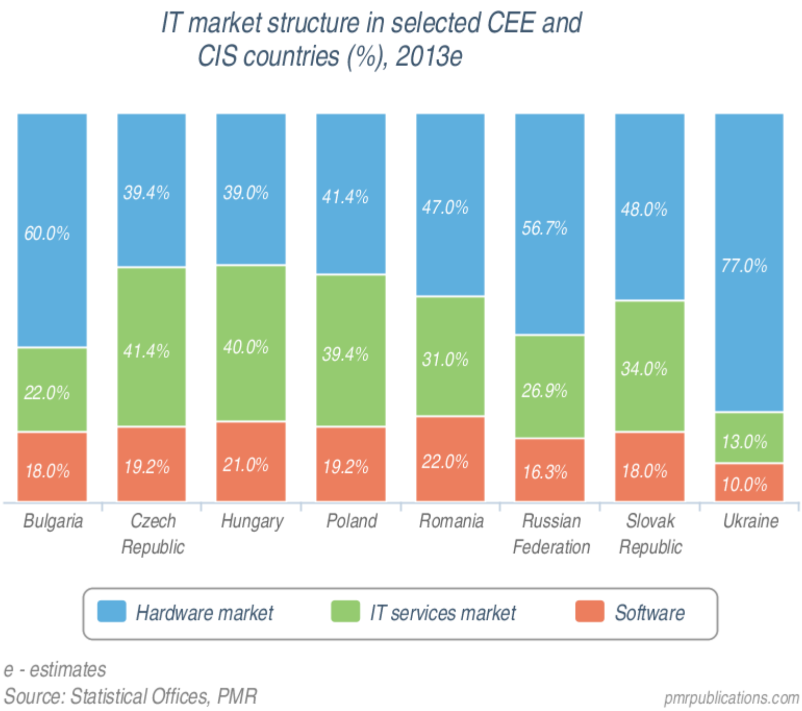
Chart 1 – Outlook for the IT market (billion of dollars)

	2013 Revenues	Growth in 2013	2014 Revenues	Growth in 2014
Equipment	660	-1.4%	689	4.4%
Data centers systems	140	-0.2%	143	2.3%
Enterprise software	299	4.9%	320	6.9%
IT services	922	1.8%	964	4.6%
Telecommunication services	1,633	-0.5%	1,655	1.3%
Total	**3,654**	**0.4%**	**3,771**	**3.2%**

CEE and CIS

According to PMR forecasts, 2014 will bring IT markets growth for all the analysed countries of CEE and CIS. In 2014, Poland and Russia will have the highest growth rates; the Czech Republic, Hungary, Romania and Slovakia will notice moderate growth; the Ukrainian IT market will witness the slowest development.

According to PMR estimates, Russia has the largest IT market out of all the analysed countries. In 2013 it was more than double in comparison to the follower, Poland. By contrast, the Romanian IT market in 2013 generated the smallest sales. In 2013, Poland's IT market, was considered to be the second-largest market among the analysed countries in Central and Eastern Europe and Commonwealth of Independent States. Despite the country's huge population, Ukraine's IT market value only reached more than Romania and Slovakia.



The Czech Republic, in comparison, is doing pretty well: its population (almost five times smaller than that of Ukraine) accounted for a good market share in the region.

Slovakia

In the last quarter of 2013, the IT market in the Slovak Republic recorded value increase by 9.2% compared to the same period of the previous year. Even in 2014, this trend should continue. The total size of the IT market in the Slovak Republic for the year 2013 climbed to EUR 1,268 million and so it is the second smallest market in the CEE region, behind which lags only Hungary as regards the volume. However, it is expected, that the market will continue to grow by around 6%. (Source: Kapsch BusinessCom Study and IDC)

According to GfK Temax Slovensko, the structure of the Slovak IT market in 2013 was as follow: 18% Software / IT Services 34% / 48% Hardware.

Czech Republic

IT services market in the Czech Republic in 2013 fell slightly. The total value of the IT services market in the Czech Republic for the year 2013 amounted to $ 1.75 billion.

According to IDC, it can be expected that the Czech IT services market will return to strong annual growth rates that have been here ten years ago. IT services markets benefit from the following determinants: improving economy, more positive sentiment, availability of EU funds for ICT projects and own need to use modern IT as a competitive advantage.

Gartner estimates that the compound year growth rate in 2018 will be 5%. The fulfillment of this forecast would bring positive news for the Czech market. Analysts estimate that total sales of equipment, data center, enterprise software, IT services and telecommunications will rise from CZK 214 billion reached last year to CZK 274 billion predicted for 2018.

Gartner estimates that this year will the Czech market grow by 3.4% y/y, which is slightly above forecasts for the global market. Segment of software should this year grow by 4.8% y/y and it should reach sales of CZK 25.6 billion. Revenues from IT services can according to Gartner grow this year by 6.6% to about CZK 55.3 billion.

Hungary

The economic environment will according to BMI become more supportive of IT market expansion in 2014, however with business and consumer confidence remaining fragile in the context of external risks BMI does not expect a sharp uptick in spending. Despite these challenges there are solid fundamentals for medium-term growth.

Meanwhile, the dispersal of EU funds for projects and Hungarian IT firms, the modernisation by Hungarian enterprises as they face the pressures of international competition and cloud computing demand will all drive spending growth.

3 ASSECO CENTRAL EUROPE GROUP POSITION IN THE IT SECTOR

Asseco Central Europe and its subsidiaries won so far several major awards in 2014. The Company has ranked high in the Trend TOP in ICT ranking compiled by the weekly Trend each year. It scored again in 2014 and remained No. 1 in two categories (IT Service Providers in Slovakia, Top IT Suppliers to Private Financial Sector). The Company currently dominate also the category of Top IT Suppliers to Public Sector. Other rankings are shown in the table below.

Category	Ranking
IT Service Providers in Slovakia	1.
TOP IT Suppliers to Private Financial Sector	1.
TOP IT Suppliers to Public Sector	1.
Software Houses in Slovakia	2.
ICT Companies with the Highest EBITDA	2.
The Most Profitable IT Companies in Slovakia	2.

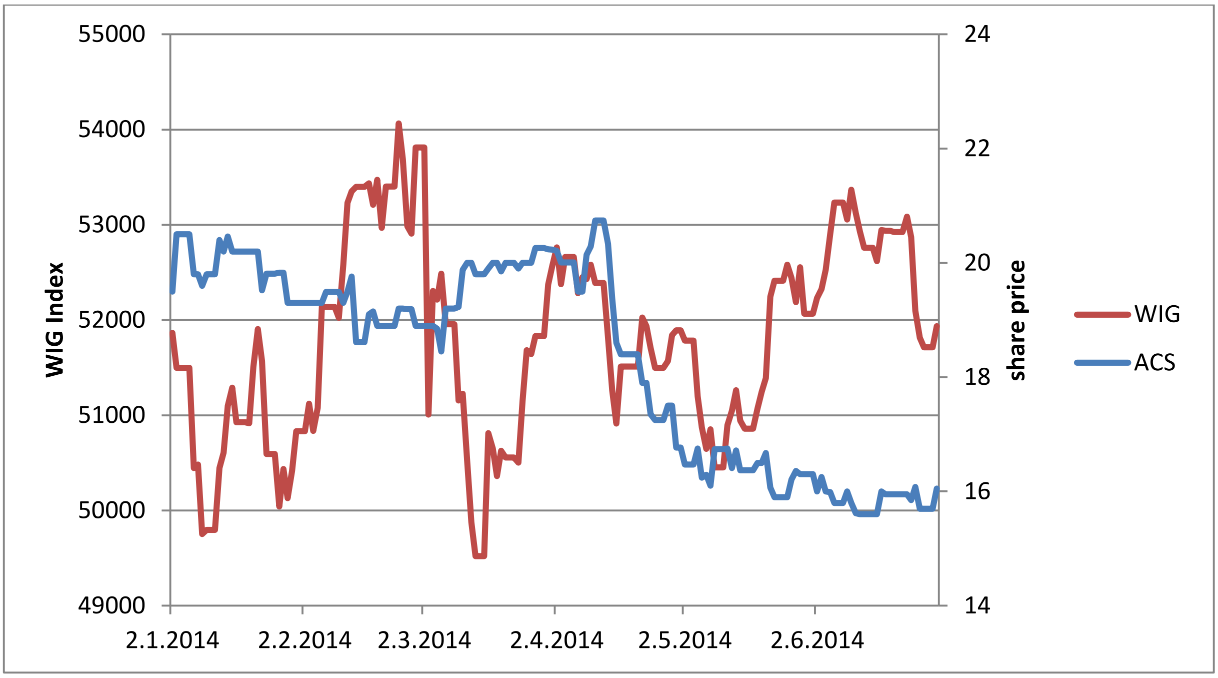
Source: Trend TOP in IT, the weekly Trend, May 2014

4 ASSECO CENTRAL EUROPE ON THE CAPITAL MARKET

Asseco Central Europe has been listed on the Warsaw Stock Exchange since October 2006. The Company's shares are publicly traded and therefore some of the shareholders are always changing. On the basis of legal regulations and official stock exchange rules every shareholder, whose share exceeds or drops below the statutorily stipulated percentage of shares in the registered capital and voting rights at the General Assembly, is obliged to inform the Company of this fact. The lowest threshold, when a shareholder is obliged to inform the Company of its share, is 5%.

The share capital of the Company is EUR 709,023.84 and is fully paid up. Part of the share capital of the Company, EUR 52,579.296, was created by monetary contributions from shareholders and part of the share capital, EUR 6,506.024 EUR, was created by a nonmonetary contribution from Asseco Poland S.A., where the subject of such contribution were shares in Asseco Czech Republic, a. s. (today Asseco Central Europe, a. s., registered in the Czech Republic). Part of the share capital, EUR 531,767.88, was created through an increase in the share capital from the Company's assets and part of the share capital, EUR 118,170.64, was created through an increase in the share capital on the basis of an open call for the subscription of shares in compliance with a mandate from the Board of Directors of the Company.

The share capital is divided into 21,360,000 bookentries, ordinary bearer shares, each with a nominal value of EUR 0.033194. All of the Company's shares were admitted for trading on the regulated market of the Warsaw Stock Exchange. The transferability of the shares is not limited. Decisions on any increase or reduction in the share capital, as well as authorizations for the purchase of own shares, falls within the scope of the General Assembly.



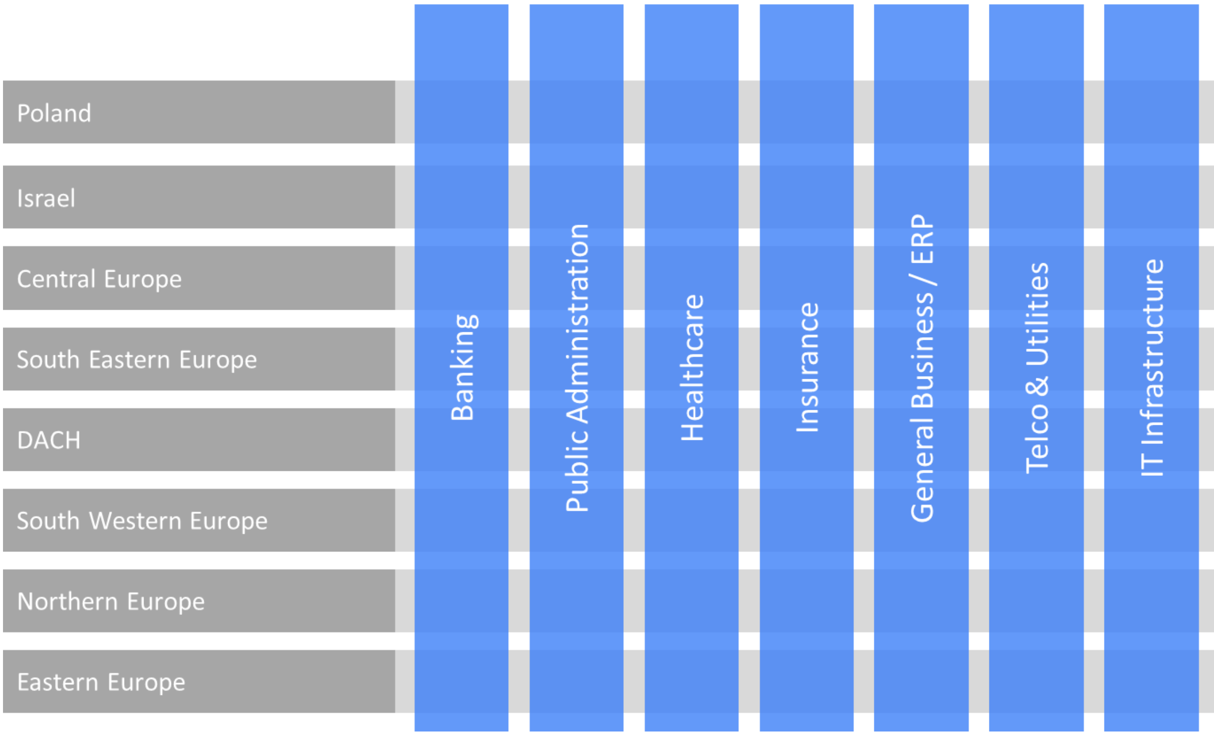
Development of Asseco Central Europe's share price compared to the WIG Index.

5 PRODUCT PORTFOLIO OF ASSECO CENTRAL EUROPE GROUP

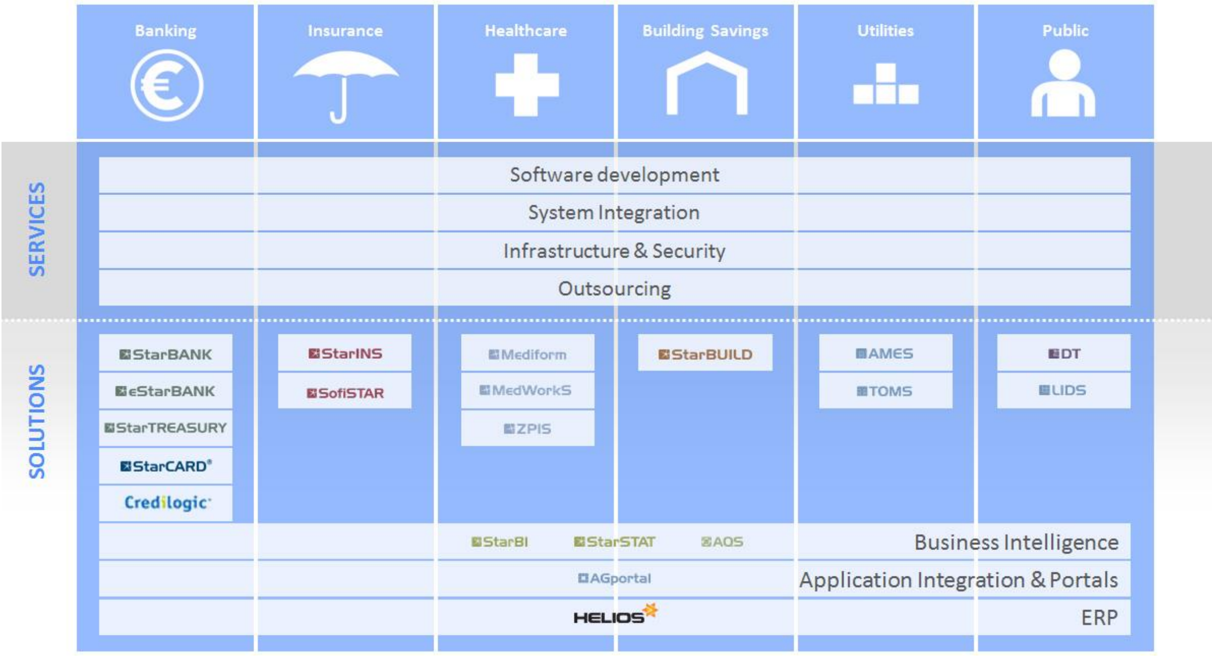
The main strategic role of the Sales Department of Asseco CE is to identify new business opportunities. The aim is to bring about reasonable projects for the Company and professional work for our specialists.

Asseco Group operates throughout the entire Europe. We had managed operations in Slovakia, Czech Republic and Hungary until the end of the year 2013 as part of Asseco Central Europe. The three Asseco Solutions operations in Germany, Austria and Switzerland were added into our ownership structure in January 2014. Our presence in several countries is a huge advantage as we can diversify our efforts over a larger geographic area with a bigger customer base. 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.

In order to benefit from synergies arising from mergers and acquisitions, the products and services provided by individual companies within the Asseco Group are divided into transparently defined organizational units called Business Units. Business Units include Banking, Insurance, Healthcare, Public Administration, Telco & Utilities, IT Infrastructure and ERP (Enterprise Resource Planning). This matrix-oriented organizational structure combines the hierarchic management line of individual regions and entities in regions with a segment-oriented organizational structure, which is strictly focused on creating business opportunities in the given segment. This organizational 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.



The offer of products and services is also within every regional grouping arranged to segment-oriented groups/ areas which are autonomously managed. Within Asseco Central Europe, they include the following areas: Finance, Healthcare & Insurance, Public & Utilities, IT Infrastructure & Integration 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 present solutions and by the development of customized solutions.



Segment oriented groups with overview of Company´s portfolio of solutions and services.

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.

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.

In the area of **outsourcing** Asseco CE offers a wide spectrum of services. It provides assistance to both external and internal customers, and not just with service-related activities. It handles queries regarding repairing of different types of ICT equipment (computers, notebooks and servers) and peripherals (printers, scanners and UPS), provides HW and SW procurement consulting, HW equipment upgrade, realize 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.

Company supplies and installs POS terminals, provides 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. The Company uses special web application for service management a remote support, designed for management, monitoring and evaluation of the state of service processes/ services. Local support is provided by the service team covering (similar to IT Service) the entire territory of the Slovak Republic.

Company further provides personalization of smart cards.

Business Unit Finance

Asseco Central Europe has more than fifteen years of experience in the financial segment. It has implemented a number of projects and developed several unique solutions for banks. One of them is the information system **StarBANK** which automates all retail and wholesale operations and provides a comprehensive set of reports, controlling and intra dealing. **eStarBANK** is a portal solution that enables the use of electronic distribution channels ensuring all basic retail functions for remote clients (Internet banking, home banking, mail banking and GSM banking). The Company's portfolio further includes solutions designed to support the administration of available funds and trading on financial and capital markets. That is the **StarTREASURY** solution which provides 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 just need to manage their own funds and investments.

The offer of Asseco Central Europe in the financial segment is complemented by the **Credilogic®** family of software applications developed by the Company's subsidiary Statlogics. These solutions serve some of the most demanding financial institutions in the world. Credilogic® applications cover the entire workflow of credit lifetime from origination to loan account management and collection of bad debt.

StarCARD® enjoys a unique position in the Company's product portfolio. It is a full information system supporting pay card transactions for banks and processing centers. It includes authorization support, clearing and transaction settlement and dealer administration. An integral part of the system is application software for end devices, ATMs, and POS terminals. Based on the success of the StarCARD® solution, the processing center DanubePay (a new subsidiary) was founded within the Asseco Central Europe Group in 2012.

The Company has developed the **StarBUILD** solution for the needs of building savings banks. This complex banking information system fully covers the individual business processes of the building savings bank. Apart from the core banking system, it also contains a wide portfolio of additional modules which are well 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 the maintenance thereof.

Asseco CE´s proprietary solutions for financial segment can be found in international banks as well as smaller local financial institutions like Slovenská sporiteľňa (member of ERSTE Group), Poštová banka, EXIMBANKA SR, Wüstenrot hypoteční banka, Wincor Nixdorf, GE Money Bank, Českomoravská hypoteční banka, Českomoravská záruční a rozvojová banka, J & T Banka, UniCredit Bank Slovakia, OTP Banka Slovakia and Analytik Finanční trhy. The Company has achieved a dominant position on the market of building societies in the Czech Republic. Its StarBUILD solution is implemented in four out of five building societies (Wüstenrot stavební spořitelna, Českomoravská stavební spořitelna, Modrá pyramida stavební spořitelna and Stavební spořitelna České spořitelny).

Business unit Healthcare & Insurance

Asseco Central Europe offers a wide range of solutions for the healthcare segment, both standardized software products and complex solutions developed according to the specific needs of the customers. Mediform and ZPIS are among the solutions targeted at health insurance companies. **Mediform** covers the most important processes in an insurance company, e.g. IS administration, dials and catalogues, client registers, receipt and claiming of insurance premium, annual accounting, payment processing of healthcare costs, medical revision of costs and refunding of costs of insured persons from the EU. Accounting is a part of the system. **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 activities of a health insurance company. It is built on the extensive experience in developing and improving systems for health insurance and contains the latest modern technologies. It is a universal modifiable system based on relational database technology. The IS is integrated with an 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, etc.).

The healthcare offering is complemented by the solutions of the Company's Hungarian subsidiary GlobeNet which supplies **MedWorks**, a complex hospital information system. This solution provides assistance and support to the communities within healthcare institutions in every single aspect of their daily jobs. The regular activities of physicians, patients, nurses, hospital management and other employees are intensively supported by MedWorks' unique capability of tracking, administration and optimization of healthcare processes. MedWorks is a unified hospital IT system engineered for operating across the institution and the entire local and remote infrastructure; appropriate user interfaces were generated and implemented for different profession-specific work areas with differing functionally.

The portfolio of Asseco Central Europe also includes information systems for commercial insurance companies. Its comprehensive information system **StarINS** automates all front-office and backoffice operations including personal, property and liability insurance as well as life, health and pension insurance. The system operates as an independent product for electronic distribution channels. **SofiSTAR** is a production information system for management of pension funds. The system provides for front-office and back-office activities with a high degree of process automation and Internet access of clients to their personal pension accounts and automatic processing of electronic documents related to pension savings.

The third and last area under Business Unit Healthcare & Insurance is business intelligence. During software development, the Company developed in this field from initial reporting tasks via dashboards and ad-hoc analysis to advanced methods of datamining and predictive decision-making. Our product **StarBI** is either provided as a turnkey solution or by customizing modules prepared in advance. The solution uses standard BI platform and databases (IBM, Microsoft, Oracle and SAS). Asseco Central Europe offers a wide range of solutions for monitoring and evaluating profitability (of products, customers, sales channels), automating reporting for internal or external environment (regular reporting, ad hoc outputs), in-depth analysis of data through data mining tools and dealing with tasks such as for instance detection of fraud (insurance, government revenue - taxes), cross-selling, subsequent sales, customer segmentation and other types of tasks. The **AQS** (Asseco Quality Services) solution is used to consolidate data and transfers thereof among heterogeneous systems by combining a software product, methodology and related services designed to implement migrations, consolidations and data cleansing. A part of the business intelligence offer is the solution **StarSTAT** which is suitable for all types of companies whose employees are engaged on a regular basis in acquiring, editing, processing and creation of generated data. It is a versatile reporting tool but it also offers pre-loaded functionality to comply with reporting obligations to financial market regulators of banks, insurance companies, leasing companies and other financial institutions.

The most important clients of the Healthcare & Insurance Business Unit include ministries (Ministry of Health of the Slovak Republic), specialized health institutions (National Health Information Center (SK), Institute of Health Information and Statistics of the Czech Republic), owners and operators of regional healthcare networks (Svet zdravia (SK)), health insurance companies (Česká průmyslová zdravotní pojišťovna, Oborová zdravotní pojišťovna zaměstnanců bank, pojišťoven a stavebnictví, Revírní bratrská pokladna, zdravotní pojišťovna, Union zdravotná poisťovňa, Všeobecná zdravotná pojisťovňa, Vojenská zdravotní pojišťovna České republiky, Zaměstnanecká pojišťovna Škoda), commercial insurance companies and pension funds management companies (Allianz – Slovenská poisťovňa, Pojišťovna Všeobecné zdravotní pojišťovny, STABILITA d.d.s., VÚB Generali dôchodková správcovská spoločnosť, Wüstenrot neživotní pojišťovna, Wüstenrot životní pojišťovna, ČSOB Penzijní společnost) and banks (Českomoravská hypoteční banka, Českomoravská záruční a rozvojová banka, J&T Banka, UniCredit Bank Slovakia, OTP Banka Slovakia, Wüstenrot Hypoteční banka), Fakultná nemocnica s poliklinikou F.D.Roosevelta, ambulances and general practitioners).

Business Unit Public & Utilities

Systems for public administration developed and implemented by the Business Unit Public & Utilities are the major fields of interest of the Company in addition to solutions for commercial entities. In the area of solutions to central public administration, Asseco CE specializes in the creation and delivery of such solutions which cannot be carried out by conventional means and instruments without a large amount of creative work. A significant advantage of the Company is the ability to design and implement systems for processing large volumes of data with sophisticated transactional logic as well as special portal solutions with form interface intended for public administration that are implemented with cross-linking to key components of eGovernment. A specific offer to public administration is the design and delivery of complex systems for government that includes hardware, network infrastructure and specialized heavy duty applications with guaranteed high availability for the specific needs of government-type central registers, business registers, supervisory systems for the distribution of government benefits and subsidies or budgetary information systems for processing and publishing of large data files on platforms Informix or Oracle using WebLogic application servers and Geocluster RAC topology and Java development environment.

The largest projects undertaken in this area include delivery of solutions for ministries (Czech Ministry of Transport, Slovak Ministry of Transport, Construction and Regional Development, Czech Ministry of Finance, Czech Ministry of Interior, Czech Ministry of Justice, Czech Ministry of Health), but we also cooperate with the Slovak Supreme Audit Office, Czech and Slovak Central Statistical Offices and many other authorities or institutions such as the Central Securities Depository of the Czech Republic, Central Securities Depository of the Slovak Republic, the Czech Social Security Administration, Financial Administration of the SR, the Czech Surveying Office, the Senate, Road and Motorway Directorate of the Czech Republic, EXIMBANKA SR, Česmad Slovakia and Slovak Tourism Agency.

We provide solutions to self-government entities based on our own software (via Asseco Solutions, a. s.) which is defined by a high degree of customization and focus on processes that are specific and key to local self-government. One of our advantages is the fact that these systems can be adequately complemented for example by solutions for geographic and spatial data and systems for metropolitan area networks. Our main clients are regions (Vysočina Region, Hradec Králové Region, Moravian-Silesian Region, Regions Olomouc and Pilsen), cities (Capital City of Prague), large municipalities and organizations constituted by the State.

Wide range of offerings by Asseco CE allows to appropriately complement the solutions by other products and services. These include solutions in the field of Geographic & Network Systems (GNS) provided based on the experience acquired by the Company over the past twenty years in the development and implementation of geographic information systems (GIS), administrative systems for operation of technical equipment (Facility Management), web and portal solutions (Web) and integration based on service-oriented architecture (SOA). Asseco CE has solutions for utility companies, industrial companies and also state and local government businesses. The core products in this area are based on the latest technologies and standards and include the geographic information system **LIDS**, solution for creating communications and publishing portals **AG Portal**, a tool for record-keeping and asset management **AMES** and a solution for process support in the distribution of manufacturing enterprises **TOMS**.

A special area of competence of Asseco CE is Transport Telematics which includes mainly **Intelligent Transportation Systems** (ITS). This solution allows a more efficient use of existing transport infrastructure, improving traffic flow that enables savings in time and fuel. The result of the introduction thereof is also a decrease of negative environmental impacts.

The Company's portfolio for the public segment contains the solution **StarBI*G** in the area of business intelligence which is an extension of the data from production systems and other reference data sources (record-keeping DB, etc.). It allows to generate statistical analysis and forecasting, data analysis by OLAP technologies and to prepare data as a basis for support of decision-making. The solution is pre-packaged for the field of economy, transport, education, subsidies and so forth. Another product of this group is **StarECM** – a modular information system that allows management of all the aspects of record-keeping the flows of documents, quick search, procedural processing and archiving of documents and information.

Business Unit IT Infrastructure & Integration

Business Unit IT Infrastructure & Integration provides a wide range of services and solutions for internal and external customers. It focuses on the comprehensive support necessary for the application of projects of other Business Units in the following areas:

- Supply of hardware, software licenses, network infrastructure, installation and support of customer environment (one of the largest clients in this area is the Czech Social Security Administration),
- Technical design of the application solution,
- Design, implementation and support of technical solution through all layers of infrastructure - servers, disk arrays, networks, operating systems, database systems, middleware and application servers, the presentation layer (the most important references in this area include the Czech-Moravian Building Society, the Czech Statistical Office and the Supreme Audit Office of the Slovak Republic),

- Design, setup and operation of development and test environments,
- Comprehensive outsourcing of services for external customers (Škoda Praha Invest, a member of the ČEZ group) - servers, disk arrays, firewalls, backup, operating systems, databases, workstations, application management,
- Complex operation of system solutions for basic registers for RPP and ROS registers supplied by us,
- Comprehensive operation of solutions of the information and communications interfaces of the Czech Social Security Administration/ e-Portal,
- Comprehensive operation of solutions of Emergency Information Management System of the capital city of Prague,
- Call Centre (Helpdesk) for external customers.

Business Unit IT Infrastructure & Integration also operates internal information systems of Asseco Central Europe.

Business Unit ERP

Business Information Systems from the portfolio of our subsidiaries – 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. Thanks to the geographical closeness of Asseco Solutions companies to local customers, the product portfolio can be better tailored to the specific requirements across sectors and countries and to offer a better service at a professional level. The selected proven local solution can also be introduced into commercial offer in other countries in the longer term.

Within the composition of Asseco CE, the competence in the field of corporate information systems known also under the HELIOS name 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 SAP CRM, SAP SRM, etc.

6 SUMMARY AND ANALYSIS OF THE ASSECO CENTRAL EUROPE GROUP FINANCIAL RESULTS FOR THE FIRST HALF OF 2014

The Group reported the following financial results in the period of six months ended 30 June 2014 ("1H 2014") and in the comparative period of six months ended 30 June 2013 ("1H 2013"):

SELECTED ITEMS	1H 2014	Margin	1H 2013	Margin	Change y/y
Sales revenues	53,357	--	44,173	--	*20.8%*
Gross profit on sales	15,492	*29.0%*	14,377	*45.4%*	*7.8%*
Operating profit	6,200	*12.0%*	6,750	*21.3%*	*-8.1%*
Pre-tax profit	6,377	*12.0%*	7,161	*22.6%*	*-10.9%*
Net profit for the period reported from continuing operations	4,867	*9.0%*	5,650	*17.8%*	*-13.9%*
Net profit for the period reported from discontinued operations	2,306	--	335	--	*588.4%*
Net profit for the period reported	**7,173**	**--**	**5,985**	**--**	***19.8%***

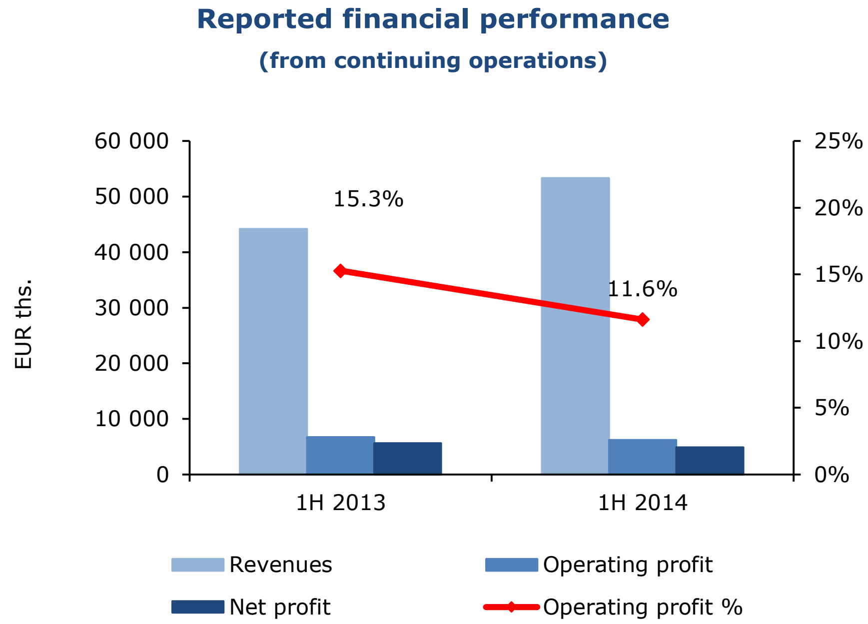
Financial results of the Group were influenced mainly by two significant factors in 1H 2014 – (i) drop of revenues from Czech Republic (EUR -6 mil) and (ii) the acquisition of Asseco Solutions AG, which contributed to Group revenues and operating profit by EUR 11.7 mil and EUR 1.0 mil resp. in y/y comparison.

In addition, the higher portion of hardware equipment sale (EUR 3.2 mil y/y) contributed to the total increase of Group revenues by almost 21% (EUR +9.2 mil) y/y.

The acquisition of Asseco Solutions AG formally concluded the transformation of ERP segment which started in 2013. Positive financial contribution of DACH region and progressive changes introduced to Slovak and Czech part of Asseco Solution resulted in positive impact on financial results of the ERP segment (EUR +4.4 million of gross profit on sales y/y). This growth was offset by several terminated projects (mainly in Czech Republic) which significantly contributed to the total results in 1H 2013. As a result, gross profit on sales increased by 8% in 1H 2014 y/y.

Although generally reduced in y/y comparison, S&GA costs of the Group were higher by EUR 1.6 million due to relatively higher share of selling and general administration costs in newly acquired Asseco Solutions AG. The operating profit decreased by almost EUR 0.55 mil y/y in the reporting period. The net profit for the period reported from continuing operations dropped accordingly to EUR 4.9 million (-13.9% y/y).

Profit from the disposal of the shares in Slovanet as well as the results of Slovanet for the period of 6 months are presented as net profit from discontinued operations (refer to the Note 6 in interim condensed consolidated financial statements for more details).

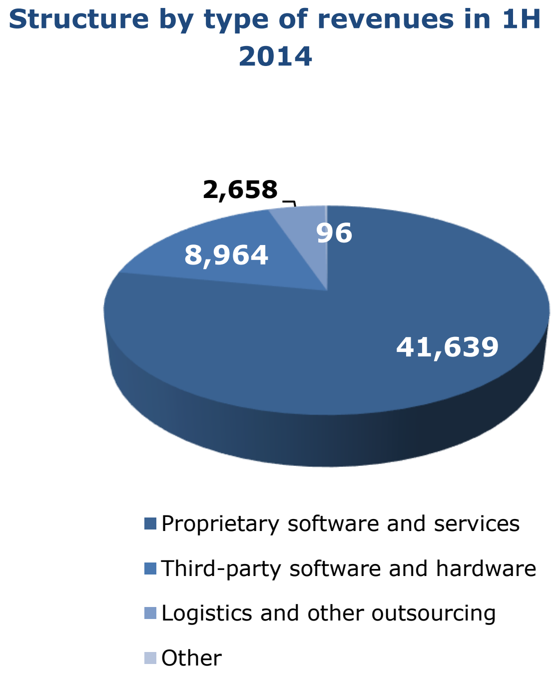


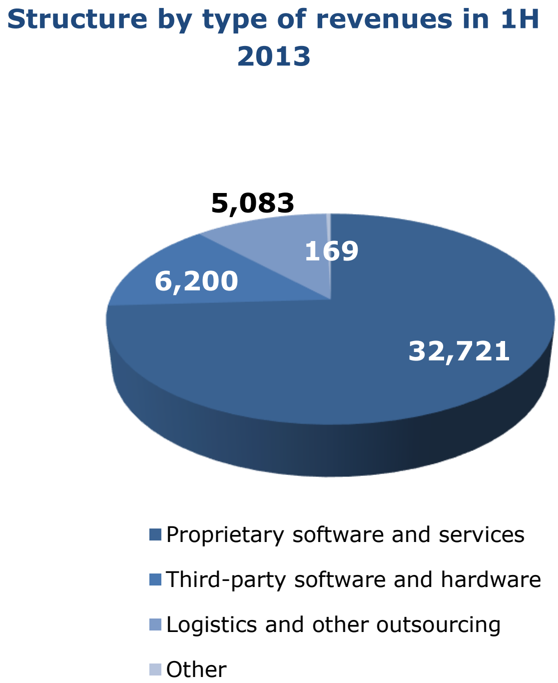
Majority of revenues were generated from sale of proprietary software and services which contributed 78% and 74% to total revenues of the Group in 1H 2014 and 1H 2013, respectively. Acquisition of Asseco Solutions AG in January 2014 was the main driver for 27% growth in 1H 2014 y/y.

Telco services no more contribute to the revenues after the disposal of the shares in Slovanet.

Other important part of revenues represent the sales of third party software and services and resale of hardware and infrastructure, which increased in the reporting period mainly in the parent company (17% and 12% proportion on total revenues in 1H 2014 and 1H 2013).

After the two major logistics projects were sold in 3Q 2013, logistics and outsourcing services dropped significantly in 1H 2014 by EUR 2.5 million (5% and 11.5% proportion on total revenues in 1H 2014 and 1H 2013).





Revenues from sales of telco services which were reported in previous periods were recognized as discontinued operations in the reporting period as they were solely generated by Slovanet, a. s.

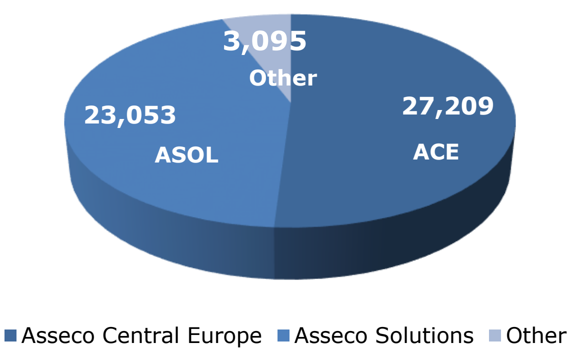
Asseco Central Europe and Asseco Solutions are the two main business entities which are presented as operating segment since 2013. The "Other" segment includes Hungarian companies as at 30 June 2014. Slovanet segment, which was reported in previous period was recognised as discontinued operations as at 30 June 2014 due to the disposal of shares in Slovanet, a. s.

Asseco Central Europe segment reported 5% drop of revenues from the external sale of the services in 1H 2014 y/y. The Public Administration market which is the main pillar of the segment revenues hasn't recovered from the slowdown caused by recent political changes in Czech Republic. Higher sales from Slovakia (mainly from the system integration) partially compensated the impact on the segment's operating profit (EUR -1.3 mil y/y). Lower man-day rates resulting from the continuous price negotiations with customers from both public and finance sector create a pressure on the higher volumes of services to be provided to customers in order to keep comparable revenues.

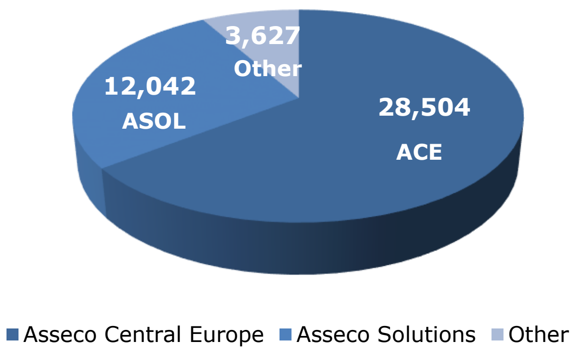
Segment Asseco Solution almost doubled the top line results by 91% growth of external sales in 1H 2014 y/y mainly due the acquisitions of Asseco Solutions AG in January 2014. Although the profitability of the part of the segment is affected by higher costs related to establishing of the new Swiss branch in 2014, still the operating profit has grown by 171% in 1H 2014 y/y.

The financial results of Other segment represented by Hungarian companies were affected by the situation in Statlogics where the process of standardization of the company had to be started after the group of original founders and employees left the company in Q4 2013. Transition period finished in June 2014. Discounts offered to customers and extra costs related to this transition period influenced also the segment revenues and operating profit in 1H 2014 by EUR -0.5 million y/y.

Revenues by segments in 1H 2014



Revenues by segments in 1H 2013



All figures in thousands of EUR

Revenues of Slovanet segment which were reported in previous periods were recognized as discontinued operations in the reporting period as they were solely generated by Slovanet, a.s.

There are no customers exceeding 10% share in total revenues of the Group.

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

Information on subsidiaries

The table below shows the basic financial data for individual companies or groups belonging to the Asseco Central Europe Group*.

	Asseco Central Europe Group sales in the period of		Asseco Central Europe Group net profits/(losses) in the period of	
	6 months ended 30 June 2014	6 months ended 30 June 2013	6 months ended 30 June 2014	6 months ended 30 June 2013
Asseco CE SK	19,021	14,397	13,866	11,540
Asseco CE CZ	9,680	15,684	2,906	3,393
BERIT CH	509	477	(3)	1
BERIT DE	1,297	1,645	146	160
DanubePay	433	1,277	(723)	233
Asseco Solutions AG	11,674	-	945	-
Asseco Solution SK	4,764	4,782	173	(67)
Asseco Solution CZ	7,924	7,819	489	603
Slovanet	-	-	-	-
Statlogics	1,838	2,312	(253)	642
GlobeNet	1,257	1,315	12	(125)
Asseco Hungary	-	-	(43)	-
Total	**58,397**	**49,708**	**17,515**	**16,380**

* *Data exclude consolidation adjustments and net profit attributable to non-controlling interest.*

All figures in thousands of EUR, unless stated otherwise.

The Group's cash-flow generation

The Group's cash flow generation in the period of 1H 2014 is provided below.

	1H 2014	1H 2013
Cash-flow used in/from operating activities	10,078	3,189
Cash-flow from investing activities	(6,917)	7,315
Cash-flow from financial activities	(8,731)	(9,367)
Change in cash for the period	(5,570)	1,137
Net foreign exchange differences	(131)	(264)
Cash and cash equivalents, beginning of period	34,857	26,401
Revolving loans that are a part of cash management as at 1 January	(717)	(3,250)
Cash and cash equivalents, end of period	**28,439**	**24,024**

The Group's investment cash-flow

Net cash used in investing activities during the reporting period was negative EUR 6.9 million. It comprises mainly payment for shares in Asseco Solutions AG (EUR 6.1 million net of cash acquired) and acquisition of tangible and intangible assets in amount of EUR 2.5 million, proceeds from sale of shares in Slovanet (EUR 1 million) and net loans granted (EUR 0.6 million).

The Group's financial cash-flow

Net cash used in financing activities during the reporting period was negative of EUR 8.7 million. Cash outflow related to dividends payoff amounted to EUR 7.9 million.

Cash outflows in amount of EUR 1.2 million related to debt service of loans and financial leases. The outflow was offset by new loans drawdowns in amount of EUR 0.6 million in 1H 2013.

Analysis of Asseco Central Europe, a. s. results for the 1H 2014

SELECTED ITEMS	1H 2014	Margin %	1H 2013	Margin %	Change y/y
Revenues	19,021	n/a	14,397	n/a	*32.0%*
Gross profit on sales	3,890	20%	4,409	31%	*-12.0%*
Operating profit	2,870	15%	2,982	21%	*-4.0%*
Pre-tax profit	15,681	82%	12,268	85%	*28.0%*
Net profit for the period	13,866	73%	11,540	80%	*20.0%*

Revenues of Asseco Central Europe, a. s. (the "Parent company") increased by EUR 4.6 million in 1H 2014 y/y. This growth was driven mainly due to new projects started in 1H 2014 and higher sale of 3rd party equipment (by more than EUR 3 million). Due to relatively low margin from this re-sales and the higher utilization of human resources from Czech Republic the gross profit margin decreased to 20% in 1H 2014. Cost savings in S&GA area contributed to almost flat operating profit in Q1 2014 y/y (EUR -0.1 million).

Net financial income included lower intra-group dividends in the reporting period (by EUR -1.8 million y/y) and gain from the disposal of shares in Slovanet, a.s. (EUR 5.4 million) which resulted in higher 1H 2014 pre-tax profit and net profit by EUR 3.4 million and EUR 2.3 million resp.

7 FACTORS AFFECTING THE ACHIEVED FINANCIAL RESULTS

Slovakia

- At the end of June this year Slovakia drew almost EUR 6.5bn of EU fund money from the current programming period 2007-13 in all 14 operational programs. This is 55.5% of the total allocation of EUR 11.6 billion, reported the Ministry of Finance. The sum grew 31.3% y/y (EUR 1.5 billion) and the drawing rate increased by 13.3%.
- Process of disbursement of EU funds within the Operational Programme Information Society (OPIS) is slow. OPIS belongs to the operational programmes with the worst disbursement.
- Approval of an exemption for Slovakia, based on which the period during which the country can draw money from the EU commitment for 2011 and 2012 will be prolonged by one year, virtually eliminated the risk of under-execution of EU funds in 2013.
- The European Commission approved Slovakia the basic Strategic document for the area of digital services growing and infrastructure of next generation access network, thus the conditions for the withdrawing of EU funds in the new programming period 2014–20 are fulfilled.
- The government approved the draft of Operational Program Integrated Infrastructure that will significantly contribute to the development of information society in Slovakia. It is one of the first program documents to withdraw EU funds since 2014. The allocation for Operational Program Integrated Infrastructure is EUR 989.41 million.
- The output of the Slovak economy was 2.4% higher annually in the first quarter of this year. This was the 8th highest growth pace in the entire EU, which reported an average growth of 1.4%.
- Slovakia left the excessive deficit procedure, whereas our government deficit fell last year below limit of 3% of GDP. European Commission predicts that in the coming years will the Slovak public deficit remain under the 3% limit. .
- Selected euro area countries - among others also Germany and Slovakia – will introduce a tax on financial transactions in 2016. It is not yet known what will be the extent and rate of the tax. The legal basis for this tax should be known by the end of this year.
- Last year, Slovak companies increased sales by 1%, but net profit fell by 28%, showed the analysis of FinStat according to data published in the Register of financial statements. Big companies that are required to prepare consolidated financial statements are not included in the analysed sample. Income reduction is probably caused by tax optimization, to increase income tax rates and the introduction of taxes on dividends.
- Firms are careful in general. Profitability of non-financial corporations only slightly increased. Uncertainty about further orders reflects in lower investment.

Czech Republic

- The Czech economy is expected to rebound: 2.5% in 2014, followed by 2.8% GDP growth in 2015.
- The budget deficit is expected to remain below 3% of GDP in 2014 and 2015.

- Disbursement of EU fund is very slow but according to László Andor, EU Commissioner for Employment, Social Affairs and Inclusion, in the withdwaring of EU funds in the Czech Republic occurred a positive shift and loss of subsidies from the European Social Fund should not threaten this year.
- President of the Czech Republic M. Zeman appointed a new center-left government in January 2014 ending a protracted period of political paralysis that has destabilized the country.
- The value of state tenders fell in January 2014 by 7.3% y/y. The value of announced tenders decreased even last year by 7.8% and any further decline would be bad news for the expected growth of the Czech economy. It results from the latest analysis of the Chamber of administrators of public tenders.

Hungary

- On 6 April 2014, parliamentary elections took place in Hungary. Viktor Orbán, Hungary's prime minister, celebrated an historic victory after his right-wing Fidesz party routed the opposition and looked set to maintain its two-thirds majority in the legislature. From the perspective of investors, Orbán's victory will probably be perceived negatively.
- The Hungarian PM participated in the 25th Bálványos summer university and student camp, a major event for Romania's ethnic Hungarian community. In a speech, Orbán said that Hungary would change its ideology to a "labour-based state of a non-liberal nature". In his speech, the prime minister also criticized "paid political activists" whom he suggested were proponents of foreign interests in Hungary. The European Commission decided not to comment on this recent controversial speech by Hungarian Prime.
- Hungary has exited from recession in early 2013, but the recovery will be modest. Growth potential is held back by weak investment, low employment among low-skilled workers and shortcomings in labour and product markets, making further structural reforms essential.

8 ONE-OFF EVENTS AFFECTING THE ACHIEVED FINANCIAL RESULTS

There were the following one-off transactions having significant impact on financial results of the Company and the Group in 1H 2014:

- Disposal of shares in Slovanet – the gain from the sale of shares in Slovanet, a. s. in amount of EUR 5.4 million increased the financial income of the Parent company Asseco Central Europe, a. s. (impact on standalone net profit EUR 4.2 million). Group reported EUR 2.2 million of net profit from discontinued operations;
- Purchase of shares in Asseco Solutions AG – the impact of acquisition of Asseco Solutions AG resulted in the contribution of EUR 11.7 million revenues and EUR 1 million of operating profit and net profit resp. to the Group results in 1H 2014.

9 SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

On 9 April 2014, the Ordinary General Meeting of Shareholders adopted resolutions regarding approval of the Board´s report on the business activities of the Company for the financial year 2013 and approval of the Board´s report on the business activities of the group for the financial year 2013.

Furthermore, the Ordinary General Meeting of Shareholders adopted resolution regarding approval of Company's annual financial statements for the financial year 2013 and consolidated financial statements for the financial year 2013.

The Ordinary General Meeting of Shareholders adopted also resolution on distribution of the profit and payment of dividend for the year 2013 in the amount of EUR 13,993,714.80 as follows:

EUR 6,090,514.80 to transfer this amount to the account of retained earnings,

EUR 7,903,200.00 to split between shareholders as dividends.

The dividend per share was EUR 0.37.

The Ordinary General Meeting of Shareholders established a determining day for exercising the right to dividend 17 April 2014 and the dividend payment date 28 April 2013.

The Ordinary General Meeting of Shareholders also agreed to appoint an auditor Ernst & Young Slovakia, spol. s r. o. to audit the Company Asseco Central Europe, a. s. for the year 2014.

Important business contracts realized

- Contract with State Institute of Vocational Education – creation of National System of Qualifications (contract signed in reporting period)
- Contract with Všeobecná zdravotná poisťovňa – ePobočka (contract signed in reporting period)
- Contract with Erste Group IT SK, spol. s r. o. – e-banking for Slovenska sporitelna (contract signed in reporting period)
- Contract with Union Health Insurance Company & Union Insurance Company - delivery of the Paperless office project and its components (contract signed in reporting period)

The Company's Subsidiaries

Company	Significant events during the reporting period
Asseco Central Europe, a. s. (CZ)	▪ Contract with Coordination Center for Departmental Healthcare Information Systems – health registers (contract signed in reporting period) ▪ Contract with Ministry of Transport of the Czech Republic – operation provision of Digital tachograph system (contract signed in reporting period) ▪ Contract with Ministry of Interior of the Czech Republic – strategic project in the framework of which is systematically mapped the current architecture for eGovernment in the Czech Republic and determined vision in this area in the year 2020 (contract signed in reporting period) ▪ Contract with IS.E, a. s. (end customer: Prague gas company) – Technical information system (contract signed in reporting period) ▪ Contract with ČEZ ICT a. s. – preparation of data for LV distribution network SCADA in system TE GIS ČEZ Distribuce a. s. (contract finished in reporting period) ▪ Contract with Teplárny Brno, a. s. – concept development of Maintenance management (contract signed in reporting period)
Slovanet, a. s. (subsidiary sold in June 2014)	▪ Contract with Soitron, s. r. o. – VPN:Link (contract signed in reporting period) ▪ Contract with Medirex – data VPN (contract signed in reporting period) ▪ Contract with Ametist Slovakia s. r. o. – voice (contract signed in reporting period) ▪ Contract with Detronics s. r. o. – Ethernet GATE + Internet GATE (contract signed in reporting period) ▪ Contract with MOSR VU 3680 – VPN (contract finished in reporting period)
Asseco Solutions, a.s. (SK)	▪ Contract with TPA Horwath, s.r.o. – HEO (contract signed in reporting period) ▪ Contract with Ministry of Finance/Hewlett-Packard/MIM, s. r. o. (Integration of Self-Governing Regions to State Treasury information system) – SPIN/iSPIN (contract being realised in reporting period) ▪ Contract with Bratislava Region – upgrade to SPIN2/iSPIN2 (contract being realised in reporting period) ▪ Contract with Prešov Self-Governing Region – APV SPIN2 extension (contract being realised in reporting period) ▪ Contract with JABLOTRON SLOVAKIA, s. r. o.– HEO (contract being realised in reporting period)

Asseco Solutions, a.s. (CZ)	▪ Contract with TestLine Clinical Diagnostics s. r. o. – licence and implementation of HELIOS Green (contract signed in reporting period) ▪ Contract with SECURITAS ČR s. r. o. – implementation of HELIOS Green (contract finished in reporting period) ▪ Contract with Uherský Brod city – licence and implementation of HELIOS Fenix, hardware and software supply (contract signed in reporting period) ▪ Contract with ZC s. r. o. – licence and implementation of HELIOS Green (contract signed in reporting period) ▪ Contract with VAGONKA-DŘEVO Trade s. r. o. – licence and implementation of HELIOS Orange (contract signed in reporting period)
Asseco Solutions, AG (D)	▪ Contract with WÖHWA Waagenbau GmbH – licenses and consulting services (contract signed in reporting period) ▪ Contract with Antriebssysteme Faurndau GmbH - licenses and consulting services (contract signed in reporting period) ▪ Contract with Skoberne GmbH - licenses and consulting services (contract signed in reporting period)
GlobeNet, Zrt.	▪ Contract with Borsod-Abaúj-Zemplén Megyei Kórház és Egyetemi Oktató Kórház – support (contract signed in reporting period) ▪ Contract with Egyesített Szent István és Szent László Kórház-Rendelőintézet – PharmaGlobe (contract signed in reporting period) ▪ Contract with Praxis Medical (Miskolc County Municipality) – eMedWorkS (contract signed in reporting period) ▪ Contract with HMEI Zrt. – SpeechMagic (contract signed in reporting period) ▪ Contract with HMEI Zrt.– eMedWorkS (contract signed in reporting period)
Statlogics, Zrt.	▪ Contract with UniCredit Finance, Romania – license, credit card, maintenance and support (contract being realized in reporting period) ▪ Contract with Rusfinance, Russia – technical assistance and maintenance (contract being realized in reporting period) ▪ Contract with MigCredit, Russia – license, maintenance (contract being realized in reporting period) ▪ Contract with Eurasian Bank, Kazahstan – license, amintenance (contract being realized in reporting period) ▪ Contract with Raiffeisen Bank-Aval, Ukraine – license, maintenance (contract being realized in reporting period)
Asseco Hungary, Zrt.	▪ Shortlisted in public tender (health insurance)

10 CORPORATE OFFICERS OF ASSECO CENTRAL EUROPE

There were following members of the Board of Directors and Supervisory Board of Asseco Central Europe, a. s. as at 30 June 2014:

Board of Directors	Period	Supervisory Board	Period
Jozef Klein	1.1.2014-30.6.2014	Adam Tadeusz Góral	1.1.2014-30.6.2014
Radek Levíček	1.1.2014-30.6.2014	Andrej Košári	1.1.2014-30.6.2014
Marek Grác	1.1.2014-30.6.2014	Ján Handlovský	1.1.2014-30.6.2014
David Stoppani	1.1.2014-30.6.2014	Marek Paweł Panek	1.1.2014-30.6.2014
		Przemysław Sęczkowski	1.1.2014-30.6.2014

The Ordinary General Meeting of Shareholders of the Asseco Central Europe, a.s. held on 09 April 2014 passed a resolution on the recalling and re-appointing of Mr. Adam Góral, Mr. Andrej Košári and Mr. Marek Pawel Panek as members of Supervisory Board of the Company.

The Ordinary General Meeting of Shareholders of the Company recalled with the effect from 09 April 2014:

- Mr. Adam Góral from the office of Supervisory Board Chairman of the Company,
- Mr. Andrej Košári from the office of Supervisory Board Vice-Chairman of the Company,
- Mr. Marek Pawel Panek from the office of Supervisory Board member of the Company.

The Ordinary General Meeting of Shareholders of the Company further appointed, with the effect from 09 April 2014:

- Mr. Adam Góral as a Supervisory Board member of the Company and concurrently recommended the Supervisory Board to appoint him as a Supervisory Board Chairman of the Company,
- Mr. Andrej Košári as a Supervisory Board member of the Company and concurrently recommended the Supervisory Board to appoint him as a Supervisory Board Vice-Chairman of the Company,
- Mr. Marek Pawel Panek as a Supervisory Board member of the Company.

Following the re-appointing of Mr. Adam Góral and Mr. Andrej Košári as Supervisory Board members of the Company by the General Shareholders Meeting of the Company held on 09 April 2014, the Supervisory Board members appointed Mr. Adam Góral as the Chairman of the Supervisory Board of the Company and Mr. Andej Košári as the Vice-Chairman of the Supervisory Board of the Company. The voting took place on 18 May 2014 in accordance with Article 33.3 of the Statuses of the Company, referring to voting per rollam.

11 ASSECO CENTRAL EUROPE SHARES HELD BY ITS BOARD OF DIRECTORS AND SUPERVISORY BOARD

Members of the Board of Directors and the Supervisory Board of the Company do not hold any shares of the Company.

12 MAJOR SHAREHOLDERS OF ASSECO CENTRAL EUROPE

According the information available to the Board of Directors following shareholders exceed the 5% share as at 7 August 2014:

Shareholder	Number of shares	Number of votes	% share
Asseco Poland	19,973,096	19,973,096	93.51

The share capital of the Company as at 7 August 2014 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.

Changes in the shareholders structure

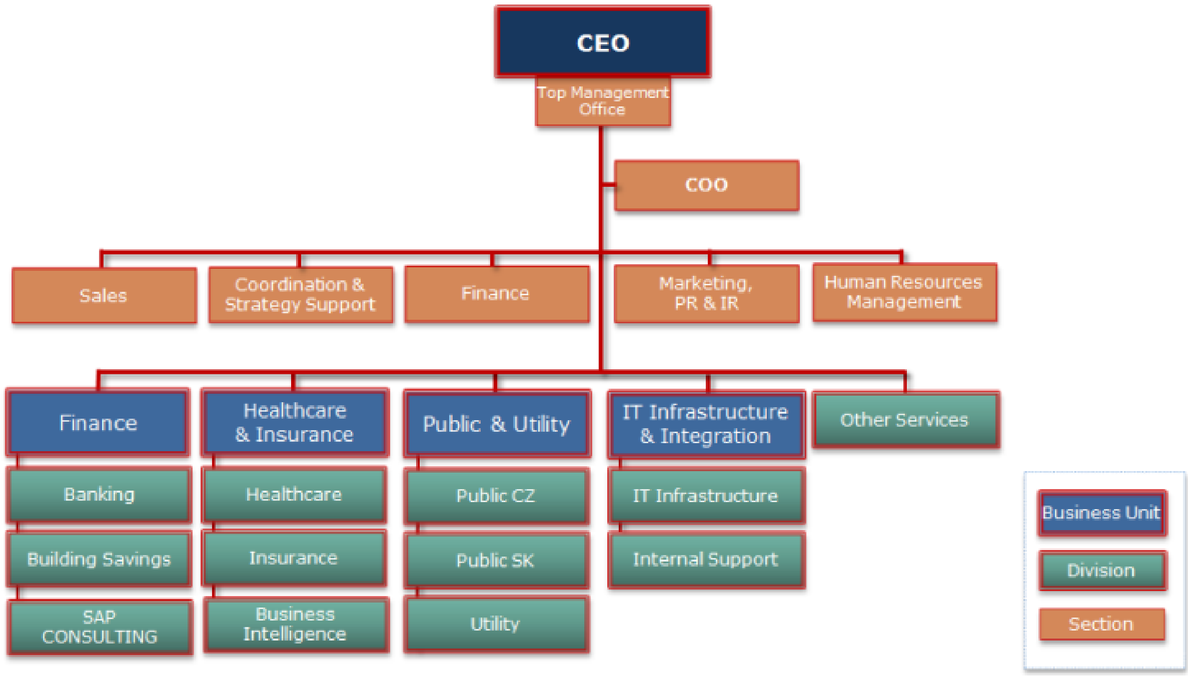
There were no reported changes in the structure of the shareholders owning more than 5% of shares reported during the reporting period.

13 ISSUANCE, REDEMPTION AND REPAYMENT OF NON-EQUITY AND EQUITY SECURITIES

No securities were issued, redeemed or repaid during the reported period.

14 EFFECTS OF CHANGES IN THE ORGANIZATIONAL STRUCTURE

The new organization structure, introduced on 9 June 2014, matches business unit structure of the Group.


CEO
Top Management Office
COO
Sales
Coordination & Strategy Support
Finance
Marketing, PR & IR
Human Resources Management
Finance
Healthcare & Insurance
Public & Utility
IT Infrastructure & Integration
Other Services
Banking
Building Savings
SAP CONSULTING
Healthcare
Insurance
Business Intelligence
Public CZ
Public SK
Utility
IT Infrastructure
Internal Support
Business Unit
Division
Section

15 ORGANIZATION AND CHANGES IN THE ASSECO CENTRAL EUROPE GROUP STRUCTURE, INCLUDING SPECIFICATION OF ENTITIES SUBJECT TO CONSOLIDATION

The Asseco Central Europe Group operates either directly or by means of its affiliated companies in six European countries, namely in Slovakia, the Czech Republic, Hungary, Germany, Austria and Switzerland.

In particular, parent company Asseco Central Europe headquartered in the Slovak Republic, is a majority owner of two companies in Slovakia (Asseco Solutions – 100%, DanubePay – 55%), one in the Czech Republic (Asseco Central Europe – 100%), three in Hungary (Statlogics – 100%, GlobeNet – 100%, Asseco Hungary – 51%) and one in Germany (Asseco Solutions – 100%).

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). By means of Asseco Solutions AG (D), the Parent Company controls further Asseco Solutions GmbH (75%) in Austria and Asseco Solutions AG (100%) in Switzerland.

On 2 January 2014, the Board of Directors of Asseco Central Europe signed an agreement for acquisition of 100% shares in Asseco Solutions AG headquartered in Germany. Asseco Solutions AG is a recognized expert in the area of technologically leading ERP software for manufacturing companies within Germany, Austria and Switzerland. It has been supervised by Asseco Central Europe since June 2013, beside ERP business represented by Asseco Solutions companies in Slovakia and the Czech Republic with the aim to harmonize the ERP strategy and products within all companies. With more than 600 employees in five countries, Asseco Solutions became the Asseco Group´s centre of ERP expertise in Central Europe. Aim of the transaction is to utilize the synergic effects of combining the forces in ERP business. Cross-border collaboration – particularly in implementing new trends – can shorten development cycles and allow innovative concepts to be turned into reality more quickly. Moreover, it creates a solid foundation for preparing and making strategic acquisitions in the future.

On 27 June 2014 Asseco Central Europe, a.s. signed an agreement for sale of 51 registered shares in Slovanet, a. s. The buyer is SNET, a. s. seated in Bratislava. The company is owner of remaining 49% of shares in Slovanet, a. s. since 2006 and represents the executive management of Slovanet, a. s. After the transaction does SNET, a. s. hold 100% of shares in Slovanet, a. s. The transaction of purchasing the 51% stake of shares in Slovanet, a. s. by SNET, a. s. resulted from the development strategy adopted by the Asseco Central Europe Group, under which it will keep to focus mainly on IT core business in the future.

Asseco Central Europe, a. s. and following subsidiaries and associated companies form the Group as at 31 December 2013, 30 June 2014 and 7 August 2014:

	Country of registration	Scope of activities	Relationship with Parent Company	Voting interest			Equity interest		
				7 August 2014	30 June 2014	31 Dec 2013	7 August 2014	30 June 2014	31 Dec 2013
Subsidiary companies									
Slovanet, a. s.	Slovak Republic	Telco services	Direct subsidiary	-	-	51%	-	-	51%
AmiTel, s. r. o.	Slovak Republic	Internet provider	Indirect subsidiary	-	-	51%	-	-	51%
MadNet, a. s.	Slovak Republic	Electronic services provider	Indirect subsidiary	-	-	50.06%	-	-	50.06%
Asseco Solutions, a. s. (SK)	Slovak Republic	ERP solutions	Direct subsidiary	100%	100%	100%	100%	100%	100%
DanubePay, a. s.	Slovak Republic	Card and transaction business	Direct subsidiary	55%	55%	55%	55%	55%	55%
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 Deutschland GmbH	Germany	ERP solutions	Indirect subsidiary	100%	100%	100%	100%	100%	100%
NZ Servis s. r. o.	Czech Republic	Software for customs and communication with public administration	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	100%	100%	100%	100%	100%	100%
GlobeNet Zrt.	Hungary	Hospital IS	Direct subsidiary	100%	100%	100%	100%	100%	100%
Asseco Hungary Zrt.	Hungary	Software, integration and outsourcing	Direct subsidiary	51%	51%	51%	51%	51%	51%
Asseco Solutions AG	Germany	ERP solutions	Direct subsidiary	100%	100%	-	100%	100%	-
Asseco Solutions GmbH	Austria	ERP solutions	Indirect subsidiary	75%	75%	-	75%	75%	-
Asseco Solutions AG	Switzerland	ERP solutions	Indirect subsidiary	100%	100%	-	100%	100%	-

Associated companies

Crystal Consulting s. r. o.	Slovak Republic	ERP solutions		50%	50%	50%	50%	50%	50%
Prvni Certifikacni Autorita, a. s. (I.CA)	Czech Republic	IT security		23.25%	23.25%	23.25%	23.25%	23.25%	23.25%
Axera, s. r. o.	Slovak Republic	Software solutions		50%	50%	50%	50%	50%	50%

Structure of the capital of Asseco Central Europe Group as at the date of publication of this report i.e. 7 August 2014:

Asseco Central Europe, a. s. (CZ)

Asseco Central Europe, a. s. (CZ) became a member of the Asseco Group in January 2007. The company belongs to the most significant providers of comprehensive solutions and services in the information technology field within the Czech Republic. It has undertaken challenging projects in both the commercial sector and for national and regional governments, for example information systems for regional administrative units and specialized information systems for the Ministries of Finance, Interior, Transportation and Justice in the Czech Republic. The company has many years of experience in integrating and outsourcing projects, where it has been placing strong emphasis on security. It is a stable partner for its clients, helping them resolve all processes connected with information technologies, starting with IT infrastructure, backup systems, server and desktop virtualization, and specialized applications, such as geo-information systems, or ECM and BI tailored solutions to support control and decision processes. For financial institutions and capital market the company provides for example, outsourcing of operating systems, delivers portals, direct banking systems optical card systems, and others.

Asseco Solutions (CZ, SK, D, A, CH)

Asseco Solutions is the largest producer of the ERP systems on the Slovak, Czech and German speaking markets. Software applications developed by Asseco Solutions are distributed also to other markets within Central Europe. ERP systems HELIOS cover the needs of companies of all sizes in a variety of business areas. The company is involved in development, implementation and support of tailored systems for companies of various sizes, in different fields of their business activities.

The product portfolio ranges from information systems for a broad spectrum of enterprises involved in production, trade or services over products for public administration up to, for example, products covering specialized needs of companies providing accommodation and catering services.

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

Asseco Solutions group represents at the moment five countries. Beside Slovakia and Czech Republic also Austria, Switzerland and Germany. In whole group there are currently almost 650 employees in total.

DanubePay (SK)

DanubePay, a. s. is a processing center with headquarters in Bratislava. The company was established on 27 July 2012 by parent company Asseco Central Europe in line with its growth strategy. The company is focused mainly on services connected with card and transaction business and providing "Software as a Service" solutions. The strongest assumption of company´s success is stemming from offer of innovative products for suitable prices and flexibility of product portfolio. It provides its clients with cutting-edge know-how and the team of quality and experienced professional in the field of transaction processing and card and devices administration. DanubePay is able to deliver quality solutions for both Slovak and foreign markets. It has proved during its short existence that the financial market in Central Europe requires the services of this nature and the company has gradually worked in the domestic and foreign markets and has gained new customers. Asseco Central Europe owns 55% of the shares of DanubePay.

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 64 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, Credit Scoring, Risk management and Basel II experts.

GlobeNet (HU)

GlobeNet Zrt. is one of the leading companies in the Hungarian healthcare IT market. The medical information solutions offered by GlobeNet are used in more than 60 healthcare institutions every day – clinics, hospitals and with general practitioners. MedWorkS is a modular, integrated system; it can be flexibly adjusted according to the clients' needs. MedWorkS covers all hospital processes, from ambulatory care and outpatients through diagnosis and treatment to the administrative obligations by supporting all kinds of management, organizational and healthcare processes. It is unique in terms of functionality in the Hungarian market which continued to expand over the past year. GlobeNet builds upon its Partners; MedWorkS closely cooperates not only with other professional systems like speech recognition, chemotherapy – CATO and patient queue management systems but with complex EPR systems as well. GlobeNet has been 100% owned by Asseco Central Europe since August 2012.

Asseco Hungary (HU)

Asseco Hungary Zrt. is the newest addition to the Asseco Central Europe Group. Its product and service portfolio is able to meet the various needs of its clients in the areas of manufacturing, administration and communication. The company is able to implement complex large-scale IT projects with the help of wide range of experience in international system integration.

As a Hungarian company, Asseco Hungary employs Hungarian workers in its activities in Hungary. It builds local competence to complete the projects and to support domestic customers. The company cooperates with domestic partners in the process of project implementation.

Asseco Hungary’s main goal is to participate in selected national E-Health projects, and build long term relationship with its customers. Asseco Hungary further aims to build business opportunities in other sectors for Asseco´s innovative products in Hungary.

Asseco BERIT (D, 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 80 people – analytics, developers, consultants and project managers. The supplied solutions are based on their own development (LIDS, TOMS, AMES, AG Portal 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. Developers of the Asseco BERIT Group utilize extensive experiences also within the work on further projects in the field of public administration (basic registers, transport agendas and applications, Czech Social Security Administration, Czech Statistical Office).

Subsidiary Slovanet was reported in previous periods and is recognized as discontinued operations in 1H 2014 after the disposal of shares in Slovanet, a. s. as at 27 June 2014.

16 INFORMATION ON PENDING LEGAL PROCEEDINGS CONCERNING LIABILITIES OR RECEIVABLES OF ASSECO CENTRAL EUROPE OR ITS SUBSIDIARY COMPANIES

Currently there are no ongoing proceedings, arbitration proceedings or proceedings in front of public administration bodies, in which the party would be Asseco Central Europe, a. s. or any company of the Group, which would be subject to claims or liabilities of at least 10% of the equity of the Group.

17 RELATED PARTY TRANSACTIONS

Refer to the note 20 of the interim condensed consolidated financial statements for details on related party transactions.

18 LOANS, SURETIES, GUARANTEES AND OFF-BALANCE-SHEET LIABILITIES

Refer to the notes 16, 22 and 23 of the interim condensed consolidated financial statements for details on related party transactions.

19 OPINION ON FEASIBILITY OF THE BOARD´S FINANCIAL FORECASTS FOR THE YEAR 2014

The Board of Directors did not publish any forecast for 2014.

20 FACTORS WHICH IN THE MANAGEMENT´S OPINION MAY AFFECT FINANCIAL PERFORMANCE AT LEAST TILL THE END OF THIS FINANCIAL YEAR

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

- The development of the economic situation in the countries of Central Europe and the economic situation of the customers market,
- The level of demand for IT solutions in the financial sector,
- The level of demand for IT solutions in public administration,
- The rapid pace of technological development,
- Actions of competitors from the IT industry,
- Exchange rate volatility,
- Pertaining delays in public tender decisions.

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

- Realizations of contracts,
- Results of tenders and negotiation of new contracts in IT sector,
- Cooperation and synergies resulting from a collaboration with companies within the Group 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 and Asseco Solutions in the future.

21 OTHER FACTORS SIGNIFICANT FOR ASSESSMENT OF THE HUMAN RESOURCES, ASSETS AND FINANCIAL POSITION

21.1 Employment structure in the Asseco Central Europe Group

Asseco CE is one of the major employers in the IT field in Slovakia and the Czech Republic. The personnel policy of this Company is based on the principles of honesty, transparency, respect, integrity, personal responsibility and trust. In practice this means the daily integration of these principles into the running of the Company, its behaviour and communication towards external and internal environment.

Given the focus of the Company, the highest percentage of employees are developers. Software engineers, analysts, system and database specialists, testers, project experts and consultants represent more than 90% of the total number of employees. The model based on the transfer of experts - business consultants directly into production divisions to connect developers and consultants to support the preparation and delivery of solutions to our customers has been successful.

The age structure of employees is traditionally being balanced. Almost a quarter of employees in Slovakia are under 30 years of age, more than 60% of employees are among 20 to 40 years of age. However, the Company also employs employees over 50.

At the end of June 2014 there were 375 people employed by Asseco CE (Slovakia) and another 261 in the Czech Republic, together around 636 staff members.

Employment structure in the Asseco Central Europe Group:

Number of employees as at	30 June 2014	30 June 2013
Board of Directors of the parent company	4	5
Board of Directors of the Group companies	12	26
Production and maintenance departments	1,139	1,248
Sales departments	114	138
Administration departments	155	153
TOTAL	**1,424**	**1,570**

Number of employees as at	30 June 2014	30 June 2013
Asseco Central Europe, a. s. (SK)	375	337
DanubePay, a. s.	22	13
Slovanet Group	-	214
Asseco Solutions Group (SK)	155	171
Asseco Solutions Group (CZ)	303	320
Asseco Solutions Group (D)	177	-
Asseco Central Europe, a.s. (CZ) + Asseco BERIT	282	397
Statlogics Zrt.	64	70
GlobeNet Zrt.	45	48
Asseco Hungary Zrt.	1	-
TOTAL	**1,424**	**1,570**

21.2 Description of significant risks and threats

Market risks

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. In the same way can the Group effect changes in the way of adoption, interpretation and application of legislation - any changes in legislation, especially in the field of taxation, labour and social security. Especially adoption of legislation, when some of the activities provided by the private institutions will be eliminated and moved to the State responsibility (health insurance, social security and pension insurance and selected banking activities) may lead to adverse changes of our Capital Group business.

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 euro could affect the actual amount of revenues from the projects.

Risks related to the increased competition in the IT market

The IT market in Slovakia, as well as in other Central and Eastern European countries, is rapidly evolving and becoming increasingly competitive. Competition is generally based on products' functionality, range of service offerings, customer service and price. 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.

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 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.

Risk of becoming dependent on the key customers

Our business is highly dependent on new projects acquisitions from existing as well as new clients. With the growth of our services, including new segments and regions, our dependence on main projects is decreasing, however it remains significant. Dependence on major customers, 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 affect adversely the operation activities, forecasts, financial results and situation of the Group.

Risk associated with the failure in successful development and introduction of new products and services

The market for our products and services is characterized by rapid technological advances, changes in customer requirements and evolving industry standards. Thus, in order to remain competitive and increase our operating revenues, we must successfully introduce new products and services, or develop enhancements to and new features for our existing services, in a timely manner. Otherwise, our product and service offerings may become obsolete, less marketable and less competitive and our business will suffer. Failure in the successful development and introduction of new products and services may adversely affect the business, prospects, results of operations and financial condition of our Company and our Capital Group.

Regulatory and legal risks

Risk of changes in regulations and their 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. Furthermore, there is a risk of non-compliance of Polish or Slovak legislation with the legislation of the country where subsidiaries operate. There is an additional risk from not assessing the current situation of a subsidiary correctly from the public point of view. Interpretation of laws of a foreign legal system, with the inaccuracy of interpretation gives rise to the regulatory risk occurring in the environment in which Company operates.

Operating risks

Risk of losing the customers' trust

Most of the projects realised by the Company involve creating and providing to our clients' complex IT solutions. The complexity of these projects results in the risk of not meeting the contractual deadlines. There is also a potential risk that we will not be able to achieve all the targets set by our client in a given project. We are only partially able to manage this risk, since the development of solutions and thus the ability to provide them within the agreed milestones and business targets depend to a large extent on our clients and sometimes also on third parties, like state authorities in the case of some legal framework changes which influence our solutions. There are some typical contractual penalties or indemnification clauses involved in most of our agreements.

There is also a risk that not meeting certain deadlines or business or other targets set by our clients may result in worsening our relations with a particular client even if it will not result in any contractual penalties.

There is also a risk of undue performance of our solutions provided to our clients, even some time after the project is successfully closed. We try to manage this risk by implementing several testing procedures, both our own and those of our clients; however we are not able to manage fully this risk, and in particular we are not able to insure this risk.

Possible payment of contractual penalties, worsening our relations with a particular client or undue performance of our solutions may, to a certain extent, adversely influence the business, prospects, and results of operations or financial condition of our Company and our Capital Group.

Risk related to adjusting our products to changes in law which may cause significant costs

The solutions we and our Capital Group members implement for our clients have to be in compliance with existing laws. As changes of law occur quite frequently in Slovakia and other CEE countries, we may be obliged to implement certain amendments to our solutions. On the basis of some agreements concluded with our clients, we are usually obliged to adjust our solutions in a very limited scope to the changing laws within the maintenance fee. More complex adjustments are made on a remuneration basis. In the process of budgeting we assume the potential consequences of changes in law. We cannot definitely exclude the risk that we may be subject to some financial losses in future due to the performance of these adjustments.

Risk related to limitation of cooperation with us by our main suppliers

Relationships with worldwide, well-known suppliers provide us access to the best technology supporting our competitive position on the market. As with all IT solutions providers, we may face the risk that one of our big suppliers, e.g. Microsoft or Oracle, may stop supporting a particular technology used in some of our projects. In our opinion, such steps are untypical for our business environment and, if they do happen, are always announced several years ahead and therefore there is a sufficient period to adapt. However, in the event that our main suppliers stop providing us their technologies and we would not be able to substitute them with other alternatives, we may face negative consequences on the business, prospects, and results of operations or financial condition of our Company and our Capital Group.

Risk related to difficulties on the side of our sub-contractors

In some cases we, and our Capital Group, provide our clients with solutions developed by our sub-contractors. The sub-contractors are in general obliged to service the solutions delivered by them. Our sub-contractors, in common with businesses generally, may face business and financial difficulties resulting in their becoming unable to fulfil their service obligations. This may negatively impact our credibility among our clients and adversely affect our business, prospects, and results of operations or financial condition.

In some particular projects having a role of integrator for the whole solution, we are not only responsible for our sub-contractors, but also for all other parties involved in the project, provided their solutions were chosen or recommended by us. In such cases any undue performance of the third-party solutions may also influence negatively our projects. This may adversely affect the business, prospects, and results of operations or financial condition of our Company and our Capital Group. We protect ourselves from these adverse effects to some extent by implementing similar contractual penalties to agreements with our subcontractors as are contained in our agreement with the client. We also try to take part in key development works, may it prove to be ensuring the successful execution of the integration project.

General risks of acquisition of companies

We closed several acquisition transactions. There is a risk that the post-merger integration process will not be successful and some of the targets will not perfectly fit into our Group strategy.

Risk related to carrying out of public tenders

Our Capital Group plans also in the future to participate in projects of the public sector, some of them co-financed from Operational programs of EU. Delay or restrictions of any kind of these projects could have an adverse effect on our business, prospects, and results of operations or financial condition.

Risks associated with the management of Asseco Central Europe

Our controlling shareholder has the ability to take actions that may conflict with the interests of other holders of our Shares.

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.

Company is dependent on key personnel, and their loss could have an adverse effect on the execution of IT contracts conducted by the Group companies, as well as on ensuring the required quality and range of services provided. At the same time, Company also faces the risk of persistence of difficult availability of IT professionals in the labour market.

Board of Directors members may take actions that may conflict with the interests of Supervisory Board members. 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.

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.

21.3 Key clients

BANKING

Analytik Finanční trhy

Českomoravská hypoteční banka, a.s.

Českomoravská záruční a rozvojová banka, a.s.

EXIMBANKA SR

GE Money Bank, a.s.

J&T Banka, a.s.

OTP Banka Slovensko, a.s.

Poštová banka, a.s.

Slovenská sporiteľňa, a.s.

UniCredit Bank Slovakia, a.s.

Wincor Nixdorf, s.r.o.

Wüstenrot hypoteční banka, a.s.

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.

ČSOB Penzijní společnost

Pojišťovna Všeobecné zdravotní pojišťovny, a.s.

STABILITA d.d.s., a.s.

VÚB Generali dôchodková správcovská spoločnosť, a.s.

Wüstenrot neživotní pojišťovna, a.s.

Wüstenrot životní pojišťovna, a.s.

HEALTHCARE

Česká průmyslová zdravotní pojišťovna

Ministerstvo zdravotníctva SR (Ministry of Health of the Slovak Republic)

Národné centrum zdravotníckych informácií (National Health Information Center, Slovak Republic)

Oborová zdravotní pojišťovna zaměstnanců bank, pojišťoven a stavebnictví

Revírní bratrská pokladna, zdravotní pojišťovna

Svet zdravia

Union zdravotná poisťovňa, a.s.

Ústav zdravotnických informací a statistiky ČR (Institute of Health Information and Statistics of the Czech Republic)

Všeobecná zdravotná poisťovňa, a.s.

Vojenská zdravotní pojišťovna České republiky

Zaměstnanecká pojišťovna Škoda

PUBLIC

Centrální depozitář cenných papírů (Central Securities Depository, Czech Republic)

Centrálny depozitár cenných papierov Central Securities Depository, Slovak Republic)

Česká správa sociálního zabezpečení (Czech Social Security Administration)

Český statistický úřad (Czech Statistical Office)

Český úřad zeměměřický a katastrální – Zeměměřický úřad (Czech Geodetic and Cadaster Office – Geodetic Office)

Česmad Slovakia

Finančná správa SR (Financial Administration of the Slovak Republic)

Hlavní město Praha (Capital city Prague, Czech Republic)

Kraj Vysočina (Vysočina Region, Czech Republic)

Královéhradecký kraj (Hradec Králové Region, Czech Republic)

Ministerstvo dopravy ČR (Ministry of Transport of the Czech Republic)

Ministerstvo dopravy, výstavby a regionálneho rozvoja SR (Ministry of Transport, Construction and Regional Development of the Slovak Republic)

Ministerstvo financí ČR (Ministry of Finance of the Czech Republic)

Ministerstvo vnitra ČR (Ministry of Interior of the Czech Republic)

Ministerstvo spravedlnosti ČR (Ministry of Justice of the Czech Republic)

Ministerstvo zdravotníctva SR (Ministry of Health of the Slovak Republic)

Moravsko-slezský kraj (Moravian-Silesian Region, Czech Republic)

Najvyšší kontrolný úrad SR (The Supreme Audit Office of the Slovak Republic)

Olomoucký kraj (Olomouc Region, Czech Republic)

Plzeňský kraj (Plzeň Region, Czech Republic)

Ředitelství silnic a dálnic ČR (Road and Motorway Directorate of the Czech Republic)

Senát Parlamentu ČR (Senate of the Parliament of the Czech Republic)

Slovenská agentúra pre cestovný ruch (Slovak Tourism Agency)

Štatistický úrad SR (Statistical Office of the Slovak Republic)

UTILITY

Brněnské vodárny a kanalizace, a.s.

Skupina ČEZ

ELTODO-CITELUM, s.r.o.

Energienetze Südbayern

ENNI Energie Wasser Niederrhein GmbH, Moers

Erdgas Südbayern GmbH, München

E.ON Bayern

E.ON Česká republika, a.s.

EWR Netz, Worms

Kapsch Telematic Services, s.r.o.

Kapsch TrafficCom Construction & Realization, s.r.o.

Liechtensteinischen Kraftwerke Schaan

N-ERGIE Aktiengesellschaft, Nürnberg

SpreeGas, Gesellschaft für Gasversorgung und Energiedienstleistung GmbH

Stadtwerke Erkrath

SWU Stadtwerke Ulm

Technische Werke Ludwigshafen AG, Ludwigshafen

Teplárny Brno, a.s.

Vodárenská akciová společnost, a.s.

TELCO AND IT

Orange Slovensko, a.s.

SWAN

Slovak Telekom, a.s.

PRODUCTION

AUDI AG, plants in Ingolstadt, Neckarsulm

BASF SE, Ludwigshafen

Bayer Industry Services GmbH & Co. OHG, plants in Dormagen, Leverkusen, Uerdingen

Bosch Diesel, s.r.o.

BMW AG, plants in Berlin, München

Daimler AG, plants in Berlin, Bremen, Mannheim

Evonik Degussa

Fortischem a.s., Nováky

GOHR

Novartis Services AG, Werk Basel

Philip Morris ČR, a.s.

Roche Diagnostics, Mannheim

RWE Power AG

SYNTHOS Kralupy, a.s.

ŠKODA AUTO, a.s.

Vattenfall Europe Mining AG, Cottbus

Sindelfingen

ŽĎAS, a.s., Žďár nad Sázavou

21.4 Significant events after the balance sheet date

Up to the date of preparing these interim condensed consolidated financial statements for the six months period ended 30 June 2014, being 7 August 2014, no significant events occurred that might have an impact on the interim condensed consolidated financial statements.

Signatures of all members of the Board of Directors of Asseco Central Europe, a. s. under the Semi-annual management report on the Asseco Central Europe Group´s business operations for the period of six months ended 30 June 2014

Jozef Klein Chairman of the Board	Radek Levíček Vice-chairman of the Board
Marek Grác Member of the Board	David Stoppani Member of the Board

7 August 2014, Bratislava

ASSECO CENTRAL EUROPE BOARD OF DIRECTORS STATEMENT

Statement of the Board of Directors of Asseco Central Europe, a. s. on the reliability of the consolidated financial statements of the Asseco Central Europe Group for the period of six months ended 30 June 2014.

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 2014 to 30 June 2014 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	Radek Levíček Vice-chairman of the Board
Marek Grác Member of the Board	David Stoppani Member of the Board

Statement of the Board of Directors of Asseco Central Europe, a. s. on the entity authorized to the consolidated financial statements of Asseco Central Europe, a. s. for the period of six months ended 30 June 2014.

This Board of 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	Radek Levíček
Chairman of the Board	Vice-chairman of the Board

Marek Grác	David Stoppani
Member of the Board	Member of the Board

7 August 2014, Bratislava

Building a better
working world

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811 06 Bratislava
Slovak Republic

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Fax: +421 2 3333 9222
ey.com

**Report on review of interim condensed consolidated financial statements
to the shareholders of Asseco Central Europe, a.s.**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Asseco Central Europe, a.s. and its subsidiaries ('the Group') as of 30 June 2014 and the related interim consolidated profit and loss account, consolidated statement of comprehensive income, changes in equity and cash flows for the 6 months period then ended and explanatory notes.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting' as adopted by the European Union ('IAS 34'). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young Slovakia, spol. s r.o.

7 August 2014
Bratislava, Slovak Republic

Solutions for Demanding Business

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR 6 MONTHS ENDED 30 JUNE 2014

PREPARED IN ACCORDANCE WITH INTERNATIONAL ACCOUNTING STANDARD 34
AS ADOPTED BY EUROPEAN UNION

7 August 2014

Contents

These Interim Condensed Consolidated Financial Statements for six months ended 30 June 2014 were authorised for issue by the Board of Directors of Asseco Central Europe, a. s. on 7 August 2014.

Board of Directors:

RNDr. Jozef Klein	Chairman of the Board
Ing. Radek Levíček	Vice-Chairman of the Board
Ing. Marek Grác	Member of the Board
Ing. David Stoppani	Member of the Board

Bratislava, 7 August 2014

INTERIM CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT OF ASSECO CENTRAL EUROPE GROUP

	Note	6 months ended 30 June 2014 (not audited)	3 months ended 30 June 2014 (not audited)	6 months ended 30 June 2013 (restated)	3 months ended 30 June 2013 (restated)
Continuing operations					
Sales revenues	1	**53,357**	**26,746**	**44,173**	**21,346**
Cost of sales	1	**(37,865)**	**(18,329)**	**(29,796)**	**(14,164)**
Gross profit on sales		**15,492**	**8,417**	**14,377**	**7,182**
Selling expenses	1	(4,291)	(2,225)	(2,731)	(1,638)
General administrative expenses	1	(4,934)	(2,619)	(4,927)	(2,561)
Net profit on sales		**6,267**	**3,573**	**6,719**	**2,983**
Other operating income		191	95	259	159
Other operating expenses		(258)	(144)	(228)	(322)
Operating profit		**6,200**	**3,524**	**6,750**	**2,820**
Financial income	2	230	85	337	177
Financial expenses	2	(262)	(97)	(118)	(90)
Share in profits of associated companies		*209*	*148*	*192*	*69*
Pre-tax profit		**6,377**	**3,660**	**7,161**	**2,976**
Corporate income tax (current and deferred portions)	3	(1,510)	(592)	(1,511)	(618)
Net profit for the period from continuing operations		**4,867**	**3,068**	**5,650**	**2,358**
Discontinued operations					
Net profit /loss for the period from discontinued operations	6	**2,306**	**2,138**	**335**	**24**
Net profit for the period		**7,173**	**5,206**	**5,985**	**2,382**
Attributable to:					
Shareholders of the Parent Company		**7,428**	**5,413**	**5,834**	**2,366**
Profit for the period from continuing operations		5,169	3,258	5,650	2,358
Profit for the period from discontinued operations		2,259	2,155	184	8
Non-controlling interest		**(255)**	**(207)**	**151**	**16**
Profit for the period from continuing operations		(302)	(190)	-	-
Profit for the period from discontinued operations		47	(17)	151	16
Consolidated earnings per share attributable to Shareholders of Asseco Central Europe, a.s. (in EUR):					
Basic consolidated earnings per share	4	0.35	0.25	0.27	0.11
Diluted consolidated earnings per share	4	0.35	0.25	0.27	0.11
Basic consolidated earnings per share from continuing operations					
Basic consolidated earnings per share from continuing operations	4	0.24	0.15	0.26	0.11
Diluted consolidated earnings per share from continuing operations	4	0.24	0.15	0.26	0.11

All figures in thousands of EUR,
unless stated otherwise

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF ASSECO CENTRAL EUROPE GROUP

	Note	6 months ended 30 June 2014 (not audited)	3 months ended 30 June 2014 (not audited)	6 months ended 30 June 2013 (not audited)	3 months ended 30 June 2013 (not audited)
Net profit for the reporting period		**7,173**	**5,206**	**5,985**	**2,382**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		(397)	(102)	(1,701)	(302)
Items not to be reclassified to profit or loss in subsequent periods:					
Total other comprehensive income		**(397)**	**(102)**	**(1,701)**	**(302)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**6,776**	**5,104**	**4,284**	**2,080**
Attributable to:					
Shareholders of the Parent Company		*7,031*	*5,311*	*4,133*	*2,064*
Non-controlling interests		*(255)*	*(207)*	*151*	*16*

All figures in thousands of EUR,
unless stated otherwise page 5

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION THE ASSECO CENTRAL EUROPE GROUP

ASSETS	Note	30 June 2014 (not audited)	31 Dec. 2013 (audited)	30 June 2013 (not audited)
Non- current assets		**71,064**	**82,685**	**86,531**
Property, plant and equipment	7	3,922	23,537	23,483
Goodwill	9	53,290	38,791	40,443
Intangible assets	8	11,821	17,602	20,726
Investments in associates		904	890	758
Non-current financial assets	11	50	3	5
Non-current receivables	13	175	103	107
Deferred income tax assets		902	1,759	954
Non-current prepayments	12	-	-	55
Current assets		**69,468**	**74,834**	**59,884**
Inventories		215	319	762
Prepayments	12	2,166	2,382	2,214
Trade receivables	13	21,604	30,502	21,736
Current tax receivable	13	1,046	515	1,694
Receivables from state and local budget	13	77	272	188
Other receivables	13	14,062	2,856	4,604
Current financial assets	11	1,359	764	1,425
Other current non-financial assets		-	2,367	558
Cash and short-term deposits	14	28,939	34,857	26,703
TOTAL ASSETS		**140,532**	**157,519**	**146,415**

All figures in thousands of EUR,
unless stated otherwise

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION THE ASSECO CENTRAL EUROPE GROUP

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	30 June 2014 (not audited)	31 Dec. 2013 (audited)	30 June 2013 (not audited)
Shareholders' equity (attributable to Shareholders of the Parent Company)		**105,974**	**101,622**	**98,279**
Share capital		709	709	709
Share premium		74,901	74,901	74,901
Exchange differences on translation of foreign operations		(6,532)	(6,135)	(4,032)
Retained earnings		36,896	32,147	26,701
Non-controlling interest		**(758)**	**4,019**	**4,299**
Total shareholders' equity		**105,216**	**105,641**	**102,578**
Non-current liabilities		**54**	**8,135**	**8,884**
Interest-bearing bank credits, loans and debt securities	16	-	5,464	5,339
Deferred tax liability		1	877	1,113
Non-current provisions	18	7	69	635
Non-current financial liabilities	15	34	920	1,242
Non-current deferred income	19	11	791	526
Other non-current liabilities		1	14	29
Current liabilities		**35,262**	**43,743**	**34,953**
Interest-bearing bank credits, loans and debt securities	16	512	3,315	4,568
Trade payables	17	3,875	12,946	9,025
Current tax payable	17	741	1,349	147
Liabilities to state budget	17	3,063	3,623	2,497
Financial liabilities	15	6,463	1,283	1,735
Other liabilities	17	3,769	5,362	3,453
Provisions	18	2,520	4,144	2,190
Deferred income	19	8,031	5,588	6,489
Accrued expenses	19	6,288	6,133	4,849
TOTAL LIABILITIES		**35,316**	**51,878**	**43,837**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**140,532**	**157,519**	**146,415**

All figures in thousands of EUR,
unless stated otherwise

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
THE ASSECO CENTRAL EUROPE GROUP

	Note	Share capital	Share premium	Exchange differences on translation of foreign operations	Retained earnings	Shareholders' equity of the Parent Company	Non-controlling interests	Total shareholders' equity
As at 1 January 2014		**709**	**74,901**	**(6,135)**	**32,147**	**101,622**	**4,019**	**105,641**
								-
Net profit for the period		-	-	-	7,428	**7,428**	(255)	**7,173**
Total other comprehensive income for the period		-	-	(397)	-	**(397)**	-	**(397)**
Dividend for the year 2013		-	-	-	(7,903)	**(7,903)**	(273)	**(8,176)**
Acquisition of Asseco Solutions AG	II	-	-	-	5,224	**5,224**	108	**5,332**
Loss of control over Slovanet, a.s.	II, 6	-	-	-	-	**-**	(4,357)	**(4,357)**
As at 30 June 2014 (not audited)		**709**	**74,901**	**(6,532)**	**36,896**	**105,974**	**(758)**	**105,216**
As at 1 January 2013		**709**	**74,901**	**(2,331)**	**30,906**	**104,185**	**4,058**	**108,243**
Net profit for period		-	-	-	11,286	**11,286**	(135)	**11,151**
Total other comprehensive income for the period		-	-	(3,804)	-	**(3,804)**	252	**(3,552)**
Dividend for the year 2012		-	-	-	(10,039)	**(10,039)**	(162)	**(10,201)**
Decrease in Parent's ownership without a loss of control		-	-	-	(6)	**(6)**	6	**-**
As at 31 December 2013 (audited)		**709**	**74,901**	**(6,135)**	**32,147**	**101,622**	**4,019**	**105,641**

All figures in thousands of EUR,
unless stated otherwise

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY THE ASSECO CENTRAL EUROPE GROUP (CONTINUED)

	Note	Share capital	Share premium	Exchange differences on translation of foreign operations	Retained earnings	Shareholders' equity of the Parent Company	Non-controlling interests	Total shareholders' equity
As at 1 January 2013		**709**	**74,901**	**(2,331)**	**30,906**	**104,185**	**4,058**	**108,243**
Net profit for the period		-	-	-	5,834	**5,834**	151	**5,985**
Total other comprehensive income for the period		-	-	(1,701)	-	**(1,701)**	153	**(1,548)**
Dividend for the year 2012		-	-	-	(10,039)	**(10,039)**	(63)	**(10,102)**
As at 30 June 2013 (not audited)		**709**	**74,901**	**(4,032)**	**26,701**	**98,279**	**4,299**	**102,578**

All figures in thousands of EUR,
unless stated otherwise

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS THE ASSECO CENTRAL EUROPE GROUP

	Note	6 months ended 30 June 2014 (not audited)	6 months ended 30 June 2013 (restated)
Cash flows - operating activities			
Pre-tax profit from continuing operations and pre-tax profit (loss) on discontinued operations		10,020	7,716
Total adjustments:		**3,161**	**(2,704)**
Share in net profit of associates		(209)	(192)
Depreciation and amortization		5,480	5,662
Changes in working capital	21	867	(8,165)
Interest income and expense		171	41
(Gain) / loss on foreign exchange differences		101	(35)
(Gain) / loss on sales of subsidiaries		(3,330)	-
(Gain) / loss on investing activities		(7)	(3)
Other		88	(12)
Net cash generated from operating activities		**13,181**	**5,012**
Corporate income tax paid		(3,103)	(1,823)
Net cash provided by (used in) operating activities		**10,078**	**3,189**

Cash flows - investing activities			
Disposal of tangible fixed assets and intangible assets		76	936
Acquisition of tangible fixed assets and intangible assets	21	(2,473)	(3,296)
Expenditures related to research and development projects		-	(1,314)
Acquisition of subsidiary companies	21	(7,800)	(3)
Cash and cash equivalents of acquired subsidiary companies	21	1,691	-
Disposal of shares in subsidiary companies	21	1,000	2,000
Net debt of disposed subsidiary companies	21	923	-
Disposal of other financial assets		-	32
Loans granted	21	(1,350)	(1)
Loans collected	21	755	8,385
Interest received		66	377
Dividends received		195	199
Net cash used in (provided by) investing activities		**(6,917)**	**7,315**

All figures in thousands of EUR,
unless stated otherwise

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

	Note	6 months ended 30 June 2014 (not audited)	6 months ended 30 June 2013 (restated)
Cash flows - financing activities			
Proceeds from borrowings		611	2,129
Repayment of borrowings		(546)	(876)
Finance lease liability paid		(467)	(442)
Interest paid		(187)	(139)
Dividends paid out to the shareholders of the Parent Company	21	(7,903)	(10,039)
Dividends paid out to minority interests	21	(273)	-
Other		34	-
Net cash (used in) provided by financing activities		**(8,731)**	**(9,367)**
Increase (decrease) in cash and cash equivalents		(5,570)	1,137
Net foreign exchange differences		(131)	(264)
Cash and cash equivalents as at 1 January	14	34,140	23,151
Cash and cash equivalents as at 30 June	14	**28,439**	**24,024**

All figures in thousands of EUR,
unless stated otherwise

SUPLEMENTARY INFORMATION AND EXPLANATIONS TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 30 June 2014, Asseco Poland SA held a 93.51% 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 companies 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.

1. Basis for preparation of interim condensed consolidated financial statements

The interim condensed consolidated financial statements of the Asseco Central Europe Group ("Group") 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 interim condensed consolidated financial statements is euro (EUR), and all figures are presented in thousands of euros (EUR '000), unless stated otherwise.

Interim condensed consolidated financial statements have been prepared based on the assumption that the Group companies will continue as going concerns in the foreseeable future. As at the date of authorisation of these interim condensed consolidated financial statements, the Parent Company's Board of Directors is not aware of any facts or circumstances that would indicate a threat to the continued activity of the Group entities.

2. Compliance statement

These interim condensed consolidated financial statements for the period of six months ended 30 June 2014 have been prepared in accordance with International Financial Reporting Standard 34 endorsed by the European Union ("IAS 34").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2013 issued on 4 March 2014.

3. Professional judgement and estimates

Preparing the interim condensed consolidated financial statements requires making judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although the estimates and assumptions have been made based on the Group's management best knowledge of the current activities, the actual results may differ from those anticipated.

In the period of six months ended 30 June 2014, the Group’s approach to making estimates was not subject to any substantial changes compared to the previous periods.

Presented below are the main areas which in the process of applying the accounting policies were subject to accounting estimates and the management’s professional judgement, and whose estimates, if changed, could significantly affect the Group’s future results.

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

The Group carries out a number of contracts for construction and implementation of information technology systems. The valuation of IT contracts requires that future operating cash flows are determined in order to arrive at the fair value of income and expenses as well as it requires measurement of the contract’s percentage of completion. This percentage is measured as a relation of costs already incurred (provided such costs contribute to the progress of work) to the total costs planned, or as a portion of man-days worked out of the total work-effort required.

ii. Rates of depreciation and amortization

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

In 2014 the rates of depreciation and amortization applied by the Group were not subject to any substantial modifications.

iii. Impairment test of Goodwill

In line with the Group's policy, every year as at 31 December, the Board of Directors of the Parent Company performs an annual impairment test on cash-generating units to which goodwill has been allocated. Whereas, as at each interim balance sheet date, the Board of Directors of the Parent Company performs a review of possible indications of impairment of cash-generating units to which goodwill has been allocated. In the event such indications are identified, an impairment test should be carried out as at the interim balance sheet date.

Each impairment test requires making estimates of the value in use of cash-generating units or groups of cash-generating units to which goodwill has been allocated. The value in use is estimated by determining both the future cash flows expected to be achieved from the cash-generating unit or units and a discount rate to be subsequently used in order to calculate the net present value of those cash flows. Details of the last impairment test that was carried out as at 31 December 2013 were presented in the Group's consolidated financial statements for the year ended 31 December 2013.

4. Changes in the accounting principles applied and new standards and interpretations effective in current period

The major accounting policies adopted by the Parent Company were described in the consolidated financial statements for the year ended 31 December 2013 which were issued on 4 March 2014.

The accounting principles (policy) adopted in preparation of these interim condensed consolidated financial statements are consistent with those applied for preparation of the Group's annual consolidated financial statements as at 31 December 2013, except for applying following amendments to standards and new interpretations effective for periods beginning on or after 1 January 2014:

- IFRS 10 *Consolidated Financial Statements* – effective for annual periods beginning on or after 1 January 2013 – to be applied in the EU at the latest for annual periods beginning on or after 1 January 2014. The Company has decided to apply this IFRS from the annual period beginning on 1 January 2014;
- IFRS 11 *Joint Arrangements* – effective for annual periods beginning on or after 1 January 2013 – to be applied in the EU at the latest for annual periods beginning on or after 1 January 2014. The Company has decided to apply this IFRS from the annual period beginning on 1 January 2014;
- IFRS 12 *Disclosure of Interests in Other Entities* – effective for annual periods beginning on or after 1 January 2013 – to be applied in the EU at the latest for annual periods beginning on or after 1 January 2014. The Company has decided to apply this IFRS from the annual period beginning on 1 January 2014;
- Amendments of IFRS 10, IFRS 11 and IFRS 12 *Transitional Provisions* – effective for annual periods beginning on or after 1 January 2013 – to be applied in the EU at the latest for annual periods beginning on or after 1 January 2014. The Company has decided to apply this IFRS from the annual period beginning on 1 January 2014;
- IAS 27 *Separate Financial Statements* – effective for annual periods beginning on or after 1 January 2013 – to be applied in the EU at the latest for annual periods beginning on or after 1 January 2014. The Company has decided to apply the amended IAS from the annual period beginning on 1 January 2014;
- IAS 28 *Investments in Associates and Joint Ventures* – effective for annual periods beginning on or after 1 January 2013 – to be applied in the EU at the latest for annual

periods beginning on or after 1 January 2014. The Company has decided to apply the amended IAS from the annual period beginning on 1 January 2014;

- Amendments to IAS 32 *Financial Instruments: Presentation: Offsetting of Financial Assets and Financial Liabilities* – effective for annual periods beginning on or after 1 January 2014;
- Amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* (issued on 29 May 2013) – effective for annual periods beginning on or after 1 January 2014;
- Amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting* (issued on 27 June 2013) – effective for annual periods beginning on or after 1 January 2014.

The Amendments and new standards have no material impact on the Group's financial position, comprehensive income and the scope of information presented in the Group's financial statements.

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

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

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

- IFRS 9 *Financial Instruments* - effective for financial years beginning on or after 1 July 2018 – not yet endorsed by EU till the date of approval of these financial statements, approval by EU project postponed as at the date of approval of these financial statements;
- IFRIC 21 *Levies* – effective for financial years beginning on or after 1 January 2014, in EU effective at the latest for financial years beginning on or after 17 June 2014;
- Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions* – effective for financial years beginning on or after 1 July 2014 – not yet endorsed by EU till the date of approval of these financial statements;
- *Annual Improvements to IFRSs 2010-2012* – some amendments effective for financial years beginning on or after 1 July 2014 and some effective prospectively for transactions occurring on or after 1 July 2014 – not yet endorsed by EU till the date of approval of these financial statements;
- *Annual Improvements to IFRSs 2011-2013* – effective for financial years beginning on or after 1 July 2014 – not yet endorsed by EU till the date of approval of these financial statements;
- IFRS 14 *Regulatory Deferral Accounts* – effective for financial years beginning on or after 1 January 2016 – decision about terms of performing particular steps resulting in endorsement of the Standard has not yet been made by EFRAG – not yet endorsed by EU till the date of approval of these financial statements;
- Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations* – effective for financial years beginning on or after 1 January 2016 - not yet endorsed by EU till the date of approval of these financial statements;
- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortization* – effective for financial years beginning on or after

1 January 2016 – not yet endorsed by EU till the date of approval of these financial statements;

- IFRS 15 *Revenue from Contracts with Customers* – effective for financial years beginning on or after 1 January 2017 – not yet endorsed by EU till the date of approval of these financial statements;
- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants* - effective for financial years beginning on or after 1 January 2016 – not yet endorsed by EU till the date of approval of these financial statements.

The Board of Directors of the Parent Company has elected not to adopt these standards, revisions and interpretations in advance of their effective dates. The Board of Directors 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.

6. Changes in the applied principles of presentation

In the reporting period, the applied principles of presentation were not subject to any change.

7. Corrections of material errors

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

8. Changes in the comparative data

In these interim condensed consolidated financial statements, the comparative data have been subject to the restatements due to the sale of Slovanet, a. s., which has represented a separate line of business and operating segment in Asseco Central Europe Group. As a result, in line with IFRS 5 operations of Slovanet, a. s. has been recognised as discontinued operation and therefore, as required by this standard, the comparative information in the profit and loss account has been restated.

The sales of Slovanet, a. s. has been described in more details in section II Organization and changes in the structure of Asseco Central Europe Group as well as in point 6 of the explanatory notes to these interim condensed consolidated financial statements.

The impact of the above mentioned changes on the comparative data has been presented in the tables below:

Restatement of comparative data for the period of 6 months ended 30 June 2013	**Interim Condensed Consolidated Profit and Loss Account for 6 months ended 30 June 2013 (not audited)**	**Changes resulting from recognition of discontinued operations**	**Restated Interim Condensed Consolidated Profit and Loss Account for 6 months ended 30 June 2013 (not audited)**
Continuing operations			
Sales revenues	**61,262**	**(17,089)**	**44,173**
Cost of sales	**(42,997)**	**13,201**	**(29,796)**
Gross profit on sales	**18,265**	**(3,888)**	**14,377**
Selling expenses	(5,322)	2,591	(2,731)
General administrative expenses	(5,548)	621	(4,927)
Net profit on sales	**7,395**	**(676)**	**6,719**
Other operating income	414	(155)	259
Other operating expenses	(250)	22	(228)
Operating profit	**7,559**	**(809)**	**6,750**
Financial income	341	(4)	337
Financial expenses	(376)	258	(118)
Share in profits of associated companies	*192*	-	*192*
Pre-tax profit	**7,716**	**(555)**	**7,161**
Corporate income tax (current and deferred portions)	(1,731)	220	(1,511)
Net profit for the period from continuing operations	**5,985**	**(335)**	**5,650**
Discontinued operations			
Net profit /loss for the period from discontinued operations	**-**	**335**	**335**
Net profit for the period	**5,985**	**-**	**5,985**
Attributable to:			
Shareholders of the Parent Company	**5,834**	**-**	**5,834**
Profit for the period from continuing operations	5,834	(184)	5,650
Profit for the period from discontinued operations	-	184	184
Non-controlling interest	**151**	**-**	**151**
Profit for the period from continuing operations	151	(151)	-
Profit for the period from discontinued operations	-	151	151

The above changes do not affect other comprehensive income.

All figures in thousands of EUR,
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Restatement of comparative data for the period of 3 months ended 30 June 2013	**Interim Condensed Consolidated Profit and Loss Account for 3 months ended 30 June 2013 (not audited)**	**Changes resulting from recognition of discontinued operations**	**Restated Interim Condensed Consolidated Profit and Loss Account for 3 months ended 30 June 2013 (not audited)**
Continuing operations			
Sales revenues	**29,582**	**(8,236)**	**21,346**
Cost of sales	**(20,828)**	**6,664**	**(14,164)**
Gross profit on sales	**8,754**	**(1,572)**	**7,182**
Selling expenses	(2,966)	1,328	(1,638)
General administrative expenses	(2,876)	315	(2,561)
Net profit on sales	**2,912**	**71**	**2,983**
Other operating income	257	(98)	159
Other operating expenses	(153)	(169)	(322)
Operating profit	**3,016**	**(196)**	**2,820**
Financial income	135	42	177
Financial expenses	(166)	76	(90)
Share in profits of associated companies	*69*	-	*69*
Pre-tax profit	**3,054**	**(78)**	**2,976**
Corporate income tax (current and deferred portions)	(672)	54	(618)
Net profit for the period from continuing operations	**2,382**	**(24)**	**2,358**
Discontinued operations			
Net profit /loss for the period from discontinued operations	**-**	**24**	**24**
Net profit for the period	**2,382**	**-**	**2,382**
Attributable to:			
Shareholders of the Parent Company	**2,366**	**-**	**2,366**
Profit for the period from continuing operations	2,366	(8)	2,358
Profit for the period from discontinued operations	-	8	8
Non-controlling interest	**16**	**-**	**16**
Profit for the period from continuing operations	16	(16)	-
Profit for the period from discontinued operations	-	16	16

The above changes do not affect other comprehensive income.

Moreover, the Group has verified the revolving loans and concuded that part of the revolving loans meets the definition of cash and cash equivalents. Therefore the Group has decided to change the presentation of cash and cash equivalants as well as proceeds / repayments from bank credits and loans in the comparative data in the cash flow statement. As a result the cash flows from the financing activities for six months ended 30 June 2013 increased by the amount of EUR 572 thousand. For more details please refer to the cash flow statement and note 14 to these financial statements.

All figures in thousands of EUR,
unless stated otherwise

II. ORGANISATION AND CHANGES IN STRUCTURE OF ASSECO CENTRAL EUROPE GROUP, INCLUDING INDICATION OF ENTITIES SUBJECT TO CONSOLIDATION

The table below presents the Group's structure along with its equity interests and voting interests held at the general meetings of shareholders/partners as at 30 June 2014 and in the comparative period:

	Country of registration	Scope of activities	Relationship with Parent Company	Voting interest			Equity interest		
				7 August 2014	30 June 2014	31 Dec 2013	7 August 2014	30 June 2014	31 Dec 2013
Subsidiary companies									
Slovanet, a. s.	Slovak Republic	Telco services	Direct subsidiary	-	-	51%	-	-	51%
AmiTel, s. r. o.	Slovak Republic	Internet provider	Indirect subsidiary	-	-	51%	-	-	51%
MadNet, a. s.	Slovak Republic	Electronic services provider	Indirect subsidiary	-	-	50.06%	-	-	50.06%
Asseco Solutions, a. s. (SK)	Slovak Republic	ERP solutions	Direct subsidiary	100%	100%	100%	100%	100%	100%
DanubePay, a. s.	Slovak Republic	Card and transaction business	Direct subsidiary	55%	55%	55%	55%	55%	55%
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 Deutschland GmbH	Germany	ERP solutions	Indirect subsidiary	100%	100%	100%	100%	100%	100%
NZ Servis s. r. o.	Czech Republic	Software for customs and communication with public administration	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	100%	100%	100%	100%	100%	100%
GlobeNet Zrt.	Hungary	Hospital IS	Direct subsidiary	100%	100%	100%	100%	100%	100%
Asseco Hungary Zrt.	Hungary	Software, integration and outsourcing	Direct subsidiary	51%	51%	51%	51%	51%	51%
Asseco Solutions AG (G)	Germany	ERP solutions	Direct subsidiary	100%	100%	-	100%	100%	-
Asseco Solutions GmbH (A)	Austria	ERP solutions	Indirect subsidiary	75%	75%	-	75%	75%	-
Asseco Solutions AG (CH)	Switzerland	ERP solutions	Indirect subsidiary	100%	100%	-	100%	100%	-
Associated companies									
Crystal Consulting s. r. o.	Slovak Republic	ERP solutions		50%	50%	50%	50%	50%	50%
Prvni Certifikacni Autorita, a. s. (I.CA)	Czech Republic	IT security		23.25%	23.25%	23.25%	23.25%	23.25%	23.25%
Axera, s. r. o.	Slovak Republic	Software solutions		50%	50%	50%	50%	50%	50%

All figures in thousands of EUR,
unless stated otherwise

During six months ended 30 June 2014, the following changes in the Group structure were observed:

Acquisition of shares in Asseco Solutions AG

On 9 January 2014 Asseco Central Europe, a. s acquired a 100% stake in the company Asseco Solutions AG based in Karlsruhe, Germany. The shares were purchased from the company Asseco DACH S.A. (sister company).

Based on the Asseco Group Accounting Policy this transaction was accounted for as a business combination under common control as all of the combining entities are ultimately controlled by Asseco Poland S.A., both before and after the transaction and that control is not transitory.

The book value of acquired net assets amounted to EUR 6,348 thousand and the purchase price amounted to EUR 13.8 million. As a result of this transaction, goodwill increased by the goodwill recognized in the consolidated financial statements of Asseco Poland Group allocated to Asseco Solutions AG in the amount of EUR 16,706 thousand.

Sale of shares in Slovanet, a. s.

On 27 June 2014 Asseco Central Europe, a. s. signed an agreement for sale of 51 registered shares of Slovanet, a. s. The buyer - SNET, a. s. seated in Bratislava, has been the owner of the remaining 49% of shares in Slovanet, a. s. since 2006 and represents the executive management of Slovanet, a. s. After the transaction SNET, a. s. holds 100% of shares in Slovanet, a. s.

The transaction of purchasing the 51% stake of shares in Slovanet, a. s. by SNET, a. s. resulted from the development strategy adopted by the Asseco Central Europe Group, under which it will keep focus mainly on IT core business in the future.

Operations of Slovanet, a. s. have represented a separate major line of business of Asseco Central Europe Group, therefore, according to the IFRS 5, Slovanet’s operations have been classified as discontinued operation. This has been described in more details in explanatory notes 6 to these financial statements.

In the period of six months ended 30 June 2014 no other changes in the Group structure were observed.

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 whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

The Group identifies the following three operating segments:

- Asseco Central Europe – this segment includes two major companies: Asseco Central Europe, a. s. (SK) and Asseco Central Europe, a. s. (CZ) and their local distribution branches in Germany and Switzerland: Asseco Berit GmbH (D) and Asseco Berit AG (CH), as well as DanubePay, a. s. (SK). Despite being different legal entities, both main companies have the identical Board of Directors and form one homogenous organisational and business structure with shared back-office departments. Performance of the segment is analysed on a regular basis by its Board of Directors. These companies offer comprehensive IT, outsourcing and processing services intended for a broad range of clients operating in the sectors of financial institutions, general business and public administration.

- Asseco Solutions – this segment includes five ERP companies: Asseco Solutions, a. s. (SK), Asseco Solutions, a. s. (CZ), Asseco Solutions AG (D), Asseco Solutions GmbH. (A) and Asseco Solutions AG (CH). Performance of this segment is analysed on a regular basis by its Board of Directors. These companies offer ERP products and related services to a wide variety of clients operating in the sectors of financial institutions, general business and public administration.

- Other – this segment includes three Hungarian companies: Statlogics Zrt., GlobeNet Zrt. and Asseco Hungary Zrt. Performance of these companies is periodically assessed by the Board of Directors 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.

In the prior periods Asseco Central Europe Group presented another reporting segment "Slovanet", which contained only company Slovanet, a. s. (SK) and its subsidiaries. However, Slovanet shares has been sold to SNET on 27 June 2014 and, as a result, this segment has been recognised as discontinued operations. This has been described in more detail in note 6 to these interim condensed consolidated financial statements.

For 6 months ended 30 June 2014 and as at 30 June 2014 (not audited)	**Asseco Central Europe**	**Asseco Solutions**	**Other**	**Adjustment/ Eliminations**	**Total**
Sales revenues:	**31,030**	**24,362**	**3,095**	**(5,130)**	**53,357**
Sales to external customers	27,209	23,053	3,095	-	53,357
Inter/intra segment sales	3,821	1,309	-	(5,130)	-
Operating profit (loss) of reporting segment	**4,776**	**1,878**	**(454)**	**-**	**6,200**
Interest income	61	18	4	-	83
Interest expense	(42)	(41)	(10)	-	(93)
Share in profits of associated companies	111	98	-	-	209
Corporate income tax	**(1,288)**	**(164)**	**(58)**	**-**	**(1,510)**
Non-cash items:					
Depreciation and amortization	(1,359)	(485)	(654)	-	(2,498)
Net profit (loss) of reporting segment	**3,594**	**1,793**	**(520)**	**-**	**4,867**
Goodwill	15,776	30,891	6,623	-	53,290
Average workforce in the reporting period	**661**	**616**	**112**	**-**	**1,389**

All figures in thousands of EUR,
unless stated otherwise

For 3 months ended 30 June 2014 and as at 30 June 2014 (not audited)	Asseco Central Europe	Asseco Solutions	Other	Adjustment/ Eliminations	Total
Sales revenues:	**15,698**	**12,341**	**1,636**	**(2,929)**	**26,746**
Sales to external customers	13,564	11,586	1,545	-	26,695
Inter segment sales	2,134	755	91	(2,929)	51
Operating profit (loss) of reporting segment	**2,644**	**1,116**	**(236)**	**-**	**3,524**
Interest income	30	8	-	-	38
Interest expense	(24)	(22)	(5)	-	(51)
Share in profits of associated companies	91	57	-	-	148
Corporate income tax	**(546)**	**(36)**	**(10)**	**-**	**(592)**
Non-cash items:					
Depreciation and amortization	(592)	(234)	(327)	-	(1,153)
Net profit (loss) of reporting segment	**2,186**	**1,123**	**(241)**	**-**	**3,068**
Goodwill	15,776	30,891	6,623	-	53,290
Average workforce in the reporting period	**659**	**617**	**112**	**-**	**1,388**

All figures in thousands of EUR,
unless stated otherwise

For 6 months ended 30 June 2013 and as at 30 June 2013 (restated)	Asseco Central Europe	Asseco Solutions	Other	Adjustment/ Eliminations	Total
Sales revenues:	**33,480**	**12,601**	**3,627**	**(5,535)**	**44,173**
Sales to external customers	28,504	12,042	3,627		44,173
Inter segment sales	4,976	559	-	(5,535)	-
Operating profit (loss) of reporting segment	**6,063**	**692**	**(5)**	**-**	**6,750**
Interest income	132	12	13	-	157
Interest expense	(1)	(7)	(2)	-	(10)
Share in profits of associated companies	136	56		-	192
Corporate income tax	**(1,427)**	**(133)**	**49**	**-**	**(1,511)**
Non-cash items:					
Depreciation and amortization	(1,652)	(419)	(869)	-	(2,940)
Net profit (loss) of reporting segment	4,931	619	100	-	5,650
Goodwill	16,996	14,564	7,010	-	38,570
Average workforce in the reporting period	**744**	**489**	**119**	**-**	**1,352**

All figures in thousands of EUR,
unless stated otherwise

For 3 months ended 30 June 2013 and as at 30 June 2013 (restated)	**Asseco Central Europe**	**Asseco Solutions**	**Other**	**Adjustment/ Eliminations**	**Total**
Sales revenues:	**16,492**	**6,511**	**1,818**	**(3,475)**	**21,346**
Sales to external customers	13,371	6,157	1,818	-	21,346
Inter segment sales	3,121	354	-	(3,475)	-
Operating profit (loss) of reporting segment	**2,509**	**361**	**(50)**	**-**	**2,820**
Interest income	45	4	5	-	54
Interest expense	-	(7)	3	-	(4)
Share in profits of associated companies	49	20	-	-	69
Corporate income tax	**(613)**	**(31)**	**26**	**-**	**(618)**
Non-cash items:					
Depreciation and amortization	(811)	(210)	(441)	-	(1,462)
Net profit (loss) of reporting segment	**2,155**	**196**	**7**	**-**	**2,358**
Goodwill	16,996	14,564	7,010	-	38,570
Average workforce in the reporting period	**747**	**488**	**120**	**0**	**1,355**

All figures in thousands of EUR,
unless stated otherwise

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Sales revenues and operating costs

Sales revenues

During six months ended 30 June 2014 and the corresponding comparative period, the sales revenues were as follows:

Sales revenues by type of business	6 months ended 30 June 2014 (not audited)	3 months ended 30 June 2014 (not audited)	6 months ended 30 June 2013 (restated)	3 months ended 30 June 2013 (restated)
Proprietary software and services	41,639	20,913	32,721	15,089
Third-party software and services	3,354	1,693	3,975	1,882
Computer hardware and infrastructure	5,610	1,981	2,225	619
Logistics and other outsourcing	2,658	2,092	5,083	3,601
Other sales	96	67	169	155
	53,357	**26,746**	**44,173**	**21,346**

Sales revenues by sectors	6 months ended 30 June 2014 (not audited)	3 months ended 30 June 2014 (not audited)	6 months ended 30 June 2013 (restated)	3 months ended 30 June 2013 (restated)
Banking and finance	8,842	3,957	10,310	5,635
General business	24,001	12,133	16,382	7,698
Public institutions	20,514	10,656	17,481	8,013
	53,357	**26,746**	**44,173**	**21,346**

Operating costs

During six months ended 30 June 2014 and the corresponding comparative period, the operating costs were as follows:

Operating costs	6 months ended 30 June 2014 (not audited)	3 months ended 30 June 2014 (not audited)	6 months ended 30 June 2013 (restated)	3 months ended 30 June 2013 (restated)
Cost of goods, materials and third-party services sold	(12,213)	(5,200)	(5,432)	(2,106)
Employee benefits	(25,124)	(13,353)	(18,975)	(9,369)
Depreciation and amortization	(2,498)	(1,153)	(2,940)	(1,462)
Other	(7,255)	(3,467)	(10,107)	(5,426)
	(47,090)	**(23,173)**	**(37,454)**	**(18,363)**
Cost of sales	(37,865)	(18,329)	(29,796)	(14,164)
Selling costs	(4,291)	(2,225)	(2,731)	(1,638)
General administrative expenses	(4,934)	(2,619)	(4,927)	(2,561)
	(47,090)	**(23,173)**	**(37,454)**	**(18,363)**

All figures in thousands of EUR,
unless stated otherwise

In the period of six months ended 30 June 2014 other costs comprise mainly: property maintenance costs in the amount of EUR 3,841 thousand, third-party services in the amount of EUR 1,431 thousand, costs of advertising in the amount of EUR 650 thousand, outsourcing of human resources in the amount of EUR 548 thousand.

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

	6 months ended 30 June 2014 (not audited)	6 months ended 30 June 2013 (restated)
Depreciation of fixed assets resulting from movement table of property, plant and equipment	(3,327)	(3,048)
Amortisation of intangible assets resulting from the movement table of intangible assets	(2,190)	(2,654)
Depreciation and amortization presented in profit from discontinued operations	2,982	2,722
Depreciation decrease as a result of grants	37	40
Total depreciation and amortization presented in the operating costs	**(2,498)**	**(2,940)**

2. Financial income and expenses

During six months ended 30 June 2014 and the corresponding comparative period, the financial income and expenses were as follows:

Financial income	6 months ended 30 June 2014 (not audited)	3 months ended 30 June 2014 (not audited)	6 months ended 30 June 2013 (restated)	3 months ended 30 June 2013 (restated)
Interest income on loans granted, debt securities and bank deposits	79	36	156	54
Other interest income	4	2	1	-
Gain on foreign exchange differences	144	47	148	82
Other financial income	3	-	-	-
Gain on exercise of currency forward contracts	-	-	32	41
Total financial income	**230**	**85**	**337**	**177**

Financial expenses	6 months ended 30 June 2014 (not audited)	3 months ended 30 June 2014 (not audited)	6 months ended 30 June 2013 (restated)	3 months ended 30 June 2013 (restated)
Interest expense on bank credits, loans, debt securities (-)	(86)	(47)	(2)	4
Interest expense on financial leases (-)	(5)	(2)	(6)	(6)
Bank fees and charges (-)	(2)	(2)	(2)	(2)
Other interest expenses (-)	(1)	(1)	-	-
Loss on foreign exchange differences (-)	(168)	(45)	(108)	(86)
Total financial expenses	**(262)**	**(97)**	**(118)**	**(90)**

All figures in thousands of EUR,
unless stated otherwise

3. Income tax

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

	6 months ended 30 June 2014 (not audited)	3 months ended 30 June 2014 (not audited)	6 months ended 30 June 2013 (restated)	3 months ended 30 June 2013 (restated)
Current portion of corporate income tax and prior years adjustments	(777)	(576)	(1,200)	(658)
Deferred income tax	(733)	(16)	(311)	40
Income tax expense as disclosed in the profit and loss account	**(1,510)**	**(592)**	**(1,511)**	**(618)**
Tax attributable to discontinued operations	(1,337)	(1,211)	(220)	(54)
Corporate income tax including discontinued operations	**(2,847)**	**(1,803)**	**(1,731)**	**(672)**

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 a possibility to refer to well established regulations or legal precedents. The current regulations in force include ambiguities which may give rise to different opinions and legal interpretations on the taxation regulations either between companies and 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 amounts of so determined liabilities must be paid with high interest. In effect the amounts disclosed in the financial statements may be later changed, after the taxes payable are finally determined by the taxation authorities.

The Group made an estimation of taxable income planned to be achieved in the future and concluded it will able to utilise the deferred tax assets in the amount of EUR 902 thousand as at 30 June 2014 (EUR 1,759 thousand as at 31 December 2013 and EUR 954 thousand as at 30 June 2013).

4. 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 during 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 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.

All figures in thousands of EUR,
unless stated otherwise

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

	6 months ended 30 June 2014 (not audited)	3 months ended 30 June 2014 (not audited)	6 months ended 30 June 2013 (restated)	3 months ended 30 June 2013 (restated)
Net profit attributable to Shareholders of the Parent Company	**7,428**	**5,413**	**5,834**	**2,366**
Net profit from continuing operations attributable to Shareholders of the Parent Company	5,169	3,258	5,650	2,358
Net profit from discontinued operations attributable to Shareholders of the Parent Company	2,259	2,155	184	8
Average weighted number of ordinary shares, used for calculation of diluted earnings per share	**21,360,000**	**21,360,000**	**21,360,000**	**21,360,000**
Basic consolidated earnings per share	0.35	0.25	0.27	0.11
Basic consolidated earnings per share from continuing operations	0.24	0.15	0.26	0.11
Basic consolidated earnings per share from discontinued operations	0.11	0.10	0.01	-

During both the reporting period and the comparative periods no events took place that would cause dilution of earnings per share.

5. Dividends paid

In the period of six months ended 30 June 2014 and in six months ended 30 June 2013 the Parent Company paid out to its shareholders a dividend for the year 2013 and 2012, respectively. By decision of the Ordinary General Meeting of Shareholders of Asseco Central Europe, a. s. (Slovakia), EUR 7,903 thousand from net profit for the year 2013 and EUR 10,039 thousand from net profit for the year 2012 were allocated to payment of a dividend of EUR 0.37 per share and 0.47 respectively.

6. Discontinued operations

On 27 June 2014, the Parent Company signed with SNET, a. s. share purchase agreement on sale of 51 registered shares of Slovanet, a. s. SNET, a. s. has been the owner of the remaining 49% of shares in Slovanet, a. s. since 2006 and represents the executive management of Slovanet, a. s. After the transaction SNET, a. s. holds 100% of shares in Slovanet, a. s. As a result of this transaction, on 27 June 2014, the control over the Slovanet, a. s. was lost

Slovanet, a. s. has represented a separate line of business and operating segment in Asseco Central Europe Group, therefore, according to the IFRS 5, the operations of Slovanet, a. s. have been classified as discontinued operations.

All figures in thousands of EUR,
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The selling price of 51 shares of Slovanet a. s. has amounted to EUR 11,000 thousand. Asseco Central Europe shall receive payment in cash in three instalments within three months from the date of the transaction. As a result of Slovanet disposal the Group recognised as at 30 June 2014 current receivables from sales of shares in subsidiaries in the amount of EUR 10,000 thousand presented in note 13.

The value of the net assets of Slovanet, a. s., including goodwill, amounted to EUR 9,495 thousand, non-controlling interests amounted to EUR 3,822 thousand, transaction costs were at the level of EUR 2,000 thousand, which resulted in the pre-tax gain of EUR 3,327 thousand.

The results from discontinued operations are presented below:

	6 months ended 30 June 2014 (not audited)	**6 months ended 30 June 2013 (not audited)**
Sales revenues	**19,023**	**17,089**
Cost of sales	**(15,414)**	**(13,201)**
Gross profit on sales	**3,609**	**3,888**
Selling expenses	(2,562)	(2,591)
General administrative expenses	(626)	(621)
Net profit on sales	**421**	**676**
Other operating income	161	155
Other operating expenses	(48)	(22)
Operating profit	**534**	**809**
Financial income	-	4
Financial expenses	(218)	(258)
Share in profits of associated companies	-	-
Pre-tax profit	**316**	**555**
Corporate income tax (current and deferred portions)	(159)	(220)
Net profit /loss for the period from discontinued operations	**157**	**335**
Gain on disposal of the discontinued operations	3,327	-
Attributable tax expense	(1,178)	-
Total net profit /loss for the period discontinued operations	**2,306**	**335**
Attributable to:		
Shareholders of the Parent Company	2,259	184
Non-controlling interest	47	151

As the shares of Slovanet, a. s. were sold prior to 30 June 2014, the assets and liabilities of Slovanet, a. s. are no longer included in the consolidated statement of financial position.

Assets and liabilities derecognized due to the loss of control over Slovanet, a. s. were as follows:

All figures in thousands of EUR,
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Carrying amounts in the consolidated financial statements of Asseco Central Europe Group as at the date of losing control	**In thousand EUR**
Assets	
Property, plant and equipment	19,607
Intangible assets	3,869
Goodwill arising from consolidation	1,873
Trade receivables	4,901
Other receivables	175
Inventories	159
Prepayments and accrued income	635
Cash and cash equivalents	1,303
Total assets	**32,522**
Trade payables and other liabilities	
Interest-bearing bank loans, other loans and debt securities	10,364
Trade payables	3,079
Financial liabilities	2,356
Other liabilities	1,022
Prepayments and accrued income	5,052
Deferred income tax liabilities	698
Total liabilities	**22,571**

7. Property, plant and equipment

The net book value of property, plant and equipment, during the period of six months ended 30 June 2014 and in the comparative period, changed as a result of the following transactions:

	6 months ended 30 June 2014 (not audited)	**6 months ended 30 June 2013 (not audited)**
Net book value of property, plant and equipment as at 1 January	**23,537**	**23,511**
Increases, of which:	**3,445**	**4,028**
Purchases and modernization	2,182	3,079
Obtaining control over subsidiaries	415	**-**
Finance leases	848	916
Other	-	33
Decreases, of which:	**(23,046)**	**(3,980)**
Depreciation charges for the reporting period	(3,327)	(3,048)
Disposal and liquidation	(112)	(932)
Loss of control over subsidiaries	(19,607)	**-**
Exchange differences on translation of foreign operations	**(14)**	**(76)**
Net book value of property, plant and equipment, as at 30 June	**3,922**	**23,483**

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As at 30 June 2014 no tangible assets served as collateral for credit facilities.

As at 31 December 2013 and 30 June 2013 selected items of tangible assets served as collateral for credit facilities. Please refer to the note 16 for details.

8. Intangible assets

The net book value of intangible assets, during the period of six months ended 30 June 2014 and in the comparative period, changed as a result of the following transactions:

	6 months ended 30 June 2014 (not audited)	6 months ended 30 June 2013 (not audited)
Net book value of intangible assets, as at 1 January	**17,602**	**21,889**
Increases, of which:	**543**	**1,711**
Purchases	150	240
Capitalization of the costs of research and development projects	-	1,314
Obtaining control over subsidiaries	173	-
Other	220	157
Decreases, of which:	**(6,297)**	**(2,779)**
Amortisation charges for the reporting period	(2,190)	(2,654)
Impairment, write-downs	-	(125)
Disposal and liquidation	(238)	-
Loss of control over subsidiaries	(3,869)	-
Exchange differences on translation of foreign operations	**(27)**	**(95)**
Net book value of intangible assets, as at 30 June	**11,821**	**20,726**

As at 30 June 2014, 31 December 2013 and 30 June 2013, no intangible assets served as security for bank loans.

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9. Goodwill

For impairment testing purposes, goodwill is allocated by the Group in the following way:

- to the groups of cash-generating units that constitute an operating segment; or
- to individual subsidiaries.

	30 June 2014 (not audited)	31 Dec 2013 (audited)	30 June 2013 (not audited)
Segment Asseco Central Europe			
Asseco Central Europe (Slovakia)	1,075	1,075	1,075
Asseco Central Europe (Czech Republic)	14,701	14,715	15,921
Segment Asseco Solutions			
Asseco Solutions (Slovakia)	7,647	7,647	7,647
Asseco Solutions (Germany)	16,706	-	-
Asseco Solutions (Czech Republic)	6,538	6,544	6,917
Segment Slovanet	**-**	**1,873**	**1,873**
Segment Other			
GlobeNet	1,803	1,918	1,953
Statlogics	4,820	5,019	5,057
Total	**53,290**	**38,791**	**40,443**

During the period of six months ended 30 June 2014, the following changes in goodwill were observed:

Goodwill as allocated to reporting segments:	Goodwill at the beginning of the period (not audited)	Increases due to obtaining of control (+)	Decrease due to loss of control (-)	Decreases due to impairment (-)	Foreign exchange differences (+/-)	Goodwill at the end of the period (not audited)
Asseco Central Europe	15,790	-	-	-	(14)	15,776
Asseco Solutions	14,191	16,706	-	-	(6)	30,891
Slovanet	1,873	-	(1,873)	-	-	-
Other	6,937	-	-	-	(314)	6,623
	38,791	**16,706**	**(1,873)**	**-**	**(334)**	**53,290**

In the period of six months ended 30 June 2014, the carrying amount of goodwill was affected by the following transactions:

- Acquisition of Asseco Solutions AG, Germany - on 9 January 2014 Asseco Central Europe, a. s acquired a 100% stake in the company Asseco Solutions AG, Germany. The shares were purchased from the company Asseco DACH S.A and based on the Asseco Group Accounting Policy this transaction was accounted for as a combination under common control as all of the combining entities are ultimately controlled by

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Asseco Poland S.A., both before and after the business combination, and taking that into consideration control was not transitory. As a result of this transaction, goodwill increased by the goodwill recognized in the consolidated financial statements of Asseco Poland Group allocated to Asseco Solutions AG in the amount of EUR 12,676 thousand and internal goodwill from legall mergers of Asseco Solutions AG in the amount of EUR 4,030 thousand.

- Sales of Slovanet, a. s. - on 27 June 2014 Asseco Central Europe, a. s. signed an agreement for sale of 51 registered shares of Slovanet, a. s. to SNET, a. s. (owner of non-controlling interests). The sale price amounted to EUR 11,000 thousand. Due to the loss of control over Slovanet, a. s., the goodwill decreased by EUR 1,873 thousand. Slovanet, a. s. has represented a separate line of business and operating segment in Asseco Central Europe Group, therefore, according to the IFRS 5, Slovanet, a. s. has been recognised as discontinued operation. This has been described in more detail in explanatory note 6 to these financial statements.

Movements in the carrying amount of goodwill during six months ended 30 June 2013 were due to translation differences related to foreign operations.

10. Impairment testing

Both as at 30 June 2014 and during the 6-month period ended 30 June 2014, the stock market capitalization of Asseco Central Europe, a. s. remained below the book value of the Group's assets. The Board of Directors of Asseco Central Europe considered such situation as an indication of possible impairment of our cash-generating units, to which goodwill has been allocated.

In line with the Group's policy, each year as at 31 December, the Board of Directors of the Parent Company performs an annual impairment test on cash-generating units or groups of cash-generating units, to which goodwill has been allocated. Whereas, as at each interim balance sheet date, the Board of Directors of the Parent Company performs only a review of possible indications of impairment of cash-generating units, to which goodwill has been allocated. When such indications are identified, the Board of Directors shall first verify the assumptions adopted in the last annual impairment testing and, if necessary, carry out an impairment test on a given cash-generating unit or group of cash-generating units also at the interim balance sheet date. The procedures followed in the interim impairment testing are consistent with those applied for annual impairment tests performed as at 31 December.

As at 30 June 2014 the Board of Directors of the Parent Company performed a review of possible indications of impairment of cash-generating units, to which goodwill has been allocated and did not identify any impairment indicators. Therefore, no impairment testing was performed.

11. Financial assets

Loans granted and other financial assets

	30 June 2014 (not audited)	31 Dec 2013 (audited)	30 June 2013 (not audited)
Non-current loans, of which:	3	3	5
loans granted to employees	*3*	*3*	*5*
Other	-	-	-
Financial assets available for sale	47	-	-
	50	**3**	**5**
Current loans, of which:	1,359	764	1,425
loans granted to employees	*9*	*19*	*15*
Other	*1,350*	*745*	*1,410*
	1,359	**764**	**1,425**

Under category other loans there are presented two bills of exchange of J&T Private Equity B.V in amount of EUR 1,350 thousand (EUR 1,200 thousand, maturity in July 2014, interest rate 3.2% and EUR 150 thousand, maturity in April 2015, interest rate 6.25%). These bills of exchange are classified as "Loans granted" and are carried at amortized cost. They are recognized as current assets as their maturity periods are shorter than 12 months from the balance sheet date.

12. Non-current and current prepayments

As at 30 June 2014 and in the comparable period, the Group held the following prepayments:

	30 June 2014 (not audited)	31 Dec 2013 (audited)	30 June 2013 (not audited)
Non-current			
Pre-paid maintenance services	-	-	55
	-	**-**	**55**
Current			
Pre-paid maintenance services	1,779	1,414	1,544
Pre-paid insurance	74	62	48
Pre-paid trainings	-	-	25
Pre-paid rents and pre-paid operating lease payments	86	173	165
Pre-paid consultancy services	-	8	-
Subscriptions and other pre-paid services	223	523	202
Other prepayments	4	202	230
	2,166	**2,382**	**2,214**

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13. Non-current and current receivables

Non-current receivables

Non-current receivables	30 June 2014 (not audited)	31 Dec. 2013 (audited)	30 June 2013 (not audited)
Trade receivables, of which:	10	10	12
Receivables from related companies	-	-	-
Receivables from other companies	*10*	*10*	*12*
Deposits paid	165	-	-
Other receivables	-	93	95
Revaluation write-down (-)		-	-
	175	**103**	**107**

Non-current trade receivables and receivables from uninvoiced deliveries are not interest-bearing and were valued at their present (discounted) value.

Non-current receivables were not pledge as collateral for any bank guarantees (of due performance of contracts and tender deposits) neither at 30 June 2014, 31 December 2013 nor at 30 June 2013.

Current receivables

Trade accounts receivable	30 June 2014 (not audited)	31 Dec. 2013 (audited)	30 June 2013 (not audited)
Trade receivables, of which:	23,367	32,737	24,075
Receivables from related companies	*124*	*1,301*	*34*
Receivables from other companies	*23,243*	*31,436*	*24,041*
Revaluation write-down on doubtful receivables (-)	(1,763)	(2,235)	(2,339)
	21,604	**30,502**	**21,736**

Trade receivables are not interest-bearing.

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

As at 30 June 2014, receivables and future receivables in the amount of EUR 500 thousand were pledged as collateral for credit facilities. Liabilities by virtue of those credits as at 30 June 2014 amounted to EUR 500 thousand.

As at 31 December 2013, receivables and future receivables in the amount of EUR 3,562 thousand were pledged as collateral credit facilities. Liabilities by virtue of those credits as at 31 December 2013 amounted to EUR 3,615 thousand.

As at 30 June 2013, receivables and future receivables in the amount of EUR 3,440 thousand were pledged as collateral for credit facilities. Liabilities by virtue of those credits as at 30 June 2013 amounted to EUR 3,440 thousand.

Transactions with related parties are presented in note 20 to these interim condensed consolidated financial statements.

All figures in thousands of EUR,
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Corporate income tax and receivables from state budgets	30 June 2014 (not audited)	31 Dec. 2013 (audited)	30 June 2013 (not audited)
Value added tax	75	213	-
Corporate income tax (CIT)	1,046	515	1,694
Other	2	59	188
	1,123	**787**	**1,882**

Other receivables	30 June 2014 (not audited)	31 Dec. 2013 (audited)	30 June 2013 (not audited)
Receivables from valuation of IT contracts	2,621	2,011	2,366
Receivables from uninvoiced deliveries	315	237	475
Receivables from guarantees of due performance of contracts	601	-	-
Receivables from employees	-	-	42
Receivables from grants	-	-	1,207
Dividends receivable	255	-	-
Receivables from disposal of shares in subsidiaries	10,000	-	-
Other receivables	270	681	514
Revaluation write-down on other doubtful receivables (-)	-	(73)	-
	14,062	**2,856**	**4,604**

Receivables from valuation of IT contracts (implementation, long-term contracts) result from the surplus of revenues recognized based on the percentage of completion of implementation contracts over invoices issued.

Receivables relating to uninvoiced 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 for maintenance services.

14. Cash and cash equivalents

	30 June 2014 (not audited)	31 Dec. 2013 (audited)	30 June 2013 (not audited)
Cash at bank	22,411	25,878	16,191
Cash on hand	51	111	66
Current deposits	6,300	8,712	10,266
Cash equivalents	177	156	158
Cash in transit	-	-	22
Total cash and cash equivalents as disclosed in the statement of financial position	**28,939**	**34,857**	**26,703**
Bank overdrafts which form an integral part of an entity's cash management	(500)	(717)	(2,679)
Total cash and cash equivalents as disclosed in the cash flow statement	**28,439**	**34,140**	**24,024**

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

All figures in thousands of EUR,
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Current deposits did not serve as collateral for any bank guarantees (of due performance of contracts and tender deposits) neither at 30 June 2014, 31 December 2013 nor at 30 June 2013.

15. Non-current and current financial liabilities

Non-current	**30 June 2014 (not audited)**	**31 Dec. 2013 (audited)**	**30 June 2013 (not audited)**
Liabilities due to acquisition of shares	-	319	409
Finance lease commitments	34	601	833
	34	**920**	**1,242**

Current	**30 June 2014 (not audited)**	**31 Dec. 2013 (audited)**	**30 June 2013 (not audited)**
Liabilities due to dividend payment	12	12	175
Finance lease commitments	52	737	805
Liabilities due to acquisition of shares (deferred payments)	6,399	415	755
Liabilities due to acquisition of shares in subsidiaries (put options)	-	119	-
	6,463	**1,283**	**1,735**

Financial liabilities due to acquisition of shares relate mainly to the purchase of the shares of Asseco Solutions AG from Asseco DACH S.A. (principal EUR 6,000 thousands + interests EUR 48 thousands, interest rate 6M EURIBOR + 1.3% p.a., maturity in December 2014).

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16. Interest-bearing bank credits and debt securities issued

Short-term credit facilities	Name of entity	Maximum debt as at 30 June 2014	Effective interest rate %	Currency	Date of maturity	30 June 2014 (not audited)	31 Dec 2013 (audited)	30 June 2013 (not audited)
Loan	Asseco Solutions AG	500	3M Euribor + 2,5%	EUR	18.09.2014	500	-	-
Overdraft Unicredit	Slovanet, a.s.	n/a	1M Euribor + 1,3%	EUR	31.07.2014	-	99	200
Overdraft VUB	Slovanet, a.s.	n/a	1M Euribor + 1,05%	EUR	30.09.2014	-	618	2,479
		500				**500**	**717**	**2,679**

Other bank loans	Name of entity	Effective interest rate %	Currency	Date of maturity	Current			Non-current		
					30 June 2014 (not audited)	31 Dec 2013 (audited)	30 June 2013 (not audited)	30 June 2014 (not audited)	31 Dec 2013 (audited)	30 June 2013 (not audited)
Loan	Asseco Solutions AG	1M Euribor + 1,5%	EUR	30.09.2014	12	-	-	-	-	-
Acquisition loan	Slovanet, a.s.	1M Euribor + 2,4%	EUR	31.12.2017	-	34	34	-	102	127
Acquisition loan	Slovanet, a.s.	1M Euribor + 2,4%	EUR	28.02.2018	-	40	40	-	130	150
Acquisition loan	Slovanet, a.s.	1M Euribor + 2,4%	EUR	31.08.2018	-	86	-	-	323	-
Acquisition loan	Slovanet, a.s.	1M Euribor + 2,4%	EUR	30.11.2017	-	93	93	-	278	324
Acquisition loan	Slovanet, a.s.	1M Euribor + 2,4%	EUR	31.01.2018	-	198	198	-	644	743
Acquisition loan	Slovanet, a.s.	1M Euribor + 2,4%	EUR	31.05.2018	-	161	-	-	562	-
Acquisition loan	Slovanet, a.s.	1M Euribor + 2,4%	EUR	31.08.2018	-	136	-	-	510	-
Acquisition loan	Slovanet, a.s.	1M Euribor + 1,9%	EUR	30.08.2017	-	840	840	-	2 320	2 740
Acquisition loan	Slovanet, a.s.	1M Euribor + 2,4%	EUR	30.01.2019	-	-	-	-	-	-
Loan	Slovanet, a.s.	3M ERIBOR + 3,5%	EUR	20.10.2016	-	487	172	-	-	402
Acquisition loan	Slovanet, a.s.	1M Euribor + 2,4%	EUR	30.11.2017	-	60	60	-	180	210
Loan	Slovanet, a.s.	0%	EUR		-	-	-	-	192	186
SGF	Slovanet, a.s.	4,91% p.a.	EUR	01.2015	-	144	140	-	12	85
Unicredit Leasing	Slovanet, a.s.	4,989% p.a.	EUR	04.2015	-	135	132	-	47	115
Unicredit Leasing	Slovanet, a.s.	4,989% p.a.	EUR	09.2015	-	128	125	-	100	165
Unicredit Leasing	Slovanet, a.s.	4,989% p.a.	EUR	01.2016	-	56	55	-	64	92
					12	**2 598**	**1 889**	**-**	**5 464**	**5 339**

As ta 30 June 2014 the total funds available to the Asseco Central Europe Group under credit facilities opened in the current accounts reached the level of EUR 500 thousand.

The total balance of interest-bearing bank loans and other loans as at 30 June 2014 decreased in comparison to prior periods due to the disposal of Slovanet, a. s. In prior periods acquisition loans in Slovanet, a. s. were used for financing of acquisition of shares in Slovanet, a. s. and its subsidiaries.

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Assets pledged as collateral for credit facilities:

Security for credits and loans	Net book value used as security			Loan used		
	30 June 2014	31 Dec. 2013	30 June 2013	30 June 2014	31 Dec. 2013	30 June 2013
	(not audited)	(audited)	(not audited)	(not audited)	(audited)	(not audited)
Tangible assets	-	1,906	1,906	-	1,139	1,258
Intangible assets	-	-	-	-	-	-
Shares in subsidiary (Slovanet)	-	3,626	3,626	-	4,798	4,798
Receivables (current and future)	500	3,562	3,440	500	3,615	3,440
	500	**9,094**	**8,972**	**500**	**9,552**	**9,496**

17. Trade and other payables

As at 30 June 2014 and in the comparative periods, the Group had the following liabilities:

Current trade payables	30 June 2014 (not audited)	31 Dec. 2013 (audited)	30 June 2013 (not audited)
Trade payables to related companies	42	702	166
Trade payables to other companies	3,833	12,244	8,859
	3,875	**12,946**	**9,025**

Trade payables are not interest-bearing. The transactions with related companies are presented in Note 20 to these interim condensed consolidated financial statements.

Corporate income tax liabilities and liabilities to state budget	30 June 2014 (not audited)	31 Dec. 2013 (audited)	30 June 2013 (not audited)
Social Insurance Institution	1,013	920	873
Personal income tax (PIT)	527	415	386
Corporate income tax (CIT)	741	1,349	147
Value added tax	1,496	2,103	1,035
Other	27	185	203
	3,804	**4,972**	**2,644**

Other current liabilities	30 June 2014 (not audited)	31 Dec. 2013 (audited)	30 June 2013 (not audited)
Liabilities relating to valuation of IT contracts	354	2,006	366
Provision for loss on long-term IT contracts	276	-	-
Liabilities due to uninvoiced deliveries	1,278	877	701
Liabilities to employees relating to salaries and wages	1,528	1,886	1,935
Liabilities from purchase of property, plant, equipment and intangible assets	127	250	-
Advances received	-	149	219
Other liabilities	206	194	232
	3,769	**5,362**	**3,453**

All figures in thousands of EUR,
unless stated otherwise

Other liabilities are not interest-bearing.

18. Non-current and current provisions

	Provision for warranty repairs	Costs related to on-going legal proceedings	Other provisions	Total
As at 1 January 2014	**1,299**	**55**	**2,859**	**4,213**
Increase due to taking control over subsidiaries (+)	10	-	12	**22**
Provisions created during the financial year(+)	427	-	376	**803**
Provisions utilized or reversed (-)	(1,351)	-	(1,159)	**(2,510)**
Decrease due to loss of control over companies (-)	-	-	-	**-**
Exchange differences on translation of foreign operations (+/-)	-	-	(1)	**(1)**
As at 30 June 2014 (not audited)	**385**	**55**	**2,087**	**2,527**
Current as at 30 June 2014	385	55	2,080	**2,520**
Non-current as at 30 June 2014	-	-	7	**7**

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

Other provisions include provisions for penalties and compensations created for contractual penalties, mostly related to delayed projects.

	Provision for warranty repairs	Costs related to on-going legal proceedings	Other provisions	Total
As at 1 January 2013	**1,938**	**-**	**2214**	**4,152**
Provisions created during the financial year(+)	1,794	58	1705	**3,557**
Provisions utilized or reversed (-)	(2,382)	-	(896)	**(3,278)**
Exchange differences on translation of foreign operations (+/-)	(51)	(3)	(164)	**(218)**
As at 31 December 2013 (audited)	**1,299**	**55**	**2,859**	**4,213**
Current as at 31 December 2013	1,299	55	2,790	**4,144**
Non-current as at 31 December 2013	-	-	69	**69**

	Provision for warranty repairs	Costs related to on-going legal proceedings	Other provisions	Total
As at 1 January 2013	**1,938**	**-**	**2,214**	**4,152**
Provisions created during the financial year(+)	453	-	-	**453**
Provisions utilized or reversed (-)	(1,227)	-	(462)	**(1,689)**
Exchange differences on translation of foreign operations (+/-)	(34)	-	(57)	**(91)**
As at 30 June 2013 (not audited)	**1,130**	**-**	**1,695**	**2,825**
Current as at 30 June 2013	1,005	-	1,185	**2,190**
Non-current as at 30 June 2013	125	-	510	**635**

All figures in thousands of EUR,
unless stated otherwise

19. Accrued expenses and deferred income

Current accrued expenses	30 June 2014 (not audited)	31 Dec. 2013 (audited)	30 June 2013 (not audited)
Accrual for unused holiday leaves	2,091	1,248	1,529
Accrual for the employee bonuses and severance payments	1,536	3,792	1,942
Accrual for uninvoiced costs	2,616	1,027	1,334
Accrual for audit	45	66	44
	6,288	**6,133**	**4,849**

Accrued expenses comprise mainly accruals for unused holiday leaves, for salaries and wages of the current period payable in future periods which result from the bonus schemes applied by Asseco Central Europe Group, accruals for audit of financial statements, and accruals for operating expenses of the Group’s companies which were incurred in the current reporting period but have not been invoiced until the balance sheet date. In the category accrual for uninvoiced costs there is presented also accrual for transaction costs related to disposal of Slovanet, a. s.

Non-current deferred income	30 June 2014 (not audited)	31 Dec. 2013 (audited)	30 June 2013 (not audited)
Maintenance services	11	13	13
Prepayments received	-	-	513
Other	-	778	-
	11	**791**	**526**

Current deferred income	30 June 2014 (not audited)	31 Dec. 2013 (audited)	30 June 2013 (not audited)
Maintenance services	8,023	4,062	5,202
Prepayments received	5	1,454	1,281
Subsidies	3	72	6
Other	-	-	-
	8,031	**5,588**	**6,489**

The balance of deferred income relates mainly to prepayments for services such as maintenance and IT support. The received prepayments are related primarily to the software development projects implemented by the Group.

All figures in thousands of EUR,
unless stated otherwise

20. Transactions with related parties

Asseco Central Europe Group sales to related parties:		**6 months ended 30 June 2014 (not audited)**	**6 months ended 30 June 2013 (not audited)**
Name of entity	**Transaction type**		
Transactions with Asseco Poland S.A.			
Asseco Poland S.A.	*sales of IT services and licences*	44	19
		44	**19**
Transactions with related companies			
Asseco Solutions AG	*sales of IT services and licences*	n/a	41
Matrix42 AG	*sales of IT services and licences*	10	-
Asseco SEE (Croatia)	*sales of IT services and licences*	6	9
		16	**50**
Transactions with associates			
První certifikační autorita. a.s.	*sales of IT services and licences*	2	-
		2	**-**
Transactions with entities related through Group's key management personnel			
SNET a.s. [1)]	*sales of IT services and licences*	1	1
Virte, a.s. [2)]	*sales of IT services and licences*	446	52
KIMM SLOVAKIA s. r. o. [3)]	*sales of IT services and licences*	-	1
Disig, a.s. [4)]	*sales of IT services and licences*	-	19
		447	**73**
Transactions with Members of the Board of Directors, Supervisory Board and Proxies of other Group's companies			
Peter Máčaj [5)]	*sales of IT services and licences*	1	1
		1	**1**
TOTAL		**510**	**143**

[1)] *In the period of six months ended 30 June 2014 as well as in the comparative period SNET, a.s. owned 51% of the shares in Slovanet, a.s.*

[2)] *In the period of six months ended 30 June 2014 as well as in the comparative period, Juraj Kováčik - Member of the Board of Directors in Slovanet served as the Member of the Board of Directors in Virte, a.s.*

[3)] *In the period of six months ended 30 June 2014 as well as in the comparative period, Ivan Kostelny - Member of the Board of Directors in Slovanet served as the partner in KIMM Slovakia s.r.o*

[4)] *In the period of six months ended 30 June 2013, Juraj Kováčik - Member of the Board of Directors in Slovanet served as the Member of the Supervisory Board in Disig, a.s.*

[5)] *In the period of six months ended 30 June 2014 as well as in the comparative period, Peter Máčaj was Member of the Board of Directors of Slovanet, a.s.*

All figures in thousands of EUR,
unless stated otherwise

Asseco Central Europe Group purchases from related parties:		**6 months ended 30 June 2014**	**6 months ended 30 June 2013**
Name of entity	**Transaction type**	**(not audited)**	**(not audited)**
Transactions with Asseco Poland S.A.			
Asseco Poland S.A.	*purchase of IT services*	21	14
		21	**14**
Transactions with related companies			
Asseco Solutions AG	*purchase of IT services*	n/a	5
Matrix42 AG	*purchase of general and administrative services*	3	-
Asseco SEE (Croatia)	*purchase of IT services*	1	18
Asseco SEE (Serbia)	*purchase of IT services*	1	-
		5	**23**
Transactions with entities related through Group's key management personnel			
SNET a.s. [1]	*purchase of IT services*	1	-
KIMM SLOVAKIA s. r. o [2]	*purchase of IT services*	7	18
Disig, a.s. [4]	*purchase of IT services*	-	245
		8	**263**
Transactions with Members of the Board of Directors, Supervisory Board and Proxies of Asseco Central Europe, a. s. (SK)			
Jozef Klein [4]	*purchase of consultancy services*	1,500	-
		1,500	**-**
Transactions with Members of the Board of Directors, Supervisory Board and Proxies of other Group's companies			
Jacek Duch [5]	*purchase of consultancy services*	500	-
Peter Máčaj [6]	*purchase of IT services*	2	4
		502	**4**
TOTAL		**2,036**	**304**

[1] *In the period of six months ended 30 June 2014 as well as in the comparative period SNET, a.s. owned 51% of the shares in Slovanet, a.s.*

[2] *In the period of six months ended 30 June 2014 as well as in the comparative period, Ivan Kostelny - Member of the Board of Directors in Slovanet served as the partner in KIMM Slovakia s.r.o*

[3] *In the period of six months ended 30 June 2013, Juraj Kováčik - Member of the Board of Directors in Slovanet served as the Member of the Supervisory Board in Disig, a.s.*

[4] *In the period of six months ended 30 June 2014 as well as in the comparative period, Jozef Klein was the Member of the Board of Directors in the Parent Company. This amount is presented in net profit for the period from discontinued operations related to disposal of Slovanet, a.s.*

[5] *In the period of six months ended 30 June 2014 as well as in the comparative period, Jacek Duch was the Member of the Supervisory Board in Asseco Poland S.A. This amount is presented in net profit for the period from discontinued operations related to disposal of Slovanet, a.s.*

[6] *In the period of six months ended 30 June 2014 as well as in the comparative period, Peter Máčaj was Member of the Board of Directors of Slovanet, a.s.*

All figures in thousands of EUR,
unless stated otherwise

	Trade receivables and other receivables as at		Trade payables and other liabilities as at	
	30 June 2014 (not audited)	30 June 2013 (not audited)	30 June 2014 (not audited)	30 June 2013 (not audited)
Transactions with Parent Company				
Asseco Poland S.A.	28	14	49	8
	28	**14**	**49**	**8**
Transactions with related companies				
Asseco Solutions AG	n/a	10	n/a	3
Matrix42 AG	94	8	29	8
Asseco SEE (Croatia)	-	8	-	11
Asseco SEE (Turkey)	-	-	127	-
	94	**26**	**156**	**22**
Transactions with entities related through Group's key management personnel				
Disig, a.s. [1)]	-	-	-	134
KIMM SLOVAKIA s. r. o. [2)]	-	-	-	3
	-	-	**-**	**137**
Transactions with Members of the Board of Directors, Supervisory Board and Proxies of Asseco Central Europe, a. s. (SK)				
Jozef Klein [3)]	-	-	1,500	-
	-	**-**	**1,500**	**-**
Transactions with Members of the Board of Directors, Supervisory Board and Proxies of other Group's companies				
Jacek Duch [4)]	-	-	500	-
	-	**-**	**500**	**-**
TOTAL	**122**	**40**	**2,205**	**167**

[1)] In the period of six months ended 30 June 2013, Juraj Kováčik - Member of the Board of Directors in Slovanet served as the Member of the Supervisory Board in Disig, a.s.

[2)] In the period of six months ended 30 June 2014 as well as in the comparative period, Ivan Kostelny - Member of the Board of Directors in Slovanet served as the partner in KIMM Slovakia s.r.o.

[3)] In the period of six months ended 30 June 2014 as well as in the comparative period, Jozef Klein was the Member of the Board of Directors in the Parent Comapny. This amount is presented in statement of financial position in accruals for uninvoiced costs related to disposal of Slovanet, a.s.

[4)] In the period of six months ended 30 June 2014 as well as in the comparative period, Jacek Duch was the Member of the Supervisory Board in Asseco Poland S.A. This amount is presented in statement of financial position in accruals for uninvoiced costs related to disposal of Slovanet, a.s.

21. Notes to the Statement of Cash Flow

Cash flows – operating activities

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

Changes in working capital	30 June 2014 (not audited)	30 June 2013 (not audited)
Change in inventories	(40)	110
Change in receivables	15,033	(88)
Change in liabilities	(16,079)	(9,343)
Change in prepayments, accruals and deferred income	3,596	2,483
Change in provisions	(1,647)	(1,327)
	863	**(8,165)**

All figures in thousands of EUR,
unless stated otherwise

Cash flows – investing activities

In the period of six months ended 30 June 2014, the balance of cash flows from investing activities was affected primarily by the following proceeds and expenditures:

- Acquisitions of property, plant and equipment and intangible assets include purchases of property, plant and equipment for EUR 2,219 thousand, purchases of intangible assets for EUR 254 thousand.
- Expenditures for the acquisition of Asseco Solutions AG in Germany in the amount of EUR 7,800 thousand and cash and cash equivalents in the acquired subsidiaries as at the date of obtaining control in the amount of EUR 1,691.
- Proceeds from the disposal of Slovanet, a. s in the amount of EUR 1,000 thousand and net debt in Slovanet, a. s. in the amount of EUR 923 thousand.
- Dividends received from associates in the amount of EUR 195 thousand.
- Under the positions "Loans collected" and "Loans granted" the cash flows related to bills of exchange of J&T Private Equity B.V. are presented.

Cash flows – financing activities

In the period of six months ended 30 June 2014, the balance of cash flows from financing activities was affected primarily by the following proceeds and expenditures:

- Dividend paid to the shareholders of the Parent Company in the amount of EUR 7,903 thousand.
- Dividend paid to non-controlling interests in the amount of EUR 273 thousand.

22. Commitments and contingencies in favour of related parties

As at 30 June 2014, guarantees and sureties issued by and for Asseco Central Europe, a. s. (SK) in favour of related parties were as follows:

- Asseco Central Europe, a. s. (Slovakia) granted a guarantee to Slovanet, a. s. in the amount of EUR 4,000 thousand to back up its liabilities towards Všeobecná úverová banka under a framework crediting agreement. As at 30 June 2014 this guarantee was not used for any credits in Slovanet, a. s. The guarantee will expire in September after receiving the whole amount of receivables from sales of Slovanet shares.

As at 30 June 2013, guarantees and sureties issued by and for Asseco Central Europe, a. s. (SK) were as follows:

- Asseco Central Europe, a. s. (Slovakia) granted a guarantee to its subsidiary Slovanet, a. s. in amount of EUR 4,000 thousand to back up its liabilities towards Všeobecná úverová banka under a framework crediting agreement. As at 30 June 2013 this guarantee was not used for any credits in Slovanet, a. s.
- Subsidiary Slovanet a. s. was granted a guarantee (pledge on shares in Slovanet, a. s.) in the amount of EUR 3,600 thousand to back up its liabilities towards Všeobecná úverová banka under a framework crediting agreement; granted by Asseco Central Europe, a. s. (Slovakia).
- Subsidiary Slovanet, a. s. granted bills for UniCredit Bank as a guarantee for a loan of its subsidiary MadNet, a. s. in amount EUR 1,163 thousands.

23. Commitments and contingent liabilities to other entities

As at 30 June 2014, guarantees and sureties issued by and for the Group were as follows.

- Asseco Central Europe a. s. uses a bank guarantees issued by Komerční banka a.s. for the amount of EUR 518 thousand to secure its obligations towards various public offering procurers (guarantees are effective up to 31 December 2014).

As at 30 June 2013, guarantees and sureties issued by and for the Group were as follows:

- Slovanet a. s. used a bank guarantee issued by Všeobecná úverová banka for the amount of EUR 29 thousand to secure its obligations towards TRICORP Development, v. o. s. valid until 30 October 2013.
- Slovanet a. s. used a bank guarantee issued by Všeobecná úverová banka for the amount of EUR 458 thousand to secure its obligations towards Slovak villages in connection with tender ”Internet for rural areas” valid until 31 January 2014.

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

	30 June 2014 (not audited)	31 Dec 2013 (audited)	30 June 2013 (not audited)
Liabilities under lease of space			
In the period up to 1 year	3,950	3,527	3,515
In the period from 1 to 5 years	8,410	8,098	9,272
In the period over 5 years	-	-	-
	12,360	**11,625**	**12,787**
Liabilities under operating lease of property, plant and equipment			
in the period shorter than 1 year	763	515	736
in the period from 1 to 5 years	501	294	723
in the period longer than 5 years	-	-	-
	1,264	**809**	**1,459**

All figures in thousands of EUR,
unless stated otherwise

24. Employment

Average Group's workforce in the reporting period*	6 months ended 30 June 2014 (not audited)	12 months ended 31 Dec. 2013 (audited)	6 months ended 30 June 2013 (not audited)
Management Board of the Parent Company	4	5	5
Management Boards of the Group companies	10	18	26
Production departments	1,253	1,210	1,230
Direct sales departments	138	111	112
Indirect sales departments	23	25	27
Back-office departments	183	153	154
Total	**1,611**	**1,522**	**1,554**

Average employment in the reporting period in full-time salaried jobs, i.e. employment in full-time jobs adjusted for (reduced by) positions which are not salaried by the Group companies (such as an unpaid leave, maternity leave, etc.)

The Group workforce as at	30 June 2014 (not audited)	31 Dec. 2013 (audited)	30 June 2013 (not audited)
Management Board of the Parent Company	4	5	5
Management Boards of the Group companies	12	18	26
Production departments	1,139	1,150	1,248
Direct sales departments	90	109	111
Indirect sales departments	24	26	27
Back-office	155	134	153
Total	**1,424**	**1,442**	**1,570**

Number of employees in the Group companies as at	30 June 2014 (not audited)	31 Dec. 2013 (audited)	30 June 2013 (not audited)
Asseco Central Europe, a.s. (Slovakia)	375	347	337
Asseco Central Europe, a.s. (Czech Republic)	261	257	375
Asseco Berit AG	5	5	5
Asseco Berit GmbH	16	16	17
Asseco Solutions Group (Czech Republic)	303	306	320
Asseco Solutions Group (Slovakia)	155	166	171
Asseco Solutions Group (Germany)	177	-	-
DanubePay, a.s.	22	21	13
Asseco Hungary Zrt.	1	-	-
GlobeNet Zrt.	45	48	48
Statlogics Zrt.	64	61	70
Slovanet Group	-	215	214
	1,424	**1,442**	**1,570**

25. Seasonal and cyclical nature of business

All figures in thousands of EUR,
unless stated otherwise

The Group's activities are subject to seasonality in terms of uneven distribution of turnover in individual quarters of the year. Because 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. Such phenomenon occurs because the above-mentioned entities close their annual budgets for implementation of IT projects and carry out investment purchases of hardware and licences usually in the last quarter.

26. Significant events after the balance sheet date

Until the date of preparing these interim condensed consolidated financial statements, i.e. 7 August 2014, no significant events occurred that might have an impact on the interim condensed consolidated financial statements.

27. Significant events related to prior years

Up to the date of preparing these interim condensed consolidated financial statements for the six months period ended 30 June 2014, no significant events related to prior years occurred that might have an impact on the interim condensed consolidated financial statements.

Building a better working world

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Report on review of interim condensed financial statements to the shareholders of Asseco Central Europe, a.s.

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Asseco Central Europe, a.s. ('the Company') as at 30 June 2014 and the related interim profit and loss account, statement of comprehensive income, changes in equity and cash flows for the 6 months period then ended and explanatory notes.

Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting' as adopted by the European Union ('IAS 34'). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young Slovakia, spol. s r.o.

7 August 2014
Bratislava, Slovak Republic

Solutions for Demanding Business

asseco CENTRAL EUROPE

INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE 6 MONTHS ENDED 30 JUNE 2014

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

7 August 2014

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These interim condensed financial statements were authorized for publication by the Board of Directors of Asseco Central Europe, a. s. on 7 August 2014.

Jozef Klein	Chairman of the Board
Radek Levíček	Vice-Chairman of the Board
Marek Grác	Member of the Board
David Stoppani	Member of the Board

Person responsible for maintaining the accounting books:

Rastislav Mordavský	Chief Accountant

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

	Note	6 months ended 30 June 2014 (non audited)	3 months ended 30 June 2014 (non audited)	6 months ended 30 June 2013 (non audited)	3 months ended 30 June 2013 (non audited)
Sales revenues		19,021	9,380	14,397	6,871
Cost of sales (-)		(15,131)	(7,286)	(9,988)	(4,621)
Gross profit on sales		**3,890**	**2,094**	**4,409**	**2,250**
Selling expenses		(229)	(127)	(202)	(92)
General administrative expenses	7	(819)	(566)	(1,340)	(650)
Net profit on sales		**2,842**	**1,401**	**2,867**	**1,508**
Other operating income		200	94	381	213
Other operating expenses		(172)	(66)	(266)	(133)
Operating profit		**2,870**	**1,429**	**2,982**	**1,588**
Financial income	8	12,882	5,400	9,345	66
Financial expenses		(71)	(35)	(59)	(7)
Pre-tax profit		**15,681**	**6,794**	**12,268**	**1,647**
Corporate income tax (current and deferred portions)	9	(1,815)	(1,398)	(728)	(400)
Net profit for the period reported		**13,866**	**5,396**	**11,540**	**1,247**
Earnings per share attributable to Shareholders of Asseco Central Europe, a. s. (in EUR):					
Basic consolidated earnings per share from continuing operations for the reporting period		*0.65*	*0.25*	*0.54*	*0.06*
Diluted consolidated earnings per share from continuing operations for the reporting period		*0.65*	*0.25*	*0.54*	*0.06*

All figures in thousands of EUR, unless stated otherwise

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

	6 months ended 30 June 2014 (non audited)	3 months ended 30 June 2014 (non audited)	6 months ended 30 June 2013 (non audited)	3 months ended 30 June 2013 (non audited)
Net profit for the reporting period	**13,866**	**5,396**	**11,540**	**1,247**
Total other comprehensive income	**-**	**-**	**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**13,866**	**5,396**	**11,540**	**1,247**

All figures in thousands of EUR,
unless stated otherwise

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

ASSETS	Note	30 June 2014 (non audited)	31 Dec. 2013 (audited)	30 June 2013 (non audited)
Fixed assets		**84,622**	**75,711**	**77,719**
Property, plant and equipment		873	814	796
Intangible assets		8,472	9,446	10,399
Investments in subsidiaries	14	74,915	64,758	64,759
Long-term loans		-	-	1,414
Deferred income tax assets		362	693	351
Current assets		**42,070**	**41,467**	**31,197**
Inventories		21	71	72
Deferred expenses		731	811	607
Trade accounts receivable		12,930	17,910	9,466
Corporate income tax	9	-	-	320
Other receivables	10	12,293	3,331	1,363
Loans granted	11	2,345	2,328	402
Other financial assets	12	1,350	745	1,410
Cash and short-term deposits		12,400	16,271	17,557
TOTAL ASSETS		**126,692**	**117,178**	**108,916**

All figures in thousands of EUR,
unless stated otherwise

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

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	30 June 2014 (non audited)	31 Dec. 2013 (audited)	30 June 2013 (non audited)
Shareholders' equity				
Share capital		709	709	709
Share premium		74,901	74,901	74,901
Retained earnings		33,917	27,954	25,500
Total shareholders' equity		**109,527**	**103,564**	**101,110**
Current liabilities		**17,165**	**13,614**	**7,806**
Trade accounts payable		3,072	4,271	2,871
Corporate income tax payable		575	1,295	-
Liabilities to the State budget		1,144	1,371	754
Financial liabilities	15	6,048	-	1
Other liabilities	16	3,063	2,123	1,245
Provisions	17	920	1,284	620
Accrued expenses		1,149	2,282	1,261
Deferred income		1,194	988	1,054
TOTAL LIABILITIES		**17,165**	**13,614**	**7,806**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**126,692**	**117,178**	**108,916**

All figures in thousands of EUR,
unless stated otherwise

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

	Share capital	Share premium	Retained earnings	Total shareholders' equity
As at 1 January 2014	**709**	**74,901**	**27,954**	**103,564**
Net profit for the period			13,866	**13,866**
Dividend for the year 2013			(7,903)	**(7,903)**
As at 30 June 2014 (non audited)	**709**	**74,901**	**33,917**	**109,527**
As at 1 January 2013	**709**	**74,901**	**23,999**	**99,609**
Net profit for the period	-	-	13,994	**13,994**
Dividend for the year 2012	-	-	(10,039)	**(10,039)**
As at 31 December 2013 (audited)	**709**	**74,901**	**27,954**	**103,564**
As at 1 January 2013	**709**	**74,901**	**23,999**	**99,609**
Net profit for the period			11,540	**11,540**
Dividend for the year 2012			(10,039)	**(10,039)**
As at 30 June 2013 (non audited)	**709**	**74,901**	**25,500**	**101,110**

All figures in thousands of EUR, unless stated otherwise

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

	Note	6 months ended 30 June 2014 (non audited)	6 months ended 30 June 2013 (non audited)
Cash flows - operating activities			
Pre-tax profit from continuing operations and profit (loss) on discontinued operations		15,681	12,268
Total adjustments:		-	-
Depreciation and amortization		1,172	1,195
Changes in working capital	19	2,466	(1,842)
Interest income and expense		(22)	(110)
Gain on foreign exchange differences		-	7
Gain on investing activities		(7,456)	(9,151)
Other		(5,357)	(78)
Net cash generated from operating activities		**6,484**	**2,289**
Corporate income tax paid	9	(2,204)	(358)
Net cash provided by (used in) operating activities		**4,280**	**1,931**
Cash flows - investing activities			
Proceeds from disposal of tangible fixed assets and intangible assets		4	47
Acquisition of tangible fixed assets and intangible assets		(257)	(160)
Acquisition of other financial assets	12	(1,350)	-
Acquisition of subsidiary companies	14	(7,800)	-
Proceeds from sale of financial assets at fair value through profit or loss		-	32
Proceeds from sale of other financial assets	12	745	2,650
Proceeds from sale of investment in subsidiaries	20	1,000	2,000
Proceeds from sale of intangible assets		-	-
Settlement of derivate financial instruments loss (FVPL)		-	-
Loans granted	11	(590)	(591)
Loans collected	11	586	-
Interest received		57	328
Dividends received		7,357	8,627
Net cash provided by (used in) investing activities		**(248)**	**12,933**
Cash flows - financing activities			
Finance lease commitments paid		-	(5)
Dividends paid to shareholders of the parent entity		(7,903)	(10,039)
Net cash provided by (used in) financing activities		**(7,903)**	**(10,044)**
Increase (decrease) in cash and cash equivalents		(3,871)	4,820
Cash and cash equivalents as at 1 January		16,271	12,737
Cash and cash equivalents as at 30 June		**12,400**	**17,557**

All figures in thousands of EUR,
unless stated otherwise

SUPPLEMENTARY INFORMATION AND EXPLANATIONS

I. GENERAL INFORMATION

The company Asseco Central Europe, a. s. (the "Company", "Parent Company", "Issuer") is a joint stock company with 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 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 company of Asseco Central Europe, a. s. is Asseco Poland SA (the higher-level parent company). As at 30 June 2014, Asseco Poland SA held a 93.51% stake in the share capital of Asseco Central Europe, a. s.

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

In addition to comprehensive IT services, the Company also sells goods including mainly computer hardware. The conducted sale of goods is to a large extent connected with the provision of software implementation services.

These interim condensed financial statements cover the period of 6 months ended 30 June 2014 and contain comparative data for the period of 6 months ended 30 June 2013 in case of the interim profit and loss account, interim statement of comprehensive income and cash flows; and comparative data as at 31 December 2013 and 30 June 2013 in case of the interim statement of financial position and changes in equity.

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

There were following members of the Board of Directors (hereinafter "BoD") and Supervisory Board (hereinafter "SB") of Asseco Central Europe, a. s. as at 30 June 2014:

Board of Directors	Period	Supervisory Board	Period
Jozef Klein	01.01.2014-30.06.2014	Adam Góral	01.01.2014-30.06.2014
Radek Levíček	01.01.2014-30.06.2014	Andrej Košári	01.01.2014-30.06.2014
Marek Grác	01.01.2014-30.06.2014	Ján Handlovský	01.01.2014-30.06.2014
David Stoppani	01.01.2014-30.06.2014	Marek Panek	01.01.2014-30.06.2014
		Przemysław Sęczkowski	01.01.2014-30.06.2014

All figures in thousands of EUR,
unless stated otherwise

II. ACCOUNTING PRINCIPLES APPLIED WHEN PREPARING FINANCIAL STATEMENTS

1. Basis for preparation of financial statements

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

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

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

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

2. Compliance statement

These interim condensed financial statements for the six months ended 30 June 2014 have been prepared in accordance with International Accounting Standard 34 endorsed by the European Union (“IAS 34”).

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements as at 31 December 2013 published on 4 March 2014.

3. Significant accounting judgments, estimates and assumptions

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

In the period of 6 months ended 30 June 2014, the Company's approach to making estimates was not subject to any substantial changes compared to previous periods. Details of the main areas subject to accounting estimates and the management's professional judgment, and whose estimates, if changed, could significantly affect the Company's future results are below.

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

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

Assumed future operating cash flows are not always consistent with the agreements with customers or suppliers due to modifications of IT projects implementation schedules. As at 30 June 2014, 31 December 2013 and 30 June 2013, receivables from the valuation of IT contracts amounted to EUR 1,687 thousand, EUR 902 thousand and EUR 753 thousand, respectively, while liabilities due to such valuation of IT contracts equaled to EUR 235 thousand, EUR 1,301 thousand and EUR 354 thousand, respectively.

ii Rates of depreciation and amortization and impairment

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

In accordance with the IAS 36 the Management Board performs an impairment test of financial investments in subsidiaries on an annual basis (as at 31 December) or whenever the indicators of impairment exist. The Company regularly undergoes assessment of a presence of impairment indicators in relation to its financial investments in subsidiaries. The main indicators taken into consideration by the management include (i) macroeconomical situation in the specific country/region, (ii) record of orders received or contracts signed to be delivered in the future periods and (iii) assessment of year-to-date results as well as expected full year performance of each company or business entity attributed to every CGU and representing specific financial investment in comparison with previous periods and approved plan for current fiscal year. If the management identify indicators of potential impairment of financial investments, impairment testing is performed.

The Company performs impairment test by comparing the carrying amount of the financial investment with its recoverable amount. The recoverable amount of the financial investment is estimated by means of the value in use methodology. The value in use of the financial investment is determined on the basis of the net present value of cash flows expected to be generated by the subsidiary. The cash flows are projected for a 5-year explicit. The projected cash flows are discounted at a pre-tax discount rate. The discount rate is the subsidiary’s cost of capital.

As at 30 June 2014, the carrying amount of financial investments was EUR 74,915 thousand. Refer to the Note 14 for details. As at 30 June 2014 market capitalization of Asseco Central Europe, a. s. presented amount of EUR 82,474 thousand.

As at 30 June 2014 the Company did not identify any indicators of impairment thus no impairment testing was performed. Last impairment testing was performed as of 31 December 2013.

iii Fair value

The Company considers three levels of hierarchy to nominate the fair value of financial instruments. First level: the fair value of financial instruments which are actively traded on organized financial markets is nominated based on quoted market prices. Second level: the fair value of financial instruments for which no quoted market price is available is nominated based on the actual market price of another instrument which is basically identical. Third level: fair value is determined based on discounted cash flows from the net assets underlying the financial instrument.

In practice the Company determines the fair value of its financial instruments using the second or third level, the actual market price of identical derivative financial instruments. No outstanding position of financial instruments at fair value as of 30 June 2014.

4. Changes in the accounting principles applied and new standards and interpretations effective in current period

The accounting principles (policy) adopted in preparation of these interim condensed financial statements are consistent with those applied for preparation of financial statements as at 31 December 2013, except for applying following amendments to standards and new interpretations effective for periods beginning on or after 1 January 2014. The Company 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 Company's operations.

- IFRS 10 *Consolidated Financial Statements* and IAS 27 *Separate Financial Statements*

IFRS 10 replaces the part of the previous IAS 27 "Consolidated and Separate Financial Statements" in the field of consolidated financial statements and introduces a new definition of control. IFRS 10 may cause changes in the scope of entities to be consolidated. It does not change the consolidation procedures and methods of settlement of transactions in the consolidated financial statements.

Application of these changes had no impact on the financial situation or operating results of the Company.

- IFRS 11 *Joint Arrangements and IAS 28 Investments in associates and joint ventures*

IFRS 11 it introduces two categories of joint arrangements: joint operations and joint ventures and appropriate valuation methods for them.

Application of the standard may result in changes of the valuation method for joint arrangements (e.g. projects previously classified as jointly controlled entities measured using proportionate method, can be classified as joint ventures, and therefore valued with the equity method).

IAS 28 has been amended and provides guidance for the application of the equity method for joint ventures.

Application of these changes had no impact on the financial situation nor operating results of the Company.

- Amendments to IFRS 12 *Disclosure of Interests in Other Entities*

IFRS 12 contains a list of disclosures with regard to the involvement in other entities. Application of the standard may result in wider disclosures in the financial statements, for example:

  - key financial information, including the risks associated with the Group's projects;
  - disclosure of participation in unconsolidated entities and special risks associated with such projects;
  - information about each project in which there are substantial non-controlling interests;
  - disclosure of significant judgments and assumptions used in the classification of individual projects as subsidiaries, jointly controlled entities or associates.

The standard has been amended to require specific disclosures about subsidiaries that are not consolidated because they are subsidiaries of an investment entity. This does not apply to Asseco Central Europe, a. s. therefore the Management does not expect any significant impact resulting from this change,

- *Investment entities* – amendments to IFRS 10, IFRS 12 and IAS 27

The amendments introduce the concept of investment entities, which are released from the full consolidation accounting, and measured at fair value, through profit or loss.

Application of these changes had no impact on the financial situation nor operating results of the Company.

- Amendments to IAS 32 *Financial Instruments: Presentation: Offsetting Financial Assets and Financial Liabilities*

Amendments to IAS 32 clarify the concept and consequences of an right to compensate a financial asset and a financial liability and the criteria for the settlement of two financial instruments as an operation carried out by the clearing house in an organized financial market or as a direct replacement.

Application of these changes had no impact on the financial situation nor operating results of the Company.

- Amendments to IAS 36 *Disclosures related to the recoverable value of non-financial assets*

These amendments removed unintended consequences of IFRS 13 Disclosures required by IAS 36. In addition, these amendments introduce additional disclosures of recoverable amount of an asset or cash-generating unit (CGU) for which impairment loss was recognized or reversed, when the value in use is equal to fair value decreased by disposal costs.

Application of these changes had no impact on the financial situation nor operating results of the Company.

- Amendments to IAS 39 *Renewal of derivatives and hedge accounting continued*

Amendments to IAS 39 regarding further use of hedge accounting after the renewal of derivatives exempt from the need to discontinue hedge accounting when the novation meets certain criteria set out in IAS 39.

Application of these changes had no impact on the financial situation nor operating results of the Company.

The Company has not early adopted any other standard, interpretation or amendment that was issued but is not yet effective but is not yet effective in the provisions of the European Union law.

5. New standards and interpretations effective in current period

- IFRS 9 *Financial Instruments* (issued on 24 July 2014) effective for financial years beginning on or after 1 July 2018 – not yet endorsed by EU till the date of approval of these financial statements, approval by EU project postponed as at the date of approval of these financial statements;
- IFRIC 21 *Levies* (issued on 20 May 2013) – effective for financial years beginning on or after 1 January 2014, in EU effective at the latest for financial years beginning on or after 17 June 2014;

- Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions* (issued on 21 November 2013) – effective for financial years beginning on or after 1 July 2014 – not yet endorsed by EU till the date of approval of these financial statements;
- *Annual Improvements to IFRSs 2010-2012* (issued on 12 December 2013)– some amendments effective for financial years beginning on or after 1 July 2014 and some effective prospectively for transactions occurring on or after 1 July 2014 – not yet endorsed by EU till the date of approval of these financial statements;
- *Annual Improvements to IFRSs 2011-2013* (issued on 12 December 2013) – effective for financial years beginning on or after 1 July 2014 – not yet endorsed by EU till the date of approval of these financial statements;
- IFRS 14 *Regulatory Deferral Accounts* (issued on 30 January 2014) – effective for financial years beginning on or after 1 January 2016 – decision about terms of performing particular steps resulting in endorsement of the Standard has not yet been made by EFRAG – not yet endorsed by EU till the date of approval of these financial statements;
- Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations* (issued on 6 May 2014) – effective for financial years beginning on or after 1 January 2016 - not yet endorsed by EU till the date of approval of these financial statements;
- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortization* (issued on 12 May 2014) – effective for financial years beginning on or after 1 January 2016 – not yet endorsed by EU till the date of approval of these financial statements;
- IFRS 15 *Revenue from Contracts with Customers* (issued on 28 May 2014) – effective for financial years beginning on or after 1 January 2017 – not yet endorsed by EU till the date of approval of these financial statements;
- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants* (issued on 30 June 2014) - effective for financial years beginning on or after 1 January 2016 – not yet endorsed by EU till the date of approval of these financial statements.

The management of the Company has elected not to adopt these standards, revisions and interpretations in advance of their effective dates. The management of the 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.

6. Summary of major accounting principles

i. Translation of items expressed in foreign currencies

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

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

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

Currency	As at 30 June 2014	As at 31 Dec. 2013	As at 30 June 2013
EUR	1.00000	1.00000	1.00000
USD	1.36580	1.37910	1.30800
CZK	27.45300	27.42700	25.94900
GBP	0.80150	0.83370	0.85720
HUF	309.30000	297.04000	294.85000
PLN	4.15680	4.15430	4.33760

7. General administrative expenses

The decrease in General administrative expenses of EUR 521 thousand was caused by the fact that accrued expenses for yearly bonuses were not created in the first half of 2014 (in 2013 of EUR 300 thousand) due to not met bonuses criteria. In addition, not paid part of accrued expenses for 2013´s yearly bonuses in amount of EUR 230 thousand created in 2013 were reversed in 2014.

8. Financial income and expenses

Financial income (EUR 12,882 thousands) represents Dividends received (EUR 7,456 thousands) and gain on sold shares in Slovanet, a. s. (EUR 5,353 thousands).

9. Corporate income tax

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

	6 months ended 30 June 2014 (non audited)	3 months ended 30 June 2014 (non audited)	6 months ended 30 June 2013 (non audited)	3 months ended 30 June 2013 (non audited)
Current portion of corporate income tax and prior years adjustments	(1,484)	(1,484)	(815)	(467)
Deferred portion of corporate income tax	(331)	86	87	67
related to occurrence or reversal of temporary differences	*(331)*	86	*87*	67
Income tax expense as disclosed in the profit and loss account, of which:	**(1,815)**	**(1,398)**	**(728)**	**(400)**

All figures in thousands of EUR, unless stated otherwise

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 a possibility to refer to well established regulations or legal precedents. The current regulations in force include ambiguities which may give rise to different opinions and legal interpretations on the taxation regulations either between companies and 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 amounts of so determined liabilities must be paid with high interest. In effect the amounts disclosed in the financial statements may be later 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 Company's effective tax rate. The amount EUR 1,640 thousands (Non-taxable financial income and non-deductible financial expenses) includes dividends received during the six month period ended 30 June 2014.

	6 months ended 30 June 2014 (non audited)	**3 months ended 30 June 2014 (non audited)**	**6 months ended 30 June 2013 (non audited)**	**3 months ended 30 June 2013 (non audited)**
Pre-tax profit	**15,681**	**6,794**	**12,268**	**1,647**
Statutory corporate income tax rate	22%	22%	23%	23%
Corporate income tax computed at the statutory tax rate	**3,450**	**1,495**	**2,822**	**379**
Non-taxable financial income - dividends	(1,640)	(3)	(2,105)	-
Other non-taxable income and non-deductible expenses	5	(94)	11	21
Corporate income tax computed at the effective tax rate of 11,57% in 2014 and 5,9% in 2013	**1,815**	**1,398**	**728**	**400**

10. Other receivables

Other receivables of EUR 12,293 thousands as at 30 June 2014 (EUR 3,331 thousand as at 31 December 2013) include receivables from sold shares in Slovanet, a. s. (EUR 10,000 thousands). Refer to the Note 14 for details.

11. Loans granted

Loans granted of EUR 2,345 thousands (EUR 2,328 thousand as at 31 December 2013) presented as at 30 June 2014 include loan due from DanubePay, a. s. (principal EUR 1,105 thousands + interests EUR 13 thousands, interest rate 1M EURIBOR + 1.1% p.a., maturity in December 2014, repayment period was extended from 31 December 2013 to 31 December 2014), loan due from GlobeNet Zrt. (principal EUR 1,148 thousand + interests EUR 27 thousand, interest rate 1M EURIBOR + 1.1% p.a., maturity on 31 December 2014) and loan due from Asseco Hungary Zrt. (principal EUR 51 thousand + interests EUR 1 thousand, interest rate 1M BUBOR + 2.25% p.a., maturity on 31 December 2014).

Amount of Loans granted in the Statement of cash-flow in value of EUR 590 thousand presented loan for DanubePay, a. s. (EUR 540 thousand) and loan for Asseco Hungary Zrt. (EUR 50 thousand).

All figures in thousands of EUR,
unless stated otherwise

Amount of Loans collected in the Statement of cash-flow in value of EUR 586 thousand presented loan collected from DanubePay, a. s. (EUR 325 thousand) and from GlobeNet Zrt. (EUR 261 thousand).

12. Other financial assets

As at 30 June 2014 the Company owns 2 bills of exchange of J&T Private Equity B.V in total amount of EUR 1,350 thousand (EUR 1,200 thousand, maturity in July 2014, interest rate 3.2% and EUR 150 thousand, maturity in April 2015, interest rate 6.25%). Amount of Proceeds from sale of other financial assets in the Statement of cash-flow in value of EUR 745 thousand relate to bills of exchange due during half-year 2014 (EUR 2,650 thousand during half-year 2013).

13. Dividends

In April 2014 the Company paid out to its shareholders a dividend for 2013. By decision of the Ordinary General Meeting of Shareholders of Asseco Central Europe, a. s., the amount of EUR 7,903,200 from net profit for the year 2013 was allocated to payment of a dividend of EUR 0.37 per share and the amount of EUR 6,090,514.80 remained in retained earnings.

14. Investment in subsidiaries

	30 June 2014 (non audited)	31 Dec. 2013 (audited)	30 June 2013 (non audited)
Slovanet a. s.	-	3,645	3,645
Asseco Solutions, a. s.	9,295	9,295	9,295
Asseco Solutions AG	13,802	-	-
DanubePay, a. s.	15	15	25
Asseco Central Europe a. s., Czech Republic	34,986	34,986	34,986
Asseco Hungary Zrt.	9	9	-
Statlogics Zrt.	10,818	10,818	10,818
GlobeNet Zrt.	5,990	5,990	5,990
Total	**74,915**	**64,758**	**64,759**

The Company regularly undergoes assessment of a presence of impairment indicators in relation to its financial investments in subsidiaries. As at 30 June 2014 the Company did not identify any indicators of impairment, thus no impairment testing was performed.

Acquisition of shares in Asseco Solutions AG

On 9 January 2014 Asseco Central Europe, a. s acquired a 100% stake in the company Asseco Solutions AG based in Karlsruhe, Germany. The shares were purchased from the company Asseco DACH S.A.

Based on the Asseco Group Accounting Policy this transaction was accounted for as a combination under common control as all of the combining entities are ultimately controlled by Asseco Poland S.A., both before and after the business combination, and that control is not transitory.

All figures in thousands of EUR,
unless stated otherwise

The book value of acquired net assets amounted to EUR 6,348 thousand, the value of goodwill accounted for according to Asseco Group Accounting Policy was EUR 12,676 thousand. The purchase price amounted to EUR 13,800 thousand. First instalment in amount of EUR 7,800 thousand was paid in June 2014, what is presented in the Statement of cash-flows as Acquisition of subsidiary companies.

Sale of shares in Slovanet, a. s.

On 27 June 2014 Asseco Central Europe, a. s. signed an agreement for sale of 51 registered shares of Slovanet, a. s. The buyer SNET, a. s. seated in Bratislava, has been the owner of the remaining 49% of shares in Slovanet, a. s. since 2006 and represents the executive management of Slovanet, a. s. After the transaction, SNET, a. s. will hold 100% of shares in Slovanet, a. s.

The transaction resulted from strategy adopted by the Asseco Central Europe Group, under which Asseco Central Europe will keep focus mainly on IT core business in the future.

The sale price of 51 shares of Slovanet a. s. amounted to EUR 11,000 thousand. Asseco Central Europe shall receive payment in cash in three instalments within three months. The first instalment was received when the contract was signed. Two other instalments have not yet been received till the date of approval of these financial statements (refer to Note 19).

The book value of sold shares amounted to EUR 3,645 thousand. Other costs consisting from selling commission, costs of consulting and legal services amounted to EUR 2,002 thousand. Selling commission and consulting services in amount of EUR 2,000 thousand will be paid to related parties after receiving the last instalment of the sale price.

15. Financial liabilities

Financial liabilities consist of deferred payment for shares of Asseco Solutions AG bought from Asseco DACH S.A. (principal EUR 6,000 thousands + interests EUR 48 thousands, interest rate 6M EURIBOR + 1.3% p.a., maturity in December 2014). The Company paid first payment in amount of EUR 7,800 thousands in June 2014.

16. Other liabilities

Other liabilities of EUR 3,063 thousands as at 30 June 2014 (EUR 2,123 thousand as at 31 December 2013) include liabilities to related parties from selling commission and consulting services associated with sold shares in Slovanet, a. s. (EUR 2,000 thousands). Refer to the Note 14 for details.

17. Current provisions for liabilities

	Provision for warranty repairs	Other provisions	Total
As at 1 January 2014 (non audited)	**961**	**323**	**1,284**
Provisions established during the financial year	427	280	**707**
Provisions utilized (-)	(1,071)	-	**(1,071)**
As at 30 June 2014 (non audited)	**317**	**603**	**920**
Current as at 30 June 2014	**317**	**603**	**920**
As at 31 December 2013 (audited)	**961**	**323**	**1,284**
Current as at 31 December 2013	961	323	**1,284**
As at 30 June 2013 (non audited)	**357**	**263**	**620**
Current as at 30 June 2013	357	263	**620**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

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

Provision for warranty repairs

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

All figures in thousands of EUR,
unless stated otherwise page 21

The activities are subject to seasonality in terms of uneven distribution of turnover in individual quarters, with a majority reported in the second half of a financial period. Creation of warranty provision in the first half of the financial year is therefore significantly lower compared to a pro-rata creation calculated from annual basis. As a result, warranty provisions tend to decrease as at 30 June 2014 and 30 June 2013 compared to the balance of the provision at the beginning of the financial period.

Other provisions

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

18. Transactions with related companies

	Asseco Central Europe Group sales to related companies in the period of		Asseco Central Europe Group purchases from related companies in the period of		Asseco Central Europe Group receivables as at		Asseco Central Europe Group liabilities as at	
	6 months ended 30 June 2014 (non audited)	6 months ended 30 June 2013 (non audited)	6 months ended 30 June 2014 (non audited)	6 months ended 30 June 2013 (non audited)	30 June 2014 (non audited)	30 June 2013 (non audited)	30 June 2014 (non audited)	30 June 2013 (non audited)
Transactions with parent company	**-**	**-**	**-**	**2**	**-**	**-**	**5**	**-**
Asseco Poland SA	-			2	-		5	-
Transactions with subsidiaries	**1,305**	**2,256**	**1,640**	**642**	**3,733**	**3,204**	**1,009**	**443**
Slovanet, a.s.	51	55	50	92	-	178	-	117
Asseco Solutions a.s. SR	45	9	26	17	192	352	-	2
Asseco Solutions a.s. ČR	-	-	-	-	-	1	-	-
Asseco Czech Republic a.s.	979	559	1,563	532	524	398	1,008	324
Asseco SEE d.o.o.	6	9	1	1	-	8	-	-
DanubePay, a.s.	224	1,618			2,650	2,176	1	
GlobeNet Zrt.	-	6	-	-	-	91	-	-
Statlogics Zrt.	-	-	-	-	367	-	-	-
Transactions with related companies	**-**	**-**	**-**	**-**	**-**	**-**	**6,048**	**-**
Asseco Dach S.A.	-	-	-		-	-	6,048	-
Transactions with Members of the Board of Directors, Supervisory Board and Proxies of Asseco Central Europe, a. s.	**-**	**-**	**1,500**	**-**	**-**	**-**	**-**	**-**
Jozef Klein	-	-	1,500		-	-	-	-
Transactions with Members of the Board of Directors, Supervisory Board and Proxies of other Group's companies	**-**	**-**	**500**	**-**	**-**	**-**	**-**	**-**
Jacek Duch	-	-	500		-	-	-	-
TOTAL	**1,305**	**2,256**	**3,640**	**644**	**3,733**	**3,204**	**7,062**	**443**

All figures in thousands of EUR,
unless stated otherwise

19. 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	6 months ended 30 June 2014 (non audited)	6 months ended 30 June 2013 (non audited)
Change in inventories	50	(70)
Change in receivables	6,113	(1,029)
Change in liabilities	(2,486)	(1,245)
Change in deferred and accrued expenses	(847)	843
Change in provisions	(364)	(342)
Total	**2,466**	**(1,842)**

20. Proceeds from sale of investment in subsidiaries

Proceeds from sale of investment in subsidiaries in the statement of cash flows represents repayment of receivables from disposal of Slovanet shares (EUR 1,000 thousand).

21. Seasonal and cyclical nature of business

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

22. Significant events after the balance sheet date

Until the date of preparing these financial statements for the period of 6 months ended 30 June 2014 no other significant events occurred, that might have an impact on the financial statements.

All figures in thousands of EUR,
unless stated otherwise