



Semi-annual report of the Asseco Central Europe Group

FOR THE PERIOD OF 6 MONTHS ENDED 30 JUNE 2016

FINANCIAL HIGHLIGHTS

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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONDENSED FINANCIAL STATEMENTS

4 August 2016

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I. FINANCIAL HIGHLIGHTS OF THE ASSECO CENTRAL EUROPE GROUP

THE ASSECO CENTRAL EUROPE GROUP SELECTED FINANCIAL DATA	In thousand of PLN		In thousand of EUR	
	2 quarters cumulative	2 quarters cumulative	2 quarters cumulative	2 quarters cumulative
	1 Jan 2016	1 Jan 2015	1 Jan 2016	1 Jan 2015
	- 30 June 2016	- 30 June 2015	- 30 June 2016	- 30 June 2015
Sales revenues	330,124	236,096	75,362	57,109
Operating profit (loss)	26,966	25,718	6,156	6,221
Pre-tax profit (loss)	27,098	26,062	6,186	6,304
Net profit for the reporting period attributable to Shareholders of the Parent Company	20,851	19,939	4,760	4,823
Net cash provided by (used in) operating activities	(762)	455	(174)	110
Net cash provided by (used in) investing activities	(6,080)	6,863	(1,388)	1,660
Net cash provided by (used in) financing activities	(50,192)	(44,086)	(11,458)	(10,664)
Increase (decrease) in cash and cash equivalents	(57,034)	(36,768)	(13,020)	(8,894)
Total assets	656,023	568,169	148,237	135,459
Non-current liabilities	22,566	4,735	5,099	1,129
Current liabilities	188,849	129,922	42,673	30,975
Equity attributable to shareholders of the Parent Company	455,247	440,924	102,869	105,122
Share capital	3,138	2,974	709	709
Number of shares (pcs.)	21,360,000	21,360,000	21,360,000	21,360,000
Earnings per share (in PLN/EUR)	0.98	0.93	0.22	0.23
Book value per share (in PLN/EUR)	21.31	20.64	4.82	4.92
Declared or paid dividends per share (in PLN/EUR)	2.28	1.94	0.52	0.47

THE ASSECO CENTRAL EUROPE GROUP	In thousand of PLN		In thousand of EUR	
	31 Dec 2015		31 Dec 2015	
Total assets	716,985		168,247	
Non-current liabilities	19,884		4,666	
Current liabilities	239,185		56,127	
Equity attributable to shareholders of the Parent Company	466,643		109,502	
Share capital	3,021		709	

ASSECO CENTRAL EUROPE SELECTED FINANCIAL DATA	In thousand of PLN		In thousand of EUR	
	2 quarters cumulative	2 quarters cumulative	2 quarters cumulative	2 quarters cumulative
	1 Jan 2016	1 Jan 2015	1 Jan 2016	1 Jan 2015
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
Sales revenues	89,077	97,519	20,335	23,589
Operating profit (loss)	13,374	17,405	3,053	4,210
Pre-tax profit (loss)	36,174	42,408	8,258	10,258
Net profit for the period reported attributable to Shareholders of the parent company	33,152	38,220	7,568	9,245
Net cash provided by (used in) operating activities	(9,453)	(25,698)	(2,158)	(6,216)
Net cash provided by (used in) investing activities	19,533	33,623	4,459	8,133
Net cash provided by (used in) financing activities	(48,654)	(41,502)	(11,107)	(10,039)
Increase (decrease) in cash and cash equivalents	(38,575)	(33,577)	(8,806)	(8,122)
Assets total	535,543	515,039	121,013	122,792
Non-current liabilities	-	-	-	-
Current liabilities	47,109	47,925	10,645	11,426
Equity attributable to shareholders of the parent	488,434	467,114	110,368	111,366
Share capital	3,138	2,974	709	709
Number of shares (pcs.)	21,360,000	21,360,000	21,360,000	21,360,000
Earnings per share (in PLN/EUR)	1.55	1.79	0.35	0.43
Book value per share (in PLN/EUR)	22.87	21.87	5.17	5.21
Declared or paid dividends per share (in PLN/EUR)	2.30	1.55	0.52	0.37

	In thousand of PLN	In thousand of EUR
	31 Dec 2015	31 Dec 2015
Total assets	575,486	135,043
Non-current liabilities	-	-
Current liabilities	90,071	21,136
Equity attributable to shareholders of the parent	485,415	113,907
Share capital	3,021	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 PLN and EUR were used to recalculate financial information:

- Selected items of Statement of financial position as of 30 June 2016 were recalculated by exchange rate announced by National Bank of Poland as of Statement of financial position date (1 EUR = 4.4255 PLN)

- Selected items of Statement of financial position as of 30 June 2015 were recalculated by exchange rate announced by National Bank of Poland as of Statement of financial position date (1 EUR = 4.1944 PLN)
- Selected items of Statement of financial position as at 31 December 2015 were recalculated at exchange rate announced by National Bank of Poland on the balance sheet date (EUR 1 = 4.2615 PLN)
- Selected items of Profit and loss account and Statement of cash flows for the period from 1 January 2016 to 30 June 2016 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 = 4.3805 PLN)
- Selected items of Profit and loss account and Statement of cash flows for the period from 1 January 2015 to 30 June 2015 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 = 4.1341 PLN)
- The highest and lowest exchange rate for the reported periods:

Foreign exchange rates	1 Jan 2016 - 1 Jan 2015 -		
	30 June 2016	30 June 2015	
Maximum FX rate for the period	PLN -> EUR	4.4987	4.3335
Minimum FX rate for the period	PLN -> EUR	4.2355	3.9822

Exchange rate EUR/PLN 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 company of Asseco Central Europe, a .s. (SK) is Asseco Poland S.A. As at 30 June 2016, 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, Belarus and Austria. Members of the Asseco Central Europe Group are also other IT oriented companies and the Company thus employs more than 1,600 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.

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) yearly publishes the Trend TOP in ICT rankings for the previous year. Asseco Central Europe has for a long time placed high in this overview of the most important IT companies in Slovakia. For 2015, the Company won again the category of TOP IT Suppliers for Private Financial Sector. Furthermore, it took third place in the category TOP IT Software Houses in Slovakia and th fifth place in category TOP IT Service Providers in Slovakia. Asseco Central Europe is keeping stable 3rd position in the category Package SW Producers in Slovakia.

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 organisational 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 2016 AND ITS FUTURE OUTLOOK

Gartner has published 10 strategic technologies which should help with transformation of public sector.

1. Digital workplace
2. Multichannel interaction with citizens
3. "Opening" of all types of data
4. Digital (electronic, e-ID) identity of citizens
5. Ever-present analyst

6. Smart devices
7. Internet of Things
8. Platforms for "digital government"
9. Software-defined architecture
10. Security managed by risk

Generally Gartner expects lower investments in ICT (3.41 billion USD). Gartner says that companies will invest in datacentres, software and IT services and restrict investments in the sphere of devices and telecommunication services.

Technological vision of Accenture predicts that successful digital companies will invest in human resources. Digital companies usually prefer „people first“ attitude. For that reason they can get unique conditions for new ideas and development of modern products and services.

Slovakia

T-Systems is the fastest growing company in Slovakia. Asseco Central Europe and Eset are on the second and third place.

Company	Growth of value added (thousand EUR, 2015-2013)	Growth of value added (% , 2015/2013)	Value added (thousand EUR, 2015)	Value added/rev enues (% , 2015)	Value added per employee (thousand EUR, 2015)
T-Systems Slovakia, s.r.o., Košice	26,347	35.3	100,900	82.0	28
Asseco Central Europe, a.s., Bratislava	21,977	37.8	80,117	51.6	54
Eset, s.r.o., Bratislava	14,829	15.0	113,919	30.7	228
Amazon /Slovakia/, s.r.o., Bratislava	8,122	94.6	16,710	82.1	29
Hewlett-Packard Slovakia, s.r.o., Bratislava	7,296	9.1	87,560	52.3	51
Pixel Federation, s.r.o., Bratislava	7,033	259.2	9,747	73.1	n
Accenture Technology Solutions – Slovakia, s.r.o., Bratislava	6,352	22.5	34,545	71.6	43
I.S.D.D. plus, s.r.o., Bratislava	2,888	78.1	6,588	38.8	161
Softip, a.s., Bratislava	2,547	36.4	9,539	69.0	56
Resco, s.r.o., Bratislava	2,406	312.9	3,175	68.3	176

Government projects and foreign activities were very helpful for IT companies. The finishing of major projects in public and financial sector, the strengthening of international activities, new products and services, acquisitions – all these factors had a significant impact on the business results of IT companies in Slovakia in 2016.

Hungary

BMI analysts say that after recession and forint depreciation weighed on economic sentiment and IT market performance in Hungary in recent years the medium term-outlook is considerably stronger. Conditions will improve slightly in 2016, but they expect a faster growth trajectory from 2017 across all three market segments as household income growth improves the retail hardware market, while enterprise modernisation and rationalisation will drive faster growth for software and services spending. They forecast IT spending will increase at a CAGR of 6.1% 2016-2020 to HUF 679.1bn.

Czech Republic

Chamber of Deputies has approved the law for electronic identity verifying of EU citizens. This law should make official negotiation easier. In compliance with the EU regulations, new law will contribute to credible electronic transactions.

The Czech Republic has not sophisticated e-Government system. The European Commission criticizes The Czech Republic for insufficient e-Government services.

The Czech government considers the cancellation of exclusive contracts for information system supply. For that reason IBM can lose contract with Ministry of Finance for supply of Information System of State Property.

BMI analysts expect relatively strong growth in Czech IT spending over the medium term, with a CAGR of 5.6% forecast for 2016-2020 to CZK 99.6bn.

3 ASSECO CENTRAL EUROPE GROUP POSITION IN THE IT SECTOR

Asseco Central Europe and its subsidiaries won so far several major awards in 2016. The Company has ranked high in the Trend TOP in ICT ranking compiled by the weekly Trend each year. It scored again in 2016 and remained No. 1 in the category Top IT Suppliers to Private Financial Sector. Furthermore, it took the third place in the categories TOP IT Software Houses and Package Software Producers in Slovakia. Other rankings are shown in the table below.

Category	Ranking
TOP IT Suppliers to Private Financial Sector	1.
IT Service Providers in Slovakia	5.
Software Houses in Slovakia	3.
Package Software Producers in Slovakia	3.
Suppliers of Information Technologies in Slovakia Ranked by Added Value	4.

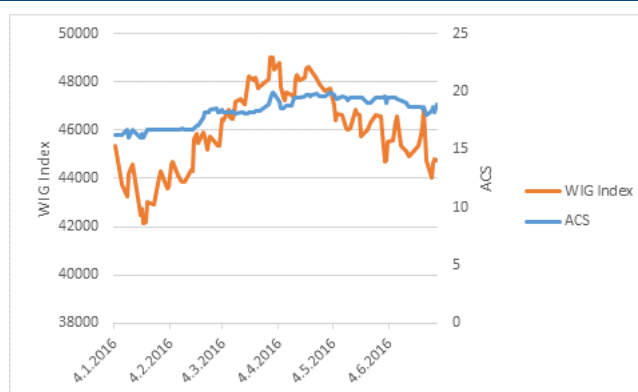
Source: Trend TOP in IT, the weekly Trend, May 2016

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.



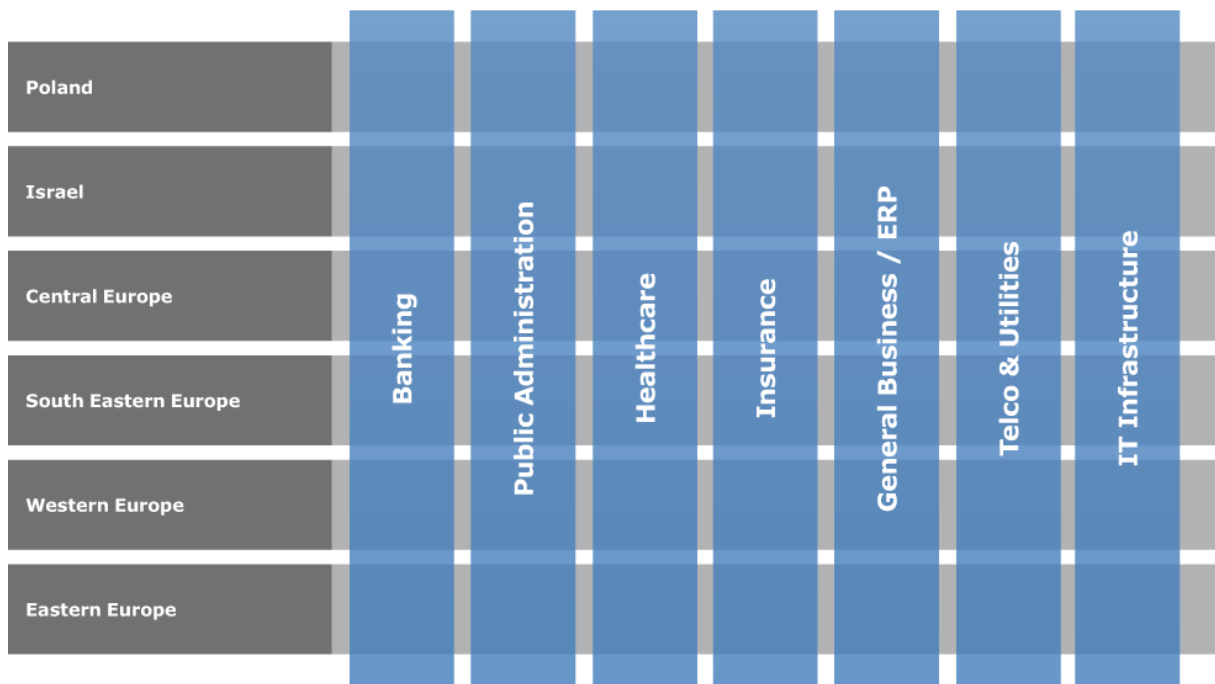
Development of Asseco Central Europe's share price compared to the WIG Index.

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 and provide our clients with solutions necessary for their business needs.







Asseco Group operates throughout the entire Europe. Within Asseco Central Europe we manage operations in Slovakia, Czech Republic, Hungary, Germany, Austria, Switzerland and Belarus. 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.

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 organisational units called Business Units. Business Units include Banking, Insurance, Healthcare, Public Administration, Telco & Utilities, IT Infrastructure and ERP (Enterprise Resource Planning). This matrix-oriented organisational structure combines the hierarchic management line of individual regions and entities in regions with a segment-oriented organisational structure, which is strictly focused on creating business opportunities in the given segment. This organisational arrangement makes it possible to consolidate products and services within Business Units and at the same time to simplify the offer of the whole group.



Asseco Group Business Units.

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 CZ, Public SK, IT Infrastructure & Integration, Utility 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.

						
	BANKING	INSURANCE	HEALTHCARE	BUILDING SAVINGS	UTILITIES	PUBLIC
SERVICES			Software development			
			System Integration			
			Infrastructure & Security			
			Outsourcing			
SOLUTIONS	StarBANK	StarINS	Mediform	StarBUILD	SAMO	DT
	eStarBANK	SofiSTAR	MedWorkS		TOMS	
	StarTREASURY		ZPIS		WFMS	
	StarCARD					
	Credilogic					
			LIDS – Geographical IS			
			StarBI, StarSTAT, AQS – Business Intelligence			
		AGportal – Application Integration & Portals				
		Helios – ERP				

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.

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, realise 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 further 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 and Czech Republic.

Company also provides personalization of smart cards.

Business Unit Finance

Asseco Central Europe has more than twenty-five 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 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 centres. 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 was founded within the Asseco Central Europe Group in 2012 which is certified by VISA a Mastercard.

To meet the needs of building societies, the company has developed a core-banking system **StarBUILD** focused on building savings products. This comprehensive banking information

system fully covers all business processes of a building society. Apart from the core-banking system, it comprises a wide portfolio of optional modules which are integrated with each other into a single unit. Maximum integration of various optional modules into one comprehensive solution delivers a significant reduction in hardware costs, licenses, integration and maintenance.

The offer of Business Unit Finance closes **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.

Asseco CE's 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. The Company has achieved a dominant position on the market of building societies in the Czech Republic. The StarBUILD solution is in operation in three of the five building societies (Wüstenrot stavební spořitelna, Modrá pyramida stavební spořitelna and Stavební spořitelna České spořitelny) and is being implemented in the fourth - the largest building society in the Czech Republic and the second largest in Europe (Českomoravská stavební spořitelna) - the solution was accepted at the end of 2015 and the production operation started in March 2016.

Business unit Healthcare

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, ZPIS and STRIX are among the solutions targeted at health insurance companies. **Mediform** covers the most important processes in an insurance company, e.g. IS administration, diaries and catalogues, client registers, receipt, audit and claiming of insurance premium, annual accounting of premiums, payment processing of healthcare costs, medical revision of costs and refunding of costs of insured persons from the EU. Accounting and balance account 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 **STRIX** software is the first of a family of products that support the improvement of hospital care financing in Slovakia. STRIX classifies hospital care to nearly 1,200 DRGs that reflect medical care and financial costs of the medical case at hand, thus enabling a more equitable funding of hospitals.

eHealth covers the solution to public administration for "electronic health services". It ensures the implementation of visual services "providing health information of the patient" - electronic medical records. The solution includes a summary report of the patient, extracts from the personal account of the patient and personal records of citizens. An important component of the solution is granting approvals for the provision of patient-

related health information as per the assigned patient consent and in accordance with legislation applying to health professionals and citizens.

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 functionalities.

The further area under Business Unit Healthcare 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 modeling. 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 cleaning.

The most important clients of the Healthcare Business Unit include specialized health institutions (National Health Information Center (SK), Institute of Health Information and Statistics of the Czech Republic, Coordination Center for Departmental Medical Information Systems – a branch of State in the Ministry of Health 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 poisťovňa, Vojenská zdravotní pojišťovna České republiky, Zaměstnanecká pojišťovna Škoda, State Health Insurance Company, Hungary (OEP)), commercial insurance Union poisťovňa, Pojišťovna Všeobecné zdravotní pojišťovny, Fakultná nemocnica s poliklinikou F.D.Roosevelta, ambulances and general practitioners.

Business Unit Insurance

The portfolio of BU Insurance of Asseco Central Europe includes information systems for commercial insurance companies. The comprehensive information system **StarINS** automates all front-office and back-office operations including personal, property and liability insurance as well as life, health and pension insurance. It works as a standalone product covering electronic distribution channels. **SofiSTAR** is a production information system for managers of pension savings of citizens. The system provides activities for front-office and back-office with a high degree of process automation with the addition of Internet client access to personal pension accounts and automatic processing of electronic documents for pension saving.

BU Insurance's customers include commercial insurers and managers of pension savings of citizens (Allianz – Slovenská poisťovňa, STABILITA d.d.s., Wüstenrot neživotní pojišťovna, Wüstenrot životní pojišťovna, ČSOB Penzijní společnost).

Business Unit Public SK

Systems for public administration developed and implemented by the Business Unit Public SK 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 information systems, auditor's information systems for the distribution of government benefits and subsidies or financial information systems for processing and publishing of large data sets.

The main objective of the Public Consulting Division which is part of Business Unit Public SK is to establish Asseco CE in the education sector and the labor sector with a focus on consulting services focused on integration of existing education systems and implementing new programs resulting from the requirements and trends in the labor market regarding education. The first phase of the activities will be primarily engaging the IT sector and later will focus on the development of other sectors in cooperation with our partners. As a follow-up to the current successfully implemented Services of NSK project, the intention is not only to apply for other projects in the field of lifelong learning, dual learning and education in general, but to become an equal partner and competitor to companies already active in this area.

We will strive to achieve this ambitious goal by building a strong team of consultants, analysts and other professionals capable of managing such large-scale projects. The team will leverage the expertise in these fields and the already acquired competences and partnerships gained by Asseco in other sectors. The division has the same ambition in the field of human resources and related operational program under the Ministry of Labour, Social Affairs and Family, as well as in other operational programs which aim to implement tools for education and ensuring the quality of the workforce.

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 largest projects undertaken in this area include delivery of solutions for ministries (Slovak Ministry of Transport, Construction and Regional Development, Slovak Ministry of Interior), Slovak Supreme Audit Office, Česmad Slovakia, State Institute of Vocational Education and many other authorities and institutions.

Solutions for data warehousing and business intelligence have been implemented at such important clients of the business unit as the Financial Administration of the Slovak Republic in the fight against tax evasion, or at the Czech Statistical Office allowing processing of statistical data.

Business Unit Public CZ

The profile of Business Unit Public CZ is very similar to the characteristics of the Business Unit Public SK. The developing competences of our Company in the field of public administration may even be broadened by using the principles of Enterprise Architecture. We use the principles thereof for mapping the current state and proposing the future state of the architecture of the target environment (in this segment this includes for example an administrative authority or a central administration authority), including a draft roadmap and transformation projects. The projects of this type use the TOGAF™ methodology and the modeling language ArchiMate™. At present, Government Enterprise Architecture (GEA, EA modified for public administration) is among the major trends in public administration and it is becoming more common. The National Architectural Plan (NAP) in the Czech Republic is based on the principles of GEA. Every new project in this area shall conform to the architectural patterns and principles which are codified in the NAP.

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.

Among the largest projects undertaken in this area is the delivery of solutions for ministries (Czech Ministry of the Interior, Czech Ministry of Transport, Czech Ministry of Finance, the Capital City of Prague, etc.), but we also cooperate with the Statistical Office of the Czech Republic and many other authorities and institutions such as the Czech Social Security Administration and the Czech Office for Surveying, Mapping and Cadastre.

Business Unit Utility

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 GIS and infrastructure management of utility companies provided based on the experience acquired by the Company over the past twenty five 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**, framework for creating communications and publishing portals **AG Portal**, solution for process support in the distribution of manufacturing enterprises **TOMS**, system of management of work in the field based on work orders (and all related material information) sent to mobile devices - tablets of the mobile work crews **WFMS** (Work Force Management System) a tool for record-keeping and asset management **AMES**. The above-mentioned products are also the basis for comprehensive solutions in

the field of large-scale asset management focused on the current needs of the market (SmartGird, Strategic Asset Planning) which were marketed in 2015 under the new brand **SAMO - Strategic Asset Management & Operations**.

Our most important clients include companies that manage utilities (EON ČR, a.s., N-ERGIE AG, Norimberk, EWR Netz GmbH Worms, Technische Werke Ludwigshafen AG, Pražská plynárenská, a. s., Teplárny Brno, a. s., Vodárenská akciová společnost, a. s., Brno, Východoslovenská vodárenská spoločnosť, a. s., Košice, Brněnské vodárny, a. s. SWU Stadtwerke Ulm GmbH, ENNI Energie & Umwelt Niederrhein GmbH, Moers, SYNTHOS, PKN Orlen, etc.), also companies holding large industrial sites (BASF SE, CURRENTA GmbH & Co., Novartis Pharma AG Basel, AUDI AG, Daimler AG, ŠKODA AUTO, a. s.) and organizations of state and local governments (Zeměměřický úřad (Land Survey Office, Czech Republic), Olomoucký kraj (the Olomouc Region, Czech Republic), Agencja Restrukturyzacji i Modernizacji Rolnictwa (Poland)).

Business Unit IT Infrastructure & Integration

The Business Unit Infrastructure & Integration is a provider of infrastructure solutions that cover all phases of the life cycle of these solutions from design through delivery and implementation to ensuring operation with the required level of service, including service under continuous availability and supporting the systems 7x24. Doing this, the division uses its long-standing experience in the development, delivery and operation of critical systems in the public sector, the financial segment, health care and utilities, and follows the standard methodology for effective delivery and management of IT systems. In line with current trends and using the latest technology, the Business Unit Infrastructure & Integration focuses in an increasing extent on the supply of integrated solutions up to the level of "IT as a Service", allowing customers to focus on their core business, while using modern, flexible and efficient IT systems.

We work closely with other business units while preparing proposals so that the resulting solutions meet customer requirements for functionality, security, performance, availability, extensibility and scalability, administration and supervision. The infrastructure solutions supplied by us cover all infrastructure layers including the security project, server systems, networking and security, storage systems, database systems, middleware, application servers and user systems that are built according to the needs and requirements of the customer either "on premise" of the customer or in "the cloud". Asseco Central Europe provides call centre services and helpdesk in continuous operation to support external and internal customers.

The Business Unit Infrastructure & Integration ensures the supply of hardware, software licenses, network and supporting infrastructure and consumer devices, maintaining partnerships with most major manufacturers and distributors of these technologies.

Among the most important customers to whom the Business Unit Infrastructure & Integration delivered the design, supply, implementation and support of IT infrastructure are the Ministry of Interior of the Slovak Republic, Českomoravská stavební spořitelna, Czech Statistical Office, Supreme Audit Office of the Slovak Republic, , Czech Social Security Administration (operation of the information and communication interfaces of e-Portal), administration of basic registers (operation of registers RPP and ROS), the capital city of Prague (operation of the CMC Information System), a subsidiary of DanubePay (support and operation of banking and payment systems).

The Business Unit Infrastructure & Integration also operates and develops internal information systems of Asseco Central Europe in which it continuously varies the company's infrastructure in order to increase the proportion of virtualization technology and cloud technology. This provides flexibility and efficiency of sharing technological resources for projects in the Czech Republic, Slovakia and Hungary that allows efficient sharing of knowledge and resources across the companies. The development teams of business units also benefit from continuously designed, implemented and managed development and testing environment necessary for the development of and subsequent support to customer solutions.

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 is the competence in the field of corporate information systems known also under the HELIOS name.

6 SUMMARY AND ANALYSIS OF THE ASSECO CENTRAL EUROPE GROUP FINANCIAL RESULTS FOR THE FIRST HALF OF 2016

The Group reported the following financial results in the period of six months ended 30 June 2016 ("H1 2016") and in the comparative period of six months ended 30 June 2015 ("H1 2015"):

SELECTED ITEMS	H1 2016	Margin	H1 2015	Margin	Change y/y
Sales revenues	75,362	--	57,109	--	32%
Gross profit on sales	19,203	25%	16,396	29%	17%
Operating profit	6,156	8%	6,221	11%	-1%
Pre-tax profit	6,186	8%	6,304	11%	-2%
Net profit for the period reported	4,462	6%	4,439	8%	1%

Financial results of the Group for the reporting period were positively influenced mainly by following factors

- Contribution from infrastructure subsidiaries acquired in 2015 (sales revenue higher by more than EUR 16 million),
- Improved development in the Public sector in Czech Republic (revenue EUR +1.7 million, operating profit EUR + 1.4 million y/y),
- Continuous growth in ERP business (revenue growth EUR +3 million/+12% y/y).

As a result, the Group achieved overall 32% revenues increase (EUR +18.3 million). On the other hand Parent Company reported lower revenues by EUR 3.3 million y/y . Very high base from previous year and lack of new projects in the Public segment after the March election lowered the expectations for 2016 - reported decrease of revenues confirmed this year to be really challenging.

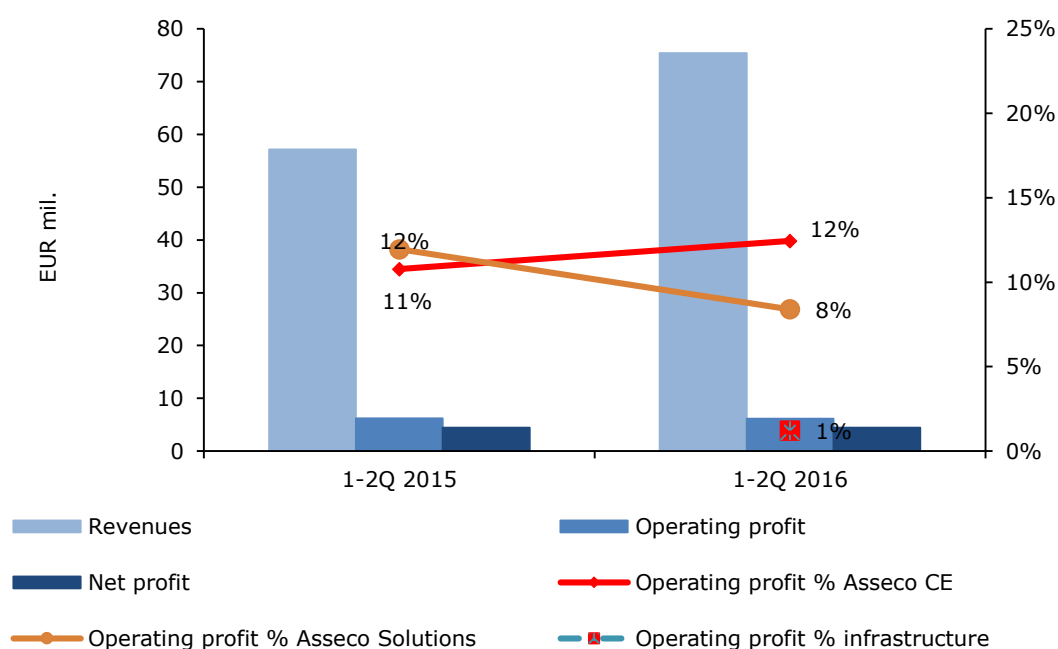
The combined entity in Hungary – Asseco CE Magyarorszag which was created by the merger of GlobeNet and Statlogics reported almost flat revenues (EUR – 0.15 million) y/y mainly due to slow down in the sales of licenses for Hospital IS in Hungary.

Considering only the organic growth, the positive impact of higher sales activities influenced also the gross profit on sales, which was higher by more than EUR 2.8 million and EUR 1.2 million resp.

Intensive effort invested into sales activities in new regions (Nigeria, Kazakhstan, Belarus, Guatemala etc.) and huge support for newly developed products made the operating profit flat in comparison with previous year (EUR -0.1 million).

The pre-tax profit for the period decreased accordingly by 2% y/y. The net profit for the reporting period was slightly higher by 1%.

Reported financial performance

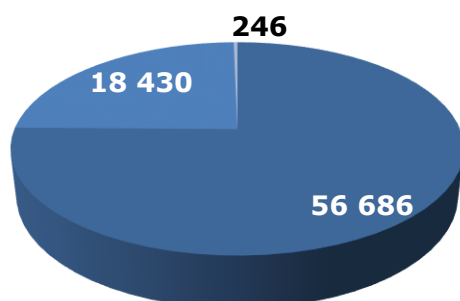


The operating profitability of project activities – performed mainly by Asseco CE – increased slightly by 1 p.p. to 12% in the reporting period. This positive result was achieved mainly due to significant improvement in the Czech Republic – from -4% in H1 2015 to current +14%. The profitability of the product oriented segment represented mainly by Asseco Solutions reported lower operating margin 8% in the H1 2016 due to heavy investments in new product development and sales activities.

Majority of revenues were generated from sale of proprietary software and services which contributed 74% and 88% to total revenues of the Group in H1 2016 and H1 2015, respectively. The decrease is resulting from strengthening the infrastructure revenues - the sales of third party software and services and resale of hardware and infrastructure, which increased significantly in the reporting period from 10% to 24% y/y.

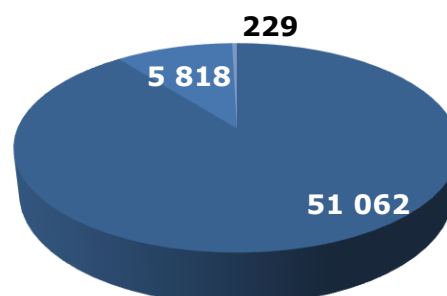
Logistics and outsourcing services increased in the reporting period by 57% y/y. The share on total revenue grew to 2% in H1 2016 from 1% in comparable period.

Structure by type of revenues in H1 2016



- Proprietary software and services
- Third-party software and equipment
- Other sales

Structure by type of revenues in H1 2015



- Proprietary software and services
- Third-party software and equipment
- Other sales

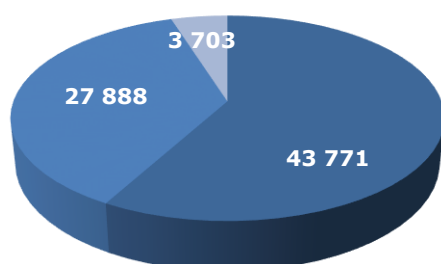
Asseco Central Europe and Asseco Solutions are the two main business entities which are presented as operating segments since 2013. The "Other" segment includes Hungarian companies and newly acquired Asseco Bel as at 30 June 2016.

Asseco Central Europe segment reported 54% increase of revenues from the external sale of the services in H1 2016 y/y. The main contribution to this growth was the acquisition of new infrastructure business (EUR 16 million). Organically the sales revenues decreased by 2% in H1 2016 due to lower revenue from sale of equipment in Asseco CE SK, operating profit increased by 12% y/y due to higher profitability in Asseco CE CZ. The contribution of new subsidiaries was EUR 0.2 million so the total operating profit of the segment was higher by 19% (EUR +0.6 mil) compared to H1 2015.

Segment Asseco Solutions organically increased its sales revenues from external sales by 12% (EUR + 3 million) in H1 2016 y/y mainly due to higher sales activities both in the licenses and consulting area, mainly in DACH region. Operating profit was lower by EUR 0.6 million mainly due to investment into new ERP products in H1 2016 y/y.

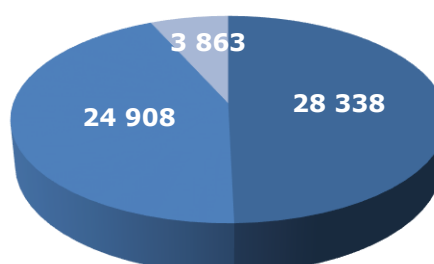
The financial results of Other segment represented mainly by Hungarian companies were lower (EUR -160 thousand in revenues and EUR -20 thousand in operating profit y/y respectively) due to very high base from sale of hospital IS in Hungary in previous period.

Revenues by segments in H1 2016



■ Asseco Central Europe
 ■ Asseco Solutions
 ■ Other

Revenues by segments in H1 2015



■ Asseco Central Europe
 ■ Asseco Solutions
 ■ Other

All figures in thousands of EUR

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 2016	6 months ended 30 June 2015	6 months ended 30 June 2016	6 months ended 30 June 2015
Asseco CE SK	20,335	23,589	7,568	9,245
Asseco CE CZ	7,929	6,217	3,084	2,025
BERIT CH	631	606	(2)	(3)
BERIT DE	1,227	1,201	82	84
DanubePay	640	304	(755)	(947)
Interway	10,754	-	113	-
Exe	5,287	-	11	-
Asseco Solutions AG	14,932	12,676	671	1,155
Asseco Solution SK	5,175	4,857	230	477
Asseco Solution CZ	8,608	8,032	712	678
Statlogics	2,168	1,902	190	66
Globenet	1,541	1,961	67	122
Asseco Hungary	-	34	(9)	(38)
Total	79,227	61,379	11,962	12,864

* 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 H1 2016 is provided below.

	H1 2016	H1 2015
Cash-flow used in/from operating activities	(174)	110
Cash-flow from/used in investing activities	(1,388)	1,660
Cash-flow used in financial activities	(11,458)	(10,664)
Change in cash for the period	(13,020)	(8,894)
Net foreign exchange differences	(29)	192
Cash and cash equivalents, beginning of period	43,275	37,916
Cash and cash equivalents, end of period	30,226	29,214

The Group's investment cash-flow

Net cash used in investing activities during the reporting period was EUR -1.4 million. It comprises mainly acquisition of tangible and intangible assets in amount of EUR 1.3 million, net loans granted (EUR 0.4 million) and interests and dividends received (EUR 0.3 million).

The Group's financial cash-flow

Net cash used in financing activities during the reporting period was negative of EUR 11.4 million. Cash outflow related to dividends payoff amounted to EUR 11.4 million.

Analysis of Asseco Central Europe, a. s. results for the H1 2016

SELECTED ITEMS	H1 2016	Margin %	H1 2015	Margin %	Change y/y
Revenues	20,335	n/a	23,589	n/a	-14%
Gross profit on sales	4,797	24%	5,875	25%	-18%
Operating profit	3,053	15%	4,210	18%	-27%
Pre-tax profit	8,258	41%	10,258	43%	-19%
Net profit for the period	7,568	37%	9,245	39%	-18%

Revenues of Asseco Central Europe, a. s. (the "Parent Company") decreased by EUR 3.3 million in H1 2016 y/y mainly due to lack of new projects from the Public sector in Slovakia. It has impact also on the operating profit level, where high base (18% margin in H1 2015 vs. 14% for the full year 2015) and heavy investings in new international markets, future solutions based on new types of projects (PPP projects, cloud technology) and start-up projects resulted in lower operating profit by EUR 1.2 million in the reporting period. The delay in the Public Administration sector after the elections in March 2016 will still make it difficult to maintain current profitability in the second half of the 2016.

Net financial income included lower intra-group dividends in the reporting period (by EUR 0.9 million y/y) resulted in lower H1 2016 pre-tax profit and net profit by EUR 2 million and EUR 1.7 million resp. in y/y comparison.

7 FACTORS AFFECTING THE ACHIEVED FINANCIAL RESULTS

Slovakia

- A sharp slowdown in investment as the drawing of EU funds is returning to normal levels caused growth to decelerate in Q1. On the upside, an improving labor market is supporting healthy dynamics in private consumption, while the external sector is benefiting from still-low oil prices.
- As trade activity between Slovakia and the United Kingdom is relatively low, the impact of the Brexit vote will mostly be felt via the expected slowdown in other key European economies such as Germany. Nevertheless, steady gains in the labor market and low credit costs are expected to shore up growth. FocusEconomics Consensus Forecasts panelists expect GDP to expand 3.2% in 2016, which is unchanged from last month's estimate. The panel also sees growth at 3.2% in 2017.
- Industrial production rose 5.9% annually in May, following the revised 7.7% growth tallied in April (previously reported: +7.2% year-on-year). According to the Statistical Institute, May's result reflected slower growth in manufacturing output as well as a steeper decline in the electricity, gas, steam and air conditioning supply category.
- FocusEconomics Consensus Forecast panelists expect industrial production to increase by 3.8% in 2016, which is down 0.2 percentage points from last month's forecast. For 2017, the panel sees industrial output expanding 4.0%.
- The National Bank of Slovakia (NBS) expects harmonized consumer prices to fall 0.2% in 2016 and to increase 1.3% in 2017. FocusEconomics Consensus Forecast participants expect harmonized inflation to be flat in 2016, which is down 0.1 percentage points from last month's forecast. For 2017, the panel expects HICP inflation rate to rise to 1.5%.

Czech Republic

- Government spending associated with the 2007–2013 EU structural funding program boosted GDP growth last year, as public investment increased in order to absorb the funds by the end of 2015. As a result, the Czech economy is expected to decelerate sharply this year in the absence of such a surge in investment spending. The 2014-2020 program is now underway and in order to avoid oscillations in growth, the IMF has stated that the Czech Republic must strengthen its ability to absorb such funding more evenly across the length of the program. Despite the anticipated slowdown, recent data suggest that the Czech economy is performing well. The labor market continues to improve and industrial production increased abruptly in April. Economic sentiment in June declined, however, as Brexit concerns likely affected confidence.
- In June, the manufacturing Purchasing Managers' Index (PMI), elaborated by Markit, fell from May's 53.3 to 51.8. Although the index has sustained five consecutive contractions, it remains above the 50-long-term average that indicates expansion in the manufacturing sector, where it has been since May 2013.
- FocusEconomics Consensus Forecast participants see fixed investment increasing by 1.3% in 2016, which is down 0.1 percentage points from last month's projection. For 2017, panelists expect fixed investment to expand by 3.2%.

- At its 30 June board meeting, the Czech National Bank (CNB) decided to hold its two-week repo rate at its so-called “technical zero” of 0.05% and affirmed its 27 CZK per EUR exchange rate floor, which the CZK is not permitted to appreciate beyond. The CNB is using near-zero interest rates, as well as the currency floor, to bring inflation closer to its 2.0% target.
- The first meeting of work group for Brexit and EU reform took place in the Office of the Government of the Czech Republic on 14th July. The main role of this platform is to define key interests of the Czech Republic and the preparation of analysis which should show impacts of Brexit.

Hungary

- Strong monetary and fiscal stimulus will continue to support the economy this year, but will likely not be able to prevent a slowdown on the back of shrinking fixed investment. FocusEconomics Consensus Forecast panelists see GDP expanding 2.0% this year, which is down 0.2 percentage points from last month’s forecast. For 2017, the panel projects a 2.6% expansion.
- At its meeting on 21 June, the Central Bank of Hungary (NBH) left its base rate untouched at 0.90%, meeting market expectations. The NBH also left the overnight collateralized lending rate at 1.15% and the overnight deposit rate at minus 0.05%. Overall, the Bank stated that the outlook for inflation and the real economy pointed to keeping the base rate at 0.90% for a prolonged period. Inflation decreased marginally in May and inflationary pressures remained moderate according to the Bank, given the weak global inflation dynamics.
- FocusEconomics Consensus Forecast panelists see the base rate ending 2016 at 0.90%. For 2017, the panel sees the base rate ending the year at 1.10%.
- On 18 March 2016, on behalf of Hungary, Poland, Slovakia and Slovenia, the Hungarian Ministry of Transport submitted to the European Commission a letter of intent for the establishment of the new “Amber” rail freight corridor 11. This is intended to facilitate cross-border rail freight between the four countries. The corridor links the Slovenian seaport of Koper and the Polish dry port in Małaszewicze on the Belarusian border, with important industrial centres and intermodal terminals in Hungary, Slovakia, Slovenia and Poland; it also includes a connection to the border with Serbia.

8 ONE-OFF EVENTS AFFECTING THE ACHIEVED FINANCIAL RESULTS

There were no one-off transactions with significant impact on financial results of the Company and the Group in H1 2016.

9 SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

On 23 March 2016, 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 2015 and approval of the Board's report on the business activities of the group for the financial year 2015.

Furthermore, the Ordinary General Meeting of Shareholders adopted resolution regarding approval of Company's annual financial statements for the financial year 2015 and consolidated financial statements for the financial year 2015.

The Ordinary General Meeting of Shareholders adopted also resolution on distribution of the profit and payment of dividend for the year 2015 in the amount of EUR 11,786,160.98 as follows:

- 678,960.98 EUR to transfer this amount to the account of retained earnings,
- 11,107,200.00 EUR will be split between shareholders as dividend, the dividend per share is EUR 0.52.

The Ordinary General Meeting established a determining day for exercising the right to dividend on 5 April 2016 and the dividend payment date on 19 April 2016.

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 2016.

Important business contracts realized

- Contract with Financial Administration of Slovak Republic – ADMIS (contract signed and being realized in reporting period)
- Contract with Financial Administration of Slovak Republic – DAC2 002/2016 (contract signed and being realized in reporting period)
- Contract with Financial Administration of Slovak Republic – CRS 003/2016 (contract signed and being realized in reporting period)
- Contract with UNION health insurance – existing IS development (contract signed in reporting period)
- Contract with Česko-moravská stavební spořitelna – service agreement for 2016 (contract signed in reporting period)
- Contract with Wustenrot stavební spořitelna – new release 11/2016 (contract signed and being realized in reporting period)
- Contract with Slovenská Sporiteľňa – ATM Recycler multivendor SW (contract signed in reporting period)
- Contract with Slovenská Sporiteľňa – Upgrade DB (contract signed in reporting period)
- Contract with Slovenská Sporiteľňa – George – beta (contract signed in reporting period)
- Contract with Modrá Pyramida Stavební spořitelna – new release (contract signed and being realized in reporting period)
- Contract with Stavební spořitelna České spořitelny – new release (contract signed and being realized in reporting period)

The Company's Subsidiaries

Company	Significant events during the reporting period
<p>Asseco Central Europe, a. s. (CZ)</p>	<ul style="list-style-type: none"> ▪ Contract with Allianz pojišťovna, a. s. – Frame contract for ICT activities following concrete requirements, SW products development, SW tools deliveries and updates, Data migration activities – preparation and implementation. (contract signed and being realized in reporting period) ▪ Contract with KSRZIS – Service ordering for National registers of health reproduction (contract signed in reporting period) ▪ Contract with National Registers Authority of the Czech Republic – Provision of support services and the development of Registry of Rights and Obligations (contract signed in reporting period) ▪ Contract with Czech Social Security Administration – partial agreements realization for Information and Communication Interface (contract being realized in reporting period) ▪ Contract with Czech Social Security Administration – Individual insurers accounts register – development and operations (contract signed in reporting period) ▪ Contract with Czech Social Security Administration – new CRs for Information and Communication Interface (contract signed in reporting period) ▪ Contract Czech Social Security Administration – technical background for analytics operations (contract signed in reporting period) ▪ Contract with Česko-morvská stavební spořitelna – Oracle Exadata extension (contract signed in reporting period) ▪ Contract with Asseco Poland – subdelivery for ARIMR project (contract signed in reporting period) ▪ Contract with Komerční Pojišťovna (Commercial Insurance) – GIS for evaluation of flood risks based on LIDS, SaaS (contract signed in reporting period) ▪ Contract with Czech Cadastral Office – support of ZABAGED system in 2016 (contract signed in reporting period) ▪ Contract with PKN Orlen – AMES system (contract signed in reporting period) ▪ Contract with Stadtwerke ULM – AG portal upgrade (contract signed in reporting period) ▪ Contract with EWR (DE) – div. CRs (contract signed in reporting period) ▪ Contract with N-ERGIE (DE) – div. CRs (contract signed in reporting period)
<p>exe, a.s. (SK)</p>	<ul style="list-style-type: none"> ▪ Contract with ESET – Microsoft EAS agreement (contract signed in reporting period) ▪ Contract with Czech Aeroholding – Microsoft EA agreement (contract signed in reporting period)

	<ul style="list-style-type: none"> ▪ Contract with ESET – Microsoft MPSA agreement (contract signed in reporting period) ▪ Contract with National Bank of Slovakia – Red Hat Enterprise Linux (contract signed in reporting period) ▪ Contract with VsZP – Microsoft EA 2nd phase (contract being realized in reporting period) ▪ Contract with National Bank of Slovakia – Microsoft SA, EA 2nd phase (contract being realized in reporting period) ▪ Contract with VsZP – Select Plus 2nd phase (contract being realized in reporting period) ▪ Contract with Ministry of Interior SR – Microsoft SA, Select Plus 2nd phase (contract being realized in reporting period)
<p>DanubePay, a.s. (SK)</p>	<ul style="list-style-type: none"> ▪ Contract with mBank Polska SA – Transaction processing – SKUP (contract being realized in reporting period) ▪ Contract with Citibank Europe – Transaction processing – Close loop cards (contract being realized in reporting period) ▪ Contract with Fio Banka, a.s. – Transaction processing – Card issuance (contract being realized in reporting period) ▪ Contract with Trustpay, a.s. – Transaction processing – card issuance (contract being realized in reporting period) ▪ Contract with Asseco CE, a.s. CZ – card production in Otrokovice – Tachograph card (contract being realized in reporting period) ▪ Contract with Volkswagen bank Poland, SA – Transaction processing – card issuance (contract being realized in reporting period) ▪ Contract with Tatrabanka, a.s. – Transaction processing – card acceptance ATM (contract being realized in reporting period)
<p>InterWay, a. s. (SK)</p>	<ul style="list-style-type: none"> ▪ Contract with Volkswagen Slovakia – maintenance support (contract concluded in reporting period) ▪ Contract with Geodetický a kartografický ústav Bratislava – support services (contract concluded in reporting period) ▪ Contract with Ústredie práce, sociálnych vecí a rodiny SR – rámcová dohoda o poskytovaní služieb bezpečnostnej podpory kritických softvérov (contract being realized in reporting period) ▪ Contract with Sociálna poisťovňa – Oracle Support (contract being realized in reporting period) ▪ Contract with Slovenská republika – Ministerstvo obrany – AIP (contract being realized in reporting period) ▪ Contract with Explosive Ordnance Disposal Centre of Excellence – EOD COE (contract being realized in reporting period)

	<ul style="list-style-type: none"> ▪ Contract with Slovenská republika – Ministerstvo obrany – AIP to EOP (contract finished in reporting period)
<p>Asseco Solutions, a. s. (SK)</p>	<ul style="list-style-type: none"> ▪ Contract with Trnavský samosprávny kraj – SPIN PUBLIC (contract concluded in reporting period) ▪ Contract with VUKI a.s. – HELIOS ORANGE (contract concluded in reporting period) ▪ Contract with INVITA s.r.o. - HELIOS ORANGE (contract concluded in reporting period) ▪ Contract with Consumer Finance Holding a.s. – SPIN ENTERPRISE (contract concluded in reporting period) ▪ Contract with VWFS a.s. – SPIN ENTERPRISE (contract concluded in reporting period) ▪ Contract with Trnavský samosprávny kraj – SPIN PUBLIC (contract being realized in reporting period) ▪ Contract with Prešovský samosprávny kraj – SPIN PUBLIC (contract realized in reporting period) ▪ Contract with HYDROSERVICE, spol. s r.o. – HELIOS ORANGE (contract being realized in reporting period) ▪ Contract with Hamilton Asset Management s.r.o. – HELIOS ORANGE (contract being realized in reporting period) ▪ Contract with FIRST SK, s.r.o. - HELIOS ORANGE (contract being realized in reporting period) ▪ Contract with Hewlett-Packard Slovakia, s.r.o. – SPIN STD (contract finished in reporting period) ▪ Contract with Banskobystrický samosprávny kraj – SPIN PUBLIC (contract finished in reporting period) ▪ Contract with KT FINANCE, s.r.o. – SPIN ENT (contract finished in reporting period) ▪ Contract with Asseco Central Europe, a.s. – CHARLIE (contract finished in reporting period) ▪ Contract with Prešovský samosprávny kraj – SPIN PUBLIC (contract finished in reporting period)
<p>Asseco Solutions, a. s. (CZ)</p>	<ul style="list-style-type: none"> ▪ Contract with SERVIND s.r.o. – license and implementation of HELIOS Green (contract concluded in reporting period) ▪ Contract with TTC Holding, a.s. – license and implementation of HELIOS Green (contract concluded in reporting period) ▪ Contract with E S L, a.s. – license and implementation of HELIOS Green (contract concluded in reporting period) ▪ Contract with Dr. Max Pharma Limited – license and implementation of HELIOS Green (contract concluded in reporting period) ▪ Contract with SKS s.r.o. – license and implementation of HELIOS Green (contract concluded in reporting period)

	<ul style="list-style-type: none"> ▪ Contract with Biovendor – Laboratorní medicína a.s. – license and implementation of HELIOS Green (contract being realized in reporting period) ▪ Contract with PMS Přešov a.s. – implementation of HELIOS Green (contract being realized in reporting period) ▪ Contract with Mountfield a.s. – license and implementation of HELIOS Green (contract being realized in reporting period) ▪ Contract with Zámečnictví Řivnáč, s.r.o. – license and implementation of HELIOS Green (contract being realized in reporting period) ▪ Contract with IMPROMAT KLIMA spol. s r.o. – license and implementation of HELIOS Green (contract being realized in reporting period) ▪ Contract with Elektrotechnický zkušební ústav, s.p. – license and implementation of HELIOS Green (contract finished in reporting period) ▪ Contract with Securitas SK s r.o. – license and implementation of HELIOS Green (contract finished in reporting period) ▪ Contract with OKsystem a.s. – license and implementation of HELIOS Green (contract finished in reporting period) ▪ Contract with Fond dalšího vzdělávání – license and implementation of HELIOS Green (contract finished in reporting period) ▪ Contract with IMPROMAT KLIMA spol. s r.o. – license and implementation of HELIOS Green (contract finished in reporting period)
<p>Asseco Solutions, AG (DE)</p>	<ul style="list-style-type: none"> ▪ Contract with Scheuch GmbH – APplus (contract concluded in reporting period) ▪ Contract with BIKAR-METALLE GmbH – APplus (contract concluded in reporting period) ▪ Contract with Franz Miederhoff OHG – APplus (contract concluded in reporting period) ▪ Contract with Schoen + sandt machinery – APplus (contract concluded in reporting period) ▪ Contract with Grimm Ladenbau GmbH – APplus (contract concluded in reporting period) ▪ Contract with Fischbach KG – APplus (contract being realized in reporting period) ▪ Contract with Dr. Mach GmbH & Co. KG – APplus (contract being realized in reporting period) ▪ Contract with Zahoransky AG – Update to APplus (contract being realized in reporting period) ▪ Contract with Gebelein Laser und Biegetechnik GmbH – APplus (contract being realized in reporting period)

	<ul style="list-style-type: none"> ▪ Contract with Mawatec AG – Update to APplus (contract being realized in reporting period) ▪ Contract with RSB Rationelle Stahlbearbeitung GmbH & Co. KG – APplus (contract finished in reporting period) ▪ Contract with ST Stanztechnik GmbH – Update to APplus (contract finished in reporting period) ▪ Contract with Zahoransky AG – Update to APplus (contract finished in reporting period)
GlobeNet, Zrt.	<ul style="list-style-type: none"> ▪ Contract with Swiss project Phase 2 (3.,4.,5. milestones) – Basic care (GP) software development (contract being realised in reporting period) ▪ Contract with R&D project – Process-driven cardiology system (contract being realized in reporting period) ▪ Contract with Swiss project Phase 2 first milestone – Basic care (GP) software development (contract finished in reporting period) ▪ Contract with Swiss project Phase 2 second milestone – Basic care (GP) software development (contract finished in reporting period) ▪ Contract with HMEI Zrt. (Military Hospital) – MedWorkS maintenance contract renewal (contract finished in reporting period) ▪ Contract with Csongrád Megyei Egészségügyi Ellátó Központ Hódmezővásárhely - Makó – MedWorkS extension (Makó) (contract finished in reporting period) ▪ Contract with Hetényi Géza Kórház, Szolnok – New Client (pathology module) (contract finished in reporting period) ▪ Contract with Nyíregyházi Kórház – Oracle 11 migration – Oracle 11 migration (contract finished in reporting period)
Statlogics, Zrt.	<ul style="list-style-type: none"> ▪ Contract with Eurasian Bank, Kazakhstan – software license fee and support and maintenance services (contract being realized in reporting period) ▪ Contract with UniCredit Consumer Financing, Romania – software license fee and support and maintenance services (contract being realized in reporting period) ▪ Contract with OTP Bank, Hungary – software license fee and support and maintenance services (contract being realized in reporting period) ▪ Contract with Raiffeisen Bank – Aval, Ukraine – software license fee and support and maintenance services (contract being realized in reporting period) ▪ Contract with Rusfinance Bank, Russia – software license fee and support and maintenance services (contract being realized in reporting period) ▪ Contract with OTP Bank, Hungary – developments (contract finished in reporting period)

- Contract with Eurasian Bank, Kazakhstan – developments (contract finished in reporting period)
- Contract with UniCredit Consumer Financing, Romania – developments, on-site support services (ad hoc) (contract finished in reporting period)
- Contract with Rusfinance Bank, Russia – developments (contract finished in reporting period)
- Contract with KPMG, Hungary – risk consultancy (contract finished in reporting period)

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 2016:

Board of Directors	Period	Supervisory Board	Period
Jozef Klein	1.1.2016-30.6.2016	Adam Tadeusz Góral	1.1.2016-30.6.2016
Marek Grác	1.1.2016-30.6.2016	Andrej Košári	1.1.2016-30.6.2016
David Stoppani	1.1.2016-30.6.2016	Ján Handlovský	1.1.2016-30.6.2016
Branislav Tkáčik	1.1.2016-30.6.2016	Marek Paweł Panek	1.1.2016-30.6.2016
		Przemysław Sęczkowski	1.1.2016-30.6.2016

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 4 August 2016:

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 4 August 2016 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

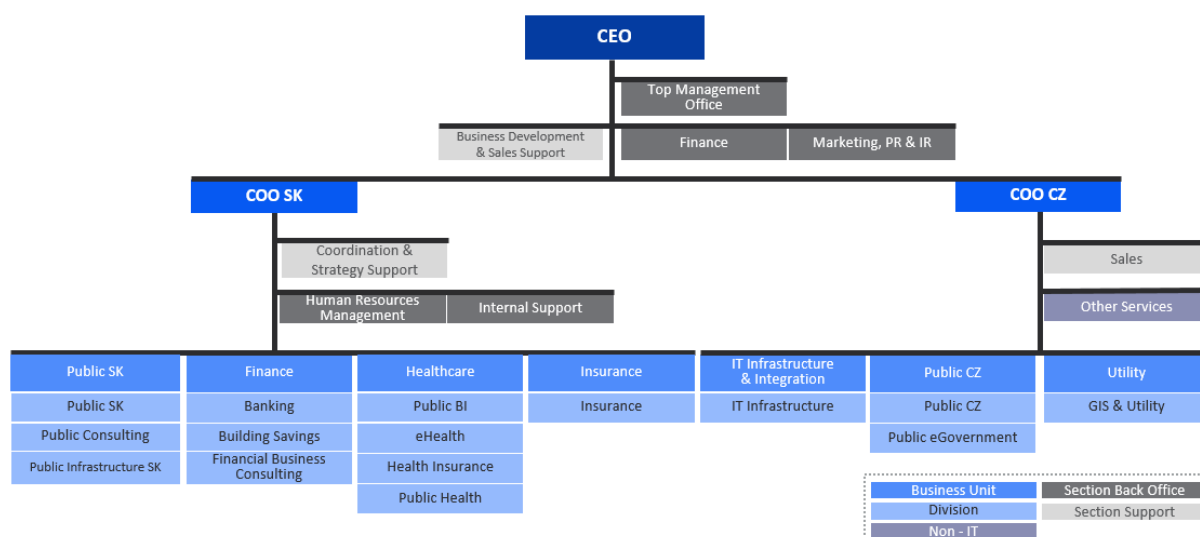
There were no reported changes in the structure of the shareholders owning more than 5% of shares reported during the reporting period.

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 1st July 2016 matches business unit structure of the Group.



(As at 1st July 2016.)

15 ORGANISATION 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 seven European countries, namely in Slovakia, the Czech Republic, Hungary, Germany, Austria, Switzerland and Belarus.

In particular, Parent Company Asseco Central Europe headquartered in the Slovak Republic, is a majority owner of four companies in Slovakia (Asseco Solutions – 100%, DanubePay – 55%, exe – 100%, InterWay – 66%), one in the Czech Republic (Asseco Central Europe – 100%), three in Hungary (Statlogics – 100%, GlobeNet – 100%, Asseco Hungary – 51%), one in Germany (Asseco Solutions – 100%) and one in Belarus (Asseco BEL – 60%). Company also owns 23% of shares at eDocu, a. s. and 40% of shares at LittleLane, a. s. in Slovakia.

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 (DE), the Parent Company controls further Asseco Solutions GmbH (75%) in Austria, Asseco Solutions AG (100%) in Switzerland and Asseco Solutions S.A. (51%) in Guatemala. A minority block of shares at SCS Smart Connected Solutions GmbH (40%) in Germany is also owned by Asseco Solutions AG (DE).

In 2016, the following changes in the Group structure were observed:

Establishing of SCS Smart Connected Solutions GmbH

On 8 February 2016, Asseco Solutions AG (DE) established a new company called SCS Smart Connected Solutions GmbH, seated in Karlsruhe, Germany. Asseco Solutions AG (DE) acquired 40% of its shares representing also 40% of voting rights at the company's general meeting of shareholders.

Establishing of Asseco Solutions S.A.

In March 2016, Asseco Solutions AG (DE) established a new company called Asseco Solutions S.A., seated in Guatemala. Asseco Solutions AG (DE) acquired 51% of its shares representing also 51% of voting rights at the company's general meeting of shareholders.

Acquisition of Asseco BEL LLC

On 30 March 2016, Asseco Central Europe, a. s. acquired a 60% stake in the company Asseco BEL LLC, Belarus. Asseco CE (SK) acquired those shares from Asseco Poland S.A. and treated that as acquisition under common control.

Establishment of Littlelane, a. s.

On 30 June 2016 Asseco Central Europe, a.s. (Slovakia) established with three other shareholders a new company called LittleLane, a.s. seated in Slovakia. Asseco Central

Europe, a.s. acquired 40% of its shares representing also 40% of voting rights at the company's general meeting of shareholders.

Purchase of additional 35% interest in Axera, s. r. o.

On 22 June 2016 Asseco Solutions, a.s. (Slovakia) signed an agreement for acquisition of additional 35% interest in Axera, s. r. o. , effective from 1 July 2016. Due to transactions Asseco Solutions increased its interests in Axera from 50% to 85% and obtained control over that company.

Business combination of GlobeNet Zrt. and Statlogics Zrt.

On 30 June 2016 the merger of GlobeNet Zrt. and Statlogics Zrt. was registered, effective from 1 July 2016. The remaining company – Globenet changed its name for Asseco Central Europe Magyarország Zrt.

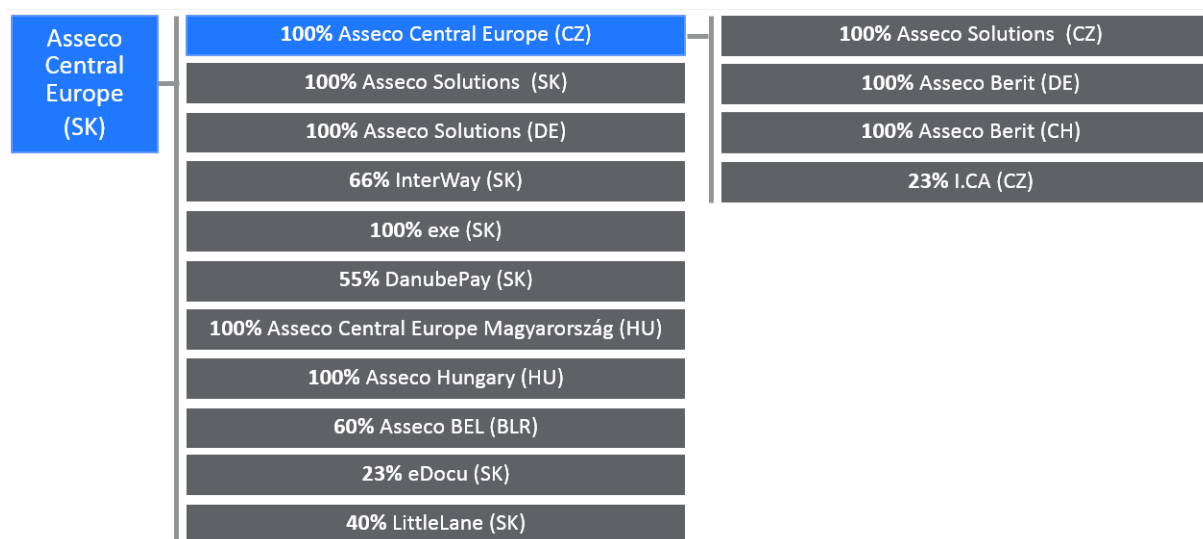
Purchase of additional 49% interest in Asseco Hungary Zrt

On 29 June 2016 Asseco Central Europe, a.s. (Slovakia) signed an agreement for acquisition of additional 49% interest in Asseco Hungary Zrt., effective from 8 July 2016. Due to transactions Asseco Central Europe increased its interests in Asseco Hungary from 51% to 100%.

Asseco Central Europe, a. s. and following subsidiaries and associated companies form the Group as at 4 August 2016, 30 June 2016 and 31 December 2015:

	Country of registration	Scope of activities	Relationship with Parent Company	Voting interest			Equity interest		
				4 August 2016	30 June 2016	31 Dec 2015	4 August 2016	30 June 2016	31 Dec 2015
Subsidiary companies									
Asseco Solutions, a. s. (SK)	Slovak Republic	ERP solutions	Direct subsidiary	100%	100%	100%	100%	100%	100%
Axera, s. r. o.	Slovak Republic	Software solutions	Indirect subsidiary	85%	-	-	-	-	-
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%
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%
Asseco Hungary Zrt.	Hungary	Software, integration and outsourcing	Direct subsidiary	100%	51%	51%	100%	51%	51%
Asseco Solutions AG (G)	Germany	ERP solutions	Direct subsidiary	100%	100%	100%	100%	100%	100%
Asseco Solutions GmbH (A)	Austria	ERP solutions	Indirect subsidiary	75%	75%	75%	75%	75%	75%
Asseco Solutions AG (CH)	Switzerland	ERP solutions	Indirect subsidiary	100%	100%	100%	100%	100%	100%
Asseco Solutions S.A. (GU)	Guatemala	ERP solutions	Indirect subsidiary	51%	51%	-	51%	51%	-
exe, a.s.	Slovak Republic	SW, integration	Direct subsidiary	100%	100%	100%	100%	100%	100%
InterWay, a.s.	Slovak Republic	SW, integration	Direct subsidiary	66%	66%	66%	66%	66%	66%
Asseco Bel LLC	Belarus	Software Solutions	Direct subsidiary	60%	60%	-	60%	60%	-
Associated companies									
Prvni Certifikacni Autorita, a. s. (ICA)	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%
eDocu a.s.	Slovak Republic	Software solutions		23%	23%	23%	23%	23%	23%
SCS Smart Connected Solutions GmbH	Germany	ERP solutions		40%	40%	-	40%	40%	-
LittleLane a.s.	Slovak Republic	Educational Software		40%	40%	-	40%	40%	-

**Structure of the Asseco Central Europe Group as at the date of publication of this report
i.e. 4 August 2016:**



Asseco Central Europe (CZ)

Asseco Central Europe (CZ) became a member of the Asseco Group in January 2007. The company belongs to 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. 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 geoinformation 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 (SK, CZ, DE, AT, 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. There were 703 people employed in the whole group as at 30 June 2016.

DanubePay (SK)

DanubePay is a processing centre with headquarters in Bratislava. The company was established 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 professionals 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.

Asseco Central Europe Magyarország (HU)

Asseco Central Europe Magyarország (formerly GlobeNet) was renamed in July 2016 after the legal merger with Statlogics. It covers both basic original product lines :

- Hospital information system and
- Credit risk management and retail lending business consulting.

Asseco Central Europe Magyarország has been created from the original company GlobeNet, which was one of the leading companies in the Hungarian healthcare IT market and Statlogics, global solution provider for consumer finance market players. Together, the company provides services in more than 60 healthcare institutions (clinics, hospitals and general practitioners) and supports companies in different industries dealing with a mass number of customers. Company helps its partners to manage their business risks and optimize their processes.

The MedWorkS is a modular and integrated solution. It is highly flexible and easy to parameterize according to the client's needs. The software covers all hospital processes, supports ambulatory and outpatients care, diagnostic processes, pharmacy activities and medical controlling. This set of complex functionality is what makes it unique in the Hungarian market. The MedWorkS is closely integrated with other 3rd party systems like speech recognition, PACS, MIS, patient queue management systems and EPR systems (e.g.: SAP).

Former Statlogics provides a consumer finance platform, the software suite covers the whole life cycle of consumer loans from loan origination to collections management. It is knowledge center for risk assessment and management. The team of experienced consultants is able to tailor different applications and services to the specific needs of the clients. Through a comprehensive range of innovative products, the company solutions manage more than 5 million credit applications per year for an amount exceeding 3 billion EUR, while assisting lenders in increasing their approval rates, lowering their credit losses and reducing their processing expenses.

Asseco Hungary (HU)

Product and service portfolio of Asseco Hungary 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.

Asseco BERIT Group (CZ, DE, 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 its GIS & Utility Division and the affiliated companies Asseco BERIT GmbH, seated in Mannheim, Germany and Asseco BERIT AG, seated in Sissach, Switzerland. The group currently employs more than 60 people – analysts, developers, consultants and project managers. The supplied solutions are based on their own development (LIDS, TOMS, AMES, AG Portal Technology, WFMS), which has continued over the twenty five -years-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. In 2015, the Czech division GIS & Utility was included in the newly created Business Unit Utility which contributed to the revival of business activities in the home countries and across the whole Asseco group. The attractiveness of the offer of its own products will be supported by the newly launched product SAMO - Strategic Asset Management & Operations encompassing all traditional products developed in the group focusing in an integrated form to the actual needs of the market (SmartGrid, Strategic Asset Planning). Another new business objective is to extend the offer by the implementation of the systems developed within the Asseco Group, particularly the system AUMS produced by Asseco Poland.

eDocu (SK)

eDocu is a young software company (startup) that designs cloud services to simplify access to database services through SaaS (Software as a Service) for ordinary users, that is without the need of establishing an in-house IT department, investing in computer equipment and employing product specialists. The company's product is the Internet of Every Thing (networked connections among things) built around things and objects with which information is linked using mobile devices, browsers and web services. People have direct access to the information in the eDocu system anytime, anywhere, without any difficult search, and it is equally easy to get information from the system and add it into it. eDocu's goal is to develop and bring to market solutions that simplify the life of public administrations, businesses and ordinary people. It creates non-standard solutions for standard needs, it helps organizations to bring intuitive structure of the system's internal processes. The investment in the company eDocu helped Asseco CE to expand its portfolio by innovative and promising ideas.

exe (SK)

exe was founded in 1990. During its existence, the company has grown from the licenses vendor to being a system integrator, it has its own development center which develops applications and customized solutions. Product and service portfolio of exe is represented by the design of implementation of information systems, software development,

outsourcing, and management of information systems, sales of hardware and software, translation services and localization of software.

The Localization Division successfully handled complex projects requiring high monthly productivity of up to 650,000 words in one language combination within a single project, which clearly confirms its flexibility. Up to 150 linguists work on large projects daily. One of the largest projects include localization of nearly all versions of Microsoft products. The range of localization and translation services reached millions of words per month.

In 2014, exe ranked among the top 20 providers of language services in Central and Eastern Europe and so it is also a proud member of The Globalization and Localization Association (GALA) and European language industry association (elia).

exe is a certified service provider in accordance with ISO 9001:2008 and ISO 17100:2015 (replaced EN15038).

InterWay (SK, CZ)

The company InterWay, a. s. has been operating on the Slovak and foreign IT markets since 1997. The company focuses on professional implementation of technologies and systems IDM, SSO, ECM, ERP, BPM, Cloud Computing, integration solutions such as SOA, e-commerce solutions, content management, intranet and portal solutions. It delivers software and hardware solutions of reputable manufacturers (Oracle, Dell, Microsoft, HP, etc.) and solutions based on Open Source products starting from small improvements to existing systems and ranging to integrated design and delivery of complex solutions. The product portfolio is complemented by solutions based on its own developments – the WebJET system and the DMS Greeny document management system. The company InterWay, a. s. initiated the establishment of an international consortium in the project Cloud for Europe (C4E) aimed at sharing existing services and applications across the EU. The company currently has a professional team of qualified specialists, certified specialists and certified team cleared to the SECRET level (NATO, EU, national) in each department of the company involved in a variety of specialised projects. The client base is made up of a wide range of state and local government authorities, telecom operators, banks, insurance companies, network industries corporations to industrial manufacturers. The company InterWay, a. s. has established ISO-certified management systems according to the requirements of international standards ISO 9001, ISO/IEC 27001 and ISO 14001.

Asseco BEL (BLR)

Asseco Central Europe took over activities in Belarus starting from March 2016, as well as participation in the operational budgeting and structure of the local entity labelled Asseco BEL. There is a strong focus on promotion and prospective delivery of Asseco solutions for insurance and banking sectors, as well as public and governmental bodies in Belarus.

LittleLane (SK)

LittleLane is a starting software company (startup) that designs online games and smart applications dedicated to children aged 3+ years. The aim is to build a series of smart apps for kids in order to spend their time wisely on tablets and computers. The idea was started by Peter Nižnanský, a longtime programmer and founder, who created the LittleLane app for his two children. LittleLane.eu as an online portal for families, children, primary and nursery schools was established in 2014 and since then more than 500 schools and 1,000 households enjoy it. The project has become so successful that the company received the numerous awards for its product LittleLane, e.g. Start-Up Award 2015. The investment in

the company LittleLane helps Asseco CE not only to expand its portfolio with innovative technologies but present the company`s dedication to the education and smart technologies usage for next generations.

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 19 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 15, 21 and 22 of the interim condensed consolidated financial statements for details on loans, sureties, guarantees and off-balance sheet liabilities .

19 OPINION ON FEASIBILITY OF THE BOARD ´S FINANCIAL FORECASTS FOR THE YEAR 2016

The Board of Directors did not publish any forecast for 2016.

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 managers and consultants represent more than 88% 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 has traditionally been balanced. More than 60% of employees in Slovakia are in the age group 20-40 years, 27% of employees are younger than 30 years of age. However, the Company also employs employees over 50.

The proportion of women reaches 25% in Slovakia and 20% in the Czech Republic of the total number of employees.

At the end of June 2016 there were 403 people employed by Asseco CE (Slovakia) and another 237 in the Czech Republic, together 642 staff members.

Employment structure in the Asseco Central Europe Group:

Number of employees as at	30 June 2016	30 June 2015
Board of Directors of the parent company	4	4
Board of Directors of the Group companies	19	12
Production and maintenance departments	1318	1,159
Sales departments	153	113
Administration departments	210	188
TOTAL	1,704	1,476

Number of employees as at	30 June 2016	30 June 2015
Asseco Central Europe, a. s. (SK)	403	388
DanubePay, a. s. (SK)	37	25
Asseco Solutions Group (SK)	186	164
Asseco Solutions Group (CZ)	314	314
Asseco Solutions AG (DE)	225	192
Asseco Central Europe, a. s. (CZ) + Asseco BERIT	265	275
Statlogics Zrt.(HU)	81	69
GlobeNet Zrt. (HU)	51	47
Asseco Hungary Zrt. (HU)	-	2
exe, a. s. (SK)	50	-
InterWay, a. s. (SK)	88	-
Asseco BEL (BLR)	4	-
TOTAL	1,704	1,476

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 Czech Republic and 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 důchodková správcovská společnost, 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, a.s.

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
Cadastre Office – Geodetic Office)

Česmad Slovakia

Finančné riaditeľstvo SR (Financial
Directorate 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)

Štátny inštitút odborného vzdelávania
(State Institute of Vocational Education)

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 spoločnosť, 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

Refer to the note 25 of the interim condensed consolidated financial statements for details on significant events after the balance sheet date .

**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 2016**

Jozef Klein
Chairman of the
Board

Marek Grác
Vice-Chairman of
the Board

David Stoppani
Member of the
Board

Branislav Tkáčik
Member of the
Board

4 August 2016, 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 condensed consolidated financial statements of the Asseco Central Europe Group for the period of six months ended 30 June 2016.

The Board of Directors of Asseco Central Europe, a. s., according to its best knowledge, declares that the condensed consolidated financial statements for the period from 1 January 2016 to 30 June 2016 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

Marek Grác

Vice-Chairman of
the Board

David Stoppani

Member of the
Board

Branislav Tkáčik

Member of the
Board

Statement of the Board of Directors of Asseco Central Europe, a. s. on the entity authorized to audit the consolidated financial statements of Asseco Central Europe, a. s. for the period of six months ended 30 June 2016.

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
Chairman of the
Board

Marek Grác
Vice-Chairman of
the Board

David Stoppani
Member of the
Board

Branislav Tkáčik
Member of the
Board

4 August 2016, Bratislava

**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 2016 and the related interim consolidated profit and loss account, consolidated statement of comprehensive income, changes in equity and cash flows for the six 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 do not give a true and fair view of the financial position of the Group as of 30 June 2016 and of its financial performance and its cash flows for the six months period then ended in accordance with IAS 34.

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

4 August 2016
Bratislava, Slovak Republic



INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR 6 MONTHS ENDED 30 JUNE 2016

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

4 August 2016

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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF
ASSECO CENTRAL EUROPE GROUP FOR 6 MONTHS ENDED 30 JUNE 2016

These Interim Condensed Consolidated Financial Statements for six months ended 30 June 2016 were authorised for issue by the Board of Directors of Asseco Central Europe, a. s. on 4 August 2016.

Board of Directors:

Jozef Klein	Chairman of the Board
Marek Grác	Vice-Chairman of the Board
David Stoppani	Member of the Board
Branislav Tkáčik	Member of the Board

Bratislava, 4 August 2016

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

	Note	6 months ended 30 June 2016	3 months ended 30 June 2016	6 months ended 30 June 2015	3 months ended 30 June 2015
Continuing operations					
Sales revenues	<u>1</u>	75,362	36,199	57,109	29,404
Cost of sales	<u>1</u>	(56,159)	(26,675)	(40,713)	(21,121)
Gross profit on sales		19,203	9,524	16,396	8,283
Selling expenses	<u>1</u>	(6,484)	(3,256)	(4,772)	(2,386)
General administrative expenses	<u>1</u>	(6,586)	(3,326)	(5,438)	(2,987)
Net profit on sales		6,133	2,942	6,186	2,910
Other operating income		88	68	96	26
Other operating expenses		(65)	(24)	(61)	(25)
Operating profit		6,156	2,986	6,221	2,911
Financial income	<u>2</u>	119	59	232	75
Financial expenses	<u>2</u>	(92)	(41)	(233)	(69)
<i>Share in profits of associated companies</i>		3	(20)	84	(7)
Pre-tax profit		6,186	2,984	6,304	2,910
Corporate income tax (current and deferred portions)	<u>3</u>	(1,724)	(822)	(1,865)	(885)
Net profit for the period from continuing operations		4,462	2,162	4,439	2,025
Net profit for the period		4,462	2,162	4,439	2,025
Attributable to:					
Shareholders of the Parent Company		4,760	2,431	4,823	2,226
Non-controlling interest		(298)	(269)	(384)	(201)
Consolidated earnings per share attributable to Shareholders of Asseco Central Europe, a.s. (in EUR):					
Basic consolidated earnings per share	<u>4</u>	0.22	0.11	0.23	0.10
Diluted consolidated earnings per share	<u>4</u>	0.22	0.11	0.23	0.10
Basic consolidated earnings per share from continuing operations					
Basic consolidated earnings per share from continuing operations	<u>4</u>	0.22	0.11	0.23	0.10
Diluted consolidated earnings per share from continuing operations	<u>4</u>	0.22	0.11	0.23	0.10

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

	Note	6 months ended 30 June 2016	3 months ended 30 June 2016	6 months ended 30 June 2015	3 months ended 30 June 2015
Net profit for the reporting period		4,462	2,162	4,439	2,025
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of foreign operations		(68)	(181)	665	(146)
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>					
Total other comprehensive income		(68)	(181)	665	(146)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		4,394	1,981	5,104	1,879
Attributable to:					
<i>Shareholders of the Parent Company</i>		4,692	2,250	5,488	2,078
<i>Non-controlling interests</i>		(298)	(269)	(384)	(199)

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

ASSETS	Note	30 June 2016	31 Dec. 2015	30 June 2015
Non- current assets		72,770	73,480	69,670
Property, plant and equipment	<u>6</u>	4,352	4,191	3,833
Goodwill	<u>8</u>	57,190	57,299	53,324
Intangible assets	<u>7</u>	8,297	9,027	9,528
Investments in associates		1,104	1,029	1,002
Non-current financial assets	<u>10</u>	200	7	24
Non-current receivables	<u>12</u>	419	435	481
Deferred income tax assets		1,069	1,424	1,471
Non-current prepayments	<u>11</u>	139	68	7
Current assets		75,467	94,767	65,789
Inventories		754	624	622
Prepayments	<u>11</u>	7,014	4,590	2,719
Trade receivables	<u>12</u>	29,710	39,327	29,103
Current tax receivable	<u>12</u>	922	1,107	1,570
Receivables from state and local budget	<u>12</u>	235	160	123
Other receivables	<u>12</u>	551	891	939
Current financial assets	<u>10</u>	3,812	3,568	436
Other current non-financial assets		239	274	278
Cash and short-term deposits	<u>13</u>	32,230	44,226	29,999
TOTAL ASSETS		148,237	168,247	135,459

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

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	30 June 2016	31 Dec. 2015	30 June 2015
Shareholders' equity (attributable to Shareholders of the Parent Company)		102,869	109,502	105,122
Share capital		709	709	709
Share premium		74,901	74,901	74,901
Exchange differences on translation of foreign operations		(6,252)	(6,183)	(6,406)
Retained earnings		33,511	40,075	35,918
Non-controlling interest		(2,404)	(2,048)	(1,767)
TOTAL SHAREHOLDERS' EQUITY		100,465	107,454	103,355
Non-current liabilities		5,099	4,666	1,129
Deferred tax liability		593	360	107
Non-current provisions	<u>16</u>	15	18	15
Non-current financial liabilities	<u>14</u>	4,213	4,215	1,007
Non-current deferred income	<u>18</u>	143	73	-
Other non-current liabilities		135	-	-
Current liabilities		42,673	56,127	30,975
Interest-bearing bank credits, loans and debt securities	<u>15</u>	2,011	952	788
Trade payables	<u>17</u>	16,036	32,381	8,614
Current tax payable	<u>17</u>	248	559	174
Liabilities to state budget	<u>17</u>	3,498	5,194	2,975
Financial liabilities	<u>14</u>	1,313	2,088	1,131
Other liabilities	<u>17</u>	2,161	2,499	2,311
Provisions	<u>16</u>	721	1,131	1,048
Deferred income	<u>18</u>	11,055	5,473	9,070
Accrued expenses	<u>18</u>	5,630	5,850	4,864
TOTAL LIABILITIES		47,772	60,793	32,104
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		148,237	168,247	135,459

**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 (attributable to Shareholders of the Parent Company)	Non-controlling interests	Total shareholders' equity
As at 1 January 2016		709	74,901	(6,183)	40,075	109,502	(2,048)	107,454
Net profit for the period		-	-	-	4,760	4,760	(298)	4,462
Other comprehensive income		-	-	(68)	-	(68)	-	(68)
Total comprehensive income		-	-	(68)	4,760	4,692	(298)	4,394
Dividend for the year 2015	5	-	-	-	(11,107)	(11,107)	(309)	(11,416)
Acquisition of non-controlling interests in subsidiaries		-	-	-	-	-	15	15
Acquisition of subsidiaries under common control		-	-	(1)	4	3	3	6
Non-controlling interests transactions (put options)		-	-	-	(233)	(233)	233	-
Other		-	-	-	12	12	-	12
As at 30 June 2016		709	74,901	(6,252)	33,511	102,869	(2,404)	100,465
As at 1 January 2015		709	74,901	(7,071)	41,060	109,599	(1,322)	108,277
Net profit for the period		-	-	-	11,278	11,278	(312)	10,966
Other comprehensive income		-	-	888	-	888	-	888
Total comprehensive income		-	-	888	11,278	12,166	(312)	11,854
Dividend for the year 2014		-	-	-	(10,039)	(10,039)	(87)	(10,126)
Acquisition of non-controlling interests in InterWay		-	-	-	-	-	535	535
Non-controlling interests transactions (put options)		-	-	-	(2,224)	(2,224)	(862)	(3,086)
As at 31 December 2015		709	74,901	(6,183)	40,075	109,502	(2,048)	107,454

**INTERIM CONDENSED 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 (attributable to Shareholders of the Parent Company)	Non-controlling interests	Total shareholders' equity
As at 1 January 2015		709	74,901	(7,071)	41,060	109,599	(1,322)	108,277
Net profit for the period		-	-	-	4,823	4,823	(384)	4,439
Other comprehensive income		-	-	665	-	665	-	665
Total comprehensive income		-	-	665	4,823	5,488	(384)	5,104
Dividend for the year 2014		-	-	-	(10,039)	(10,039)	(87)	(10,126)
Non-controlling interests transactions (put options)		-	-	-	74	74	26	100
As at 30 June 2015		709	74,901	(6,406)	35,918	105,122	(1,767)	103,355

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

	Note	6 months ended 30 June 2016	6 months ended 30 June 2015
Cash flows - operating activities			
Pre-tax profit		6,186	6,304
Total adjustments:		(5,128)	(3,120)
Share in net profit of associates		(3)	(84)
Depreciation and amortization		1,997	1,857
Changes in working capital	<u>20</u>	(6,988)	(4,780)
Interest income and expense		(90)	(89)
(Gain) / loss on foreign exchange differences		3	(4)
(Gain) / loss on investing activities		(46)	(13)
Other		(1)	(7)
Net cash generated from operating activities		1,058	3,184
Corporate income tax paid		(1,232)	(3,074)
Net cash provided by / (used in) operating activities		(174)	110
Cash flows - investing activities			
Disposal of tangible fixed assets and intangible assets		45	73
Acquisition of tangible fixed assets and intangible assets	<u>20</u>	(1,087)	(961)
Expenditures related to research and development projects		(232)	-
Acquisition of associated companies		(95)	-
Acquisition of subsidiary companies		-	(35)
Cash and cash equivalents of acquired subsidiary companies		33	-
Disposal of other financial assets		6	13
Acquisition of other financial assets		(3)	-
Loans granted	<u>20</u>	(3,631)	(3,637)
Loans collected	<u>20</u>	3,256	5,951
Interest received		115	72
Dividends received	<u>20</u>	205	184
Net cash provided by / (used in) investing activities		(1,388)	1,660

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

	Note	6 months ended 30 June 2016	6 months ended 30 June 2015
Cash flows - financing activities			
Proceeds from borrowings		-	28
Repayment of borrowings		-	(517)
Finance lease liability paid		(32)	(25)
Interest paid		(10)	(24)
Dividends paid out to the shareholders of the Parent Company	<u>20</u>	(11,107)	(10,039)
Dividends paid out to non-controlling interests	<u>20</u>	(309)	(87)
Net cash provided by / (used in) by financing activities		(11,458)	(10,664)
Increase (decrease) in cash and cash equivalents		(13,020)	(8,894)
Net foreign exchange differences		(29)	192
Cash and cash equivalents as at 1 January	<u>13</u>	43,275	37,916
Cash and cash equivalents as at 30 June	<u>13</u>	30,226	29,214

SUPPLEMENTARY 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 2016, 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 2016 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 2015 issued on 19 February 2016.

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 2016, 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 2016 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 2015 were presented in the Group's consolidated financial statements for the year ended 31 December 2015.

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 2015 which were issued on 19 February 2016.

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 2015, except for applying following amendments to standards and new interpretations effective for periods beginning on or after 1 January 2016:

- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions – effective for financial years beginning on or after 1 July 2014, in EU effective at the latest for financial years beginning on or after 1 February 2015;
- Annual Improvements to IFRSs 2010-2012 – in EU effective at the latest for financial years beginning on or after 1 February 2015;
- IFRS 14 Regulatory Deferral Accounts – effective for financial years beginning on or after 1 January 2016;
- Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations – effective for financial years beginning on or after 1 January 2016;
- 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;
- Amendments to IAS 27 Equity Method in Separate Financial Statements – effective for financial years beginning on or after 1 January 2016;
- Annual Improvements to IFRSs 2012-2014 - effective for financial years beginning on or after 1 January 2016;
- Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation - effective for financial years beginning on or after 1 January 2016;
- Amendments to IAS 1 Disclosure Initiative – effective for financial years beginning on or after 1 January 2016.

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. Changes in the applied principles of presentation and changes in the comparative data

In the reporting period, there were no changes in applied principles of presentation and changes in the comparative data.

6. Corrections of material errors

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

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 2016 and in the comparative period:

	Country of registration	Scope of activities	Relationship with Parent Company	Voting interest			Equity interest		
				4 August 2016	30 June 2016	31 Dec 2015	4 August 2016	30 June 2016	31 Dec 2015
Subsidiary companies									
Asseco Solutions, a. s. (SK)	Slovak Republic	ERP solutions	Direct subsidiary	100%	100%	100%	100%	100%	100%
Axera, s. r. o.	Slovak Republic	Software solutions	Indirect subsidiary	85%	-	-	-	-	-
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%
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%	
Asseco Hungary Zrt.	Hungary	Software, integration and outsourcing	Direct subsidiary	100%	51%	51%	100%	51%	51%
Asseco Solutions AG (G)	Germany	ERP solutions	Direct subsidiary	100%	100%	100%	100%	100%	100%
Asseco Solutions GmbH (A)	Austria	ERP solutions	Indirect subsidiary	75%	75%	75%	75%	75%	75%
Asseco Solutions AG (CH)	Switzerland	ERP solutions	Indirect subsidiary	100%	100%	100%	100%	100%	100%
Asseco Solutions S.A. (GU)	Guatemala	ERP solutions	Indirect subsidiary	51%	51%	-	51%	51%	-
exe, a.s.	Slovak Republic	SW, integration	Direct subsidiary	100%	100%	100%	100%	100%	100%
InterWay, a.s.	Slovak Republic	SW, integration	Direct subsidiary	66%	66%	66%	66%	66%	66%
Asseco Bel LLC	Belarus	Software Solutions	Direct subsidiary	60%	60%	-	60%	60%	-
Associated companies									
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%
eDocu a.s.	Slovak Republic	Software solutions		23%	23%	23%	23%	23%	23%
SCS Smart Connected Solutions GmbH	Germany	ERP solutions		40%	40%	-	40%	40%	-
LittleLane a.s.	Slovak Republic	Educational Software		40%	40%	-	40%	40%	-

All figures in thousands of EUR, unless stated otherwise

During six months ended 30 June 2016, the following changes in the Group's structure were observed:

Establishing of SCS Smart Connected Solutions GmbH

On 8 February 2016 Asseco Solutions AG (Germany) established a new company called SCS Smart Connected Solutions GmbH, seated in Karlsruhe, Germany. Asseco Solutions AG (DE) acquired 40% of its shares representing also 40% of voting rights at the company's general meeting of shareholders.

Establishing of Asseco Solutions S.A.

In March 2016 Asseco Solutions AG (Germany) established a new company called Asseco Solutions S.A., seated in Guatemala. Asseco Solutions AG acquired 51% of its shares representing also 51% of voting rights at the company's general meeting of shareholders.

Acquisition of Asseco BEL LLC

On 30 March 2016, Asseco Central Europe, a.s. (Slovakia) acquired a 60% stake in the company Asseco BEL LLC, Belarus. Asseco CE (SK) acquired those shares from Asseco Poland S.A. and treated that as acquisition under common control.

Establishing of LittleLane, a.s.

On 30 June 2016 Asseco Central Europe, a.s. (Slovakia) established with three other shareholders a new company called LittleLane, a.s. seated in Slovakia. Asseco Central Europe, a.s. acquired 40% of its shares representing also 40% of voting rights at the company's general meeting of shareholders.

Purchase of additional 35% interest in Axera, s. r. o.

On 22 June 2016 Asseco Solutions, a.s. (Slovakia) signed an agreement for acquisition of additional 35% interest in Axera, s. r. o. , effective from 1 July 2016. Due to transactions Asseco Solutions increased its interests in Axera from 50% to 85% and obtained control over that company.

Business combination of GlobeNet Zrt. and Statlogics Zrt.

On 30 June 2016 the merger of GlobeNet Zrt. and Statlogics Zrt. was registered, effective from 1 July 2016. The remaining company – Globenet changed its name for Asseco Central Europe Magyarország Zrt.

Purchase of additional 49% interest in Asseco Hungary Zrt

On 29 June 2016 Asseco Central Europe, a.s. (Slovakia) signed an agreement for acquisition of additional 49% interest in Asseco Hungary Zrt., effective from 8 July 2016. Due to transactions Asseco Central Europe increased its interests in Asseco Hungary from 51% to 100%.

In 2016 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 (DE) and Asseco Berit AG (CH) as well as DanubePay, a. s. (SK), exe, a. s. (SK), and InterWay, 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 six ERP companies: Asseco Solutions, a. s. (SK), Asseco Solutions, a. s. (CZ), Asseco Solutions AG (DE), Asseco Solutions GmbH. (AT), Asseco Solutions AG (CH)) and Asseco Solutions S.A. (GU). 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., Asseco Hungary Zrt. as well as one Belarusian company: Asseco BEL LLC. 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.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF
 ASSECO CENTRAL EUROPE GROUP FOR 6 MONTHS ENDED 30 JUNE 2016

For 6 months ended 30 June 2016 and as at 30 June 2016	Asseco Central Europe	Asseco Solutions	Other	Adjustment/ Eliminations	Total
Sales revenues:	46,803	28,715	3,709	(3,865)	75,362
Sales to external customers	43,771	27,888	3,703	-	75,362
Inter/intra segment sales	3,032	827	6	(3,865)	-
Operating profit (loss) of reporting segment	3,645	2,341	170	-	6,156
Interest income	107	5	-	-	112
Interest expense	(24)	(8)	-	-	(32)
Share in profits of associated companies	7	(4)	-	-	3
Corporate income tax	(963)	(638)	(123)	-	(1,724)
<i>Non-cash items:</i>					
Depreciation and amortization	(1,257)	(433)	(307)	-	(1,997)
Net profit (loss) of reporting segment	2,745	1,687	30	-	4,462
<i>Goodwill</i>	19,761	30,968	6,461	-	57,190
Average workforce in the reporting period	807	672	126	-	1,605

All figures in thousands of EUR,
 unless stated otherwise

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF
 ASSECO CENTRAL EUROPE GROUP FOR 6 MONTHS ENDED 30 JUNE 2016

For 3 months ended 30 June 2016 and as at 30 June 2016	Asseco Central Europe	Asseco Solutions	Other	Adjustment/ Eliminations	Total
Sales revenues:	21,553	14,707	1,967	(2,028)	36,199
Sales to external customers	19,962	14,273	1,964	-	36,199
Inter segment sales	1,591	434	3	(2,028)	-
Operating profit (loss) of reporting segment	1,376	1,428	182	-	2,986
Interest income	55	3	-	-	58
Interest expense	(12)	(4)	1	-	(15)
Share in profits of associated companies	(33)	13	-	-	(20)
Corporate income tax	(354)	(395)	(73)	-	(822)
<i>Non-cash items:</i>					
Depreciation and amortization	(639)	(224)	(153)	-	(1,016)
Net profit (loss) of reporting segment	1,019	1,045	98	-	2,162
<i>Goodwill</i>	19,761	30,968	6,461	-	57,190
Average workforce in the reporting period	802	667	124	-	1,593

All figures in thousands of EUR,
 unless stated otherwise

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF
 ASSECO CENTRAL EUROPE GROUP FOR 6 MONTHS ENDED 30 JUNE 2016

For 6 months ended 30 June 2015 and as at 30 June 2015	Asseco Central Europe	Asseco Solutions	Other	Adjustment/ Eliminations	Total
Sales revenues:	31,917	25,565	3,897	(4,270)	57,109
Sales to external customers	28,338	24,908	3,863	-	57,109
Inter/intra segment sales	3,579	657	34	(4,270)	-
Operating profit (loss) of reporting segment	3,054	2,977	190	-	6,221
Interest income	96	9	2	-	107
Interest expense	(5)	(21)	(1)	-	(27)
Share in profits of associated companies	58	26	-	-	84
Corporate income tax	(978)	(748)	(139)	-	(1,865)
<i>Non-cash items:</i>					
Depreciation and amortization	(1,121)	(437)	(299)	-	(1,857)
Net profit (loss) of reporting segment	2,170	2,233	36	-	4,439
<i>Goodwill</i>	15,881	30,938	6,505	-	53,324
Average workforce in the reporting period	684	616	118	-	1,418

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF
 ASSECO CENTRAL EUROPE GROUP FOR 6 MONTHS ENDED 30 JUNE 2016

For 3 months ended 30 June 2015 and as at 30 June 2015	Asseco Central Europe	Asseco Solutions	Other	Adjustment/ Eliminations	Total
Sales revenues:	16,696	12,861	1,960	(2,113)	29,404
Sales to external customers	14,875	12,570	1,959	-	29,404
Inter segment sales	1,821	291	1	(2,113)	-
Operating profit (loss) of reporting segment	1,256	1,565	90	-	2,911
Interest income	36	4	2	-	42
Interest expense	-	(9)	(4)	-	(13)
Share in profits of associated companies	(20)	13	-	-	(7)
Corporate income tax	(459)	(359)	(67)	-	(885)
<i>Non-cash items:</i>					
Depreciation and amortization	(517)	(163)	(209)	-	(889)
Net profit (loss) of reporting segment	760	1,214	51	-	2,025
<i>Goodwill</i>	15,881	30,938	6,505	-	53,324
Average workforce in the reporting period	684	614	118	-	1,416

IV. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Sales revenues and operating costs

Sales revenues

During six months ended 30 June 2016 and the corresponding comparative periods, the sales revenues were as follows:

Sales revenues by type of business	6 months ended 30 June 2016	3 months ended 30 June 2016	6 months ended 30 June 2015	3 months ended 30 June 2015
Proprietary software and services	55,402	27,413	50,242	26,318
Third-party software and services	14,164	7,134	4,347	2,781
Computer hardware and infrastructure	4,266	949	1,471	(174)
Logistics and other outsourcing	1,284	611	820	419
Other sales	246	92	229	60
	75,362	36,199	57,109	29,404

Sales revenues by sectors	6 months ended 30 June 2016	3 months ended 30 June 2016	6 months ended 30 June 2015	3 months ended 30 June 2015
Banking and finance	11,477	5,818	10,563	6,432
General business	32,560	16,847	25,844	13,246
Public institutions	31,325	13,534	20,702	9,726
	75,362	36,199	57,109	29,404

Operating costs

During six months ended 30 June 2016 and the corresponding comparative periods, the operating costs were as follows:

Operating costs	6 months ended 30 June 2016	3 months ended 30 June 2016	6 months ended 30 June 2015	3 months ended 30 June 2015
Cost of goods, materials and third-party services sold	(15,216)	(7,004)	(4,683)	(1,932)
Employee benefits	(32,516)	(16,351)	(28,282)	(14,797)
Depreciation and amortization	(1,997)	(1,016)	(1,857)	(889)
Third-party services	(12,280)	(5,472)	(10,639)	(6,242)
Other	(7,220)	(3,414)	(5,462)	(2,634)
	(69,229)	(33,257)	(50,923)	(26,494)
Costs of sales	(56,159)	(26,675)	(40,713)	(21,121)
Selling costs	(6,484)	(3,256)	(4,772)	(2,386)
General administrative expenses	(6,586)	(3,326)	(5,438)	(2,987)
	(69,229)	(33,257)	(50,923)	(26,494)

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In the period of six months ended 30 June 2016 other costs comprise mainly: property maintenance costs and costs of company vehicles in the amount of EUR 4,385 thousand, costs of advertising in the amount of EUR 1,291 thousand and costs of domestic and international business trips in the amount of EUR 857 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 6) and in intangible assets (note 7):

	6 months ended 30 June 2016	6 months ended 30 June 2015
Depreciation of fixed assets resulting from movement table of property, plant and equipment	(872)	(730)
Amortisation of intangible assets resulting from the movement table of intangible assets	(1,125)	(1,128)
Depreciation decrease as a result of grants	-	1
Total depreciation and amortization presented in the operating costs	(1,997)	(1,857)

2. Financial income and expenses

During six months ended 30 June 2016 and the corresponding comparative periods, the financial income and expenses were as follows:

Financial income	6 months ended 30 June 2016	3 months ended 30 June 2016	6 months ended 30 June 2015	3 months ended 30 June 2015
Interest income on loans granted, debt securities and bank deposits	111	57	104	40
Other interest income	1	1	3	2
Gain on foreign exchange differences	5	(1)	20	(59)
Gain on revaluation of financial derivatives	2	2	105	92
Total financial income	119	59	232	75

Financial expenses	6 months ended 30 June 2016	3 months ended 30 June 2016	6 months ended 30 June 2015	3 months ended 30 June 2015
Interest expense on bank credits, loans, debt securities (-)	(17)	(9)	(23)	(10)
Interest expense on financial leases (-)	(7)	(4)	(3)	(3)
Bank fees and charges (-)	(8)	(2)	(1)	-
Loss on foreign exchange differences (-)	(49)	(23)	(72)	(6)
Loss on revaluation of financial derivatives (-)	(11)	(3)	(99)	(15)
Cost directly connected with acquisition of subsidiaries	-	-	(35)	(35)
Total financial expenses	(92)	(41)	(233)	(69)

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 2016	3 months ended 30 June 2016	6 months ended 30 June 2015	3 months ended 30 June 2015
Current portion of corporate income tax and prior years adjustments	(1,135)	(478)	(1,689)	(1,102)
Deferred income tax	(589)	(344)	(176)	217
Income tax expense as disclosed in the profit and loss account	(1,724)	(822)	(1,865)	(885)

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 be able to utilise the deferred tax assets in the amount of EUR 1,069 thousand as at 30 June 2016 (EUR 1,424 thousand as at 31 December 2015 and EUR 1,471 thousand as at 30 June 2015).

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.

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

	6 months ended 30 June 2016	3 months ended 30 June 2016	6 months ended 30 June 2015	3 months ended 30 June 2015
Net profit attributable to Shareholders of the Parent Company	4,760	2,431	4,823	2,226
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	0.22	0.11	0.23	0.10

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 2016 and in six months ended 30 June 2015 the Parent Company paid out to its shareholders a dividend for the year 2015 and 2014, respectively.

By decision of the Ordinary General Meeting of Shareholders of Asseco Central Europe, a. s., the amount of EUR 11,107,200 from net profit for the year 2015 was allocated to payment of a dividend of EUR 0.52 per share and the amount of EUR 678,960.98 remained in retained earnings. The payment date was 19 April 2016.

By decision of the Ordinary General Meeting of Shareholders of Asseco Central Europe, a. s., the amount of EUR 10,039,200 from net profit for the year 2014 was allocated to payment of a dividend of EUR 0.47 per share and the amount of EUR 6,460,103.57 remained in retained earnings. The payment dates were 28 April 2015 and 5 June 2015.

6. Property, plant and equipment

The net book value of property, plant and equipment, during the period of six months ended 30 June 2016 and in the comparative period, changed as a result of the following transactions:

	6 months ended 30 June 2016	6 months ended 30 June 2015
Net book value of property, plant and equipment as at 1 January	4,191	3,776
Increases, of which:	1,044	783
Purchases and modernization	1,036	780
Obtaining control over subsidiaries	1	-
Other	7	3
Decreases, of which:	(876)	(759)
Depreciation charges for the reporting period	(872)	(730)
Disposal and liquidation	(4)	(29)
Exchange differences on translation of foreign operations	(7)	33
Net book value of property, plant and equipment, as at 30 June	4,352	3,833

As at 30 June 2016, 31 December 2015 and 30 June 2015, no tangible assets served as collateral for credit facilities.

7. Intangible assets

The net book value of intangible assets, during the period of six months ended 30 June 2016 and in the comparative period, changed as a result of the following transactions:

	6 months ended 30 June 2016	6 months ended 30 June 2015
Net book value of intangible assets, as at 1 January	9,027	10,587
Increases, of which:	398	51
Purchases	124	51
Capitalization of the costs of research and development projects	274	-
Decreases, of which:	(1,125)	(1,128)
Amortisation charges for the reporting period	(1,125)	(1,128)
Exchange differences on translation of foreign operations	(3)	18
Net book value of intangible assets, as at 30 June	8,297	9,528

As at 30 June 2016, 31 December 2015 and 30 June 2015, no intangible assets served as security for bank loans.

8. 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 2016	31 Dec. 2015	30 June 2015
Segment Asseco Central Europe			
Asseco Central Europe (Slovakia)	1,075	1,075	1,075
Asseco Central Europe (Czech Republic)	14,873	14,934	14,806
Exe	1,678	1,678	-
InterWay	2,135	2,135	-
Segment Asseco Solutions			
Asseco Solutions (Slovakia)	7,647	7,647	7,647
Asseco Solutions (Germany)	16,706	16,706	16,706
Asseco Solutions (Czech Republic)	6,615	6,641	6,585
Segment Other			
GlobeNet	1,758	1,764	1,771
Statlogics	4,703	4,719	4,734
Total	57,190	57,299	53,324

Movements in the carrying amount of goodwill during six months ended 30 June 2016 were only due to translation differences related to foreign operations.

Movements in the carrying amount of goodwill during six months ended 30 June 2015 were only due to translation differences related to foreign operations.

9. Impairment testing

Both as at 30 June 2016 and during six months ended 30 June 2016, 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 2016 the Board of Directors of the Parent Company performed a review of assumptions adopted for the impairment test performed as at 31 December 2015 and concluded that:

- the real discount rate applicable in determining the present value of expected future cash flows (i.e. the estimated weighted average cost of capital) as at 30 June 2016 would not surpass the level of respective residual rates for those cash-generating units which were estimated as a part of sensitivity analysis of the impairment tests' results carried out as at 31 December 2015;
- cash flows of individual cash-generating units, as applied in the value-in-use model prepared as at 31 December 2015, were based on their 2016 annual budgets. Apart from the actual execution of such budgets by individual companies for the period of 6 months ended 30 June 2016 do not point any impairment indicators. However the performed impairment test for the period based on reassessed assumptions used as at 31 December 2015 and concluded that the underperformance of the units during first 6 months of 2016 does not pose any risk for impairment.

With regard to the above, there is a substantial surplus of the value in use of identified cash-generating units over their carrying value. Hence, it was deemed unnecessary to perform an interim impairment tests.

10. Financial assets

Loans granted and other financial assets

	30 June 2016	31 Dec. 2015	30 June 2015
Non-current loans, of which:	197	4	21
<i>loans granted to related parties</i>	175	-	-
<i>loans granted to employees</i>	22	4	21
Financial assets available for sale	3	3	3
	200	7	24
Current loans, of which:	3,812	3,564	419
<i>loans granted to related parties</i>	135	38	-
<i>loans granted to employees</i>	11	9	2
<i>other</i>	3,666	3,517	417
Current financial assets at fair value	-	4	17
	3,812	3,568	436

Under category other loans there are presented bills of exchange of J&T Private Equity B.V in total amount of EUR 3,666 thousand (maturity up to 4/2017, interest rate 3.2%- 6.3%). 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.

11. Non-current and current prepayments

As at 30 June 2016 and in the comparable period, the Group held the following prepayments:

	30 June 2016	31 Dec. 2015	30 June 2015
<i>Non-current</i>			
Other prepayments	139	68	7
	139	68	7
<i>Current</i>			
Pre-paid maintenance services	5,136	4,151	2,301
Pre-paid licence fees	1,270	102	58
Pre-paid insurance	133	90	130
Pre-paid rents and pre-paid operating lease payments	20	36	12
Pre-paid consultancy services	-	16	-
Subscriptions and other pre-paid services	354	193	79
Other prepayments	101	2	139
	7,014	4,590	2,719

12. Non-current and current receivables

Non-current receivables

Non-current receivables	30 June 2016	31 Dec. 2015	30 June 2015
Trade receivables, of which:	-	-	127
<i>Receivables from related companies</i>	-	-	-
<i>Receivables from other companies</i>	-	-	127
Deposits paid	419	435	354
Revaluation write-down (-)	-	-	-
	419	435	481

Non-current receivables were not pledge as collateral for any bank guarantees (of due performance of contracts and tender deposits) neither at 30 June 2016, 31 December 2015 nor at 30 June 2015.

Current receivables

Trade accounts receivable	30 June 2016	31 Dec. 2015	30 June 2015
Invoiced trade receivables, of which:	27,296	39,618	24,708
<i>Receivables from related companies</i>	222	393	80
<i>Receivables from other companies</i>	27,074	39,225	24,628
Receivables from valuation of long-term IT contracts (PoC valuation), of which:	4,148	1,540	6,279
<i>Receivables from related companies</i>	47	-	-
<i>Receivables from other companies</i>	4,101	1,540	6,279
Receivables from uninvoiced deliveries, of which:	521	427	91
<i>Receivables from related companies</i>	-	-	-
<i>Receivables from other companies</i>	521	427	91
Revaluation write-down on doubtful accounts receivable(-)	(2,255)	(2,258)	(1,975)
	29,710	39,327	29,103

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.

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.

As at 30 June 2016, 31 December 2015 and 30 June 2015 there were no receivables and future receivables that were pledged as collateral for credit facilities.

Transactions with related parties are presented in note 19 to these interim condensed consolidated financial statements.

Receivables from state and local budgets and other receivables	30 June 2016	31 Dec 2015	30 June 2015
Receivables from state and local budgets			
Social Insurance Institution	-	10	12
Value added tax	234	150	90
Other	1	-	21
	235	160	123
Corporate income tax (CIT)	922	1,107	1,570
Other receivables			
Receivables from deposits paid and guarantees of due performance of contracts	425	406	794
Other receivables	202	561	183
Revaluation write-down on other doubtful receivables (-)	(76)	(76)	(38)
	551	891	939

13. Cash and cash equivalents

	30 June 2016	31 Dec. 2015	30 June 2015
Cash at bank	32,030	40,144	22,481
Cash on hand	131	112	49
Current deposits	50	3,950	7,449
Cash equivalents	19	20	20
Total cash and cash equivalents as disclosed in the statement of financial position	32,230	44,226	29,999
Bank overdrafts which form an integral part of an entity's cash management	(2,004)	(951)	(785)
Total cash and cash equivalents as disclosed in the cash flow statement	30,226	43,275	29,214

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.

Current deposits did not serve as collateral for any bank guarantees (of due performance of contracts and tender deposits) neither at 30 June 2016, 31 December 2015 nor at 30 June 2015.

14. Non-current and current financial liabilities

Non-current	30 June 2016	31 Dec. 2015	30 June 2015
Liabilities due to acquisition of shares in subsidiaries (put options)	4,185	4,185	1,000
Finance lease liability	28	30	7
	4,213	4,215	1,007

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Current	30 June 2016	31 Dec. 2015	30 June 2015
Liabilities due to dividend payment	-	12	12
Finance lease liability	24	54	31
Liabilities due to acquisition of shares (deferred payments)	980	806	323
Other financial liabilities	309	1,216	765
	1,313	2,088	1,131

Non-current financial liabilities due to acquisition of shares in subsidiaries (put options) relate to:

- the put option granted to Mr. Markus Haller, who holds 25% of the share capital of Asseco Solutions GmbH. Under the agreement signed on 4 December 2014 by Asseco Solutions AG, Mr. Haller may exercise the put option upon the termination of his employment as managing director of the company. The purchase price shall be equal the amount of EUR 2.6 million, however in the case that Mr. Haller himself cancels his function as chairman of the management board, the price shall be EUR 1 million. According to the best knowledge and belief of the Board of Directors there are no plans or intentions to terminate the contract with Mr. Haller, therefore at the end of the reporting period, the Group has measured the financial liability at the amount of EUR 1 million. The Company does not expect the put option to be exercised in next financial year.
- the put liability granted to non-controlling interests in InterWay in the amount of EUR 3,185 thousand. Put option may be exercised either in April 2018 or in April 2019.

Liabilities due to acquisition of shares relate mainly to the deferred payments for shares in acquired subsidiary - exe, a.s. in the amount of EUR 480 thousands and deferred payment for shares in acquired associate - LittleLane, a.s in the amount of EUR 175 thousand.

Other financial liabilities are presented at amortized cost and mainly consist of EUR 300 thousands liabilities to IBM Slovensko, s. r. o. for financing the purchase of hardware delivered to Ministry of Interior.

15. Interest-bearing bank credits and debt securities issued

Short-term credit facilities	Name of entity	Maximum debt as at 30 June 2016	Effective interest rate %	Currency	Date of maturity	30 June 2016	31 Dec. 2015	30 June 2015
Overdraft	Asseco Solutions AG	1,000	EONIA +2.5%	EUR	-	-	-	-
Overdraft	Asseco Solutions AG	1,000	3M EURIBOR + 6%	EUR	-	-	-	-
Overdraft	DanubePay	-	EONIA+1.2%	EUR	-	-	951	785
Overdraft	DanubePay	2,000	2%	EUR	-	1,415	-	-
Overdraft	InterWay	1,000	1M EURIBOR + 1.99%	EUR	-	7	-	-
Overdraft	Exe	1,000	1M EURIBOR + 1.4%	EUR	31.07.2016	582	-	-
Overdraft	Asseco Solution SK	1,000	1M EURIBOR + 2.5%	EUR	31.12.2016	-	-	-
		7,000				2,004	951	785

Additionally, as at 30 June 2016 Asseco Bel LLC had a loan in the amount of EUR 7 thousand which has been granted by Asseco Poland S.A.

As at 30 June 2016 the total funds available to the Asseco Central Europe Group under credit facilities opened in the current accounts reached the level of EUR 7,000 thousand.

As at 30 June 2016, 31 December 2015 and 30 June 2015 no assets served as collateral for credit facilities.

16. Non-current and current provisions

During the period of six months ended 30 June 2016, the following changes in provisions were observed:

	Provision for warranty repairs	Provision for loss on long-term IT contracts (PoC valuation)	Other provisions	Total
As at 1 January 2016	650	184	315	1,149
Created during the reporting period (+)	-	45	58	103
Used or reversed during the reporting period (-)	(288)	(42)	(184)	(514)
Exchange differences on translation of foreign operations (+/-)	-	(1)	(1)	(2)
As at 30 June 2016	362	186	188	736
Current as at 30 June 2016	362	186	173	721
Non-current as at 30 June 2016	-	-	15	15

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	Provision for loss on long-term IT contracts (PoC valuation)	Other provisions	Total
As at 1 January 2015	1,148	41	979	2,168
Acquisitions of subsidiaries (+)	-	-	3	3
Created during the reporting period (+)	1,268	154	163	1,585
Used or reversed during the reporting period (-)	(1,772)	(12)	(849)	(2,633)
Exchange differences on translation of foreign operations (+/-)	6	1	19	26
As at 31 December 2015	650	184	315	1,149
Current as at 31 December 2015	650	184	297	1,131
Non-current as at 31 December 2015	-	-	18	18

	Provision for warranty repairs	Provision for loss on long-term IT contracts (PoC valuation)	Other provisions	Total
As at 1 January 2015	1,148	41	979	2,168
Created during the reporting period (+)	549	138	58	745
Used or reversed during the reporting period (-)	(1,328)	-	(539)	(1,867)
Exchange differences on translation of foreign operations (+/-)	3	1	13	17
As at 30 June 2015	372	180	511	1,063
Current as at 30 June 2015	372	180	496	1,048
Non-current as at 30 June 2015	-	-	15	15

17. Trade and other payables

As at 30 June 2016 and in the comparative periods, the Group had the following liabilities:

Current trade payables	30 June 2016	31 Dec. 2015	30 June 2015
Invoiced current trade payables, of which:	11,166	24,748	4,353
<i>To related companies</i>	44	70	-
<i>To other companies</i>	11,122	24,678	4,353
Liabilities relating to valuation of IT contracts, of which:	544	3,200	783
<i>To related companies</i>	-	-	-
<i>To other companies</i>	544	3,200	783
Liabilities due to non-invoiced deliveries, of which:	4,326	4,433	3,478
<i>To related companies</i>	-	-	-
<i>To other companies</i>	4,326	4,433	3,478
	16,036	32,381	8,614

Trade payables are not interest-bearing. The transactions with related companies are presented in note 19 to these interim condensed consolidated financial statements.

Liabilities to the state and local budgets and other liabilities	30 June 2016	31 Dec. 2015	30 June 2015
Liabilities to the state and local budgets			
Social Insurance Institution	1,465	1,503	1,243
Personal income tax (PIT)	647	801	558
Value added tax	1,373	2,869	1,162
Other	13	21	12
	3,498	5,194	2,975
Corporate income tax (CIT)	248	559	174
Other current liabilities			
Liabilities to employees relating to salaries and wages	1,948	2,331	1,690
Trade prepayments received	7	29	13
Other liabilities	206	139	608
	2,161	2,499	2,311

Other liabilities are not interest-bearing.

18. Accrued expenses and deferred income

Accrued expenses comprise 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.

Current accrued expenses	30 June 2016	31 Dec. 2015	30 June 2015
Accrual for unused holiday leaves	2,581	1,619	2,228
Accrual for the employee bonuses and severance payments	3,049	4,231	2,636
	5,630	5,850	4,864

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.

Non-current deferred income	30 June 2016	31 Dec. 2015	30 June 2015
Maintenance services	143	73	-
	143	73	-

Current deferred income	30 June 2016	31 Dec. 2015	30 June 2015
Maintenance services	10,416	5,287	8,687
Licence fees	136	6	47
Implementations	450	167	320
Other	53	13	16
	11,055	5,473	9,070

19. Transactions with related parties

Asseco Central Europe Group sales to related parties:		6 months ended	6 months ended
Name of entity	Transaction type	30 June 2016	30 June 2015
Transactions with Asseco Poland S.A.			
Asseco Poland S.A.	<i>sales of IT services and licences</i>	100	117
		100	117
Transactions with related companies			
Matrix42 AG	<i>sales of IT services and licences</i>	-	8
		-	8
Transactions with associates			
První certifikační autorita. a.s.	<i>sales of IT services and licences</i>	-	2
eDocu, a.s.	<i>sales of IT services and licences</i>	26	-
SCS Smart Connected Solutions GmbH	<i>sales of IT services and licences</i>	174	-
		200	2
Transactions with entities related through Group's key management personnel			
Nowire, s.r.o. ¹⁾	<i>sales of IT services and licences</i>	4	-
		4	-
Transactions with Members of the Board of Directors, Supervisory Board and Proxies of other Group's companies			
Mariusz Lizon ²⁾	<i>lease of tangible assets</i>	9	9
Aleksander Duch ³⁾	<i>consultancy services</i>	6	-
		15	9
TOTAL		319	136

¹⁾ In the period of six months ended 30 June 2016, Richard Weber - proxy in InterWay, served as the partner and management board member in Nowire, s.r.o.

²⁾ In the period of six months ended 30 June 2016 as well as in the comparative period, Mariusz Lizon was Member of the Management Board of Asseco Business Solutions S.A.

³⁾ In the period of six months ended 30 June 2016, Aleksander Duch was a member of the management board of Asseco Western Europe S.A., member of the supervisory board of the Asseco Solutions a.s (Slovakia), and Asseco Solutions AG (Germany).

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF
ASSECO CENTRAL EUROPE GROUP FOR 6 MONTHS ENDED 30 JUNE 2016

Asseco Central Europe Group purchases from related parties:		6 months ended	6 months ended
Name of entity	Transaction type	30 June 2016	30 June 2015
Transactions with Asseco Poland S.A.			
Asseco Poland S.A.	<i>purchase of IT services</i>	54	33
		54	33
Transactions with related companies			
Matrix42 AG	<i>purchase of general and administrative services</i>	-	17
Asseco SEE (Croatia)	<i>purchase of IT services</i>	1	1
Asseco SEE (Serbia)	<i>purchase of IT services</i>	-	2
Asseco SEE (Turkey)	<i>purchase of IT services</i>	-	9
		1	29
Transactions with associates			
SCS Smart Connected Solutions GmbH	<i>purchase of IT services</i>	6	-
		6	-
Transactions with entities related through Group's key management personnel			
PaR Solutions, s.r.o.	<i>purchase of IT services</i>	232	-
		232	-
Transactions with other related parties			
Aleksander Duch	<i>purchase of consultancy services</i>	38	-
		38	-
TOTAL		331	62

	Trade receivables and other receivables as at		Trade payables and other liabilities as at	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
Transactions with Parent Company				
Asseco Poland S.A.	75	80	1	-
	75	80	1	-
Transactions with related companies				
Asseco SEE (Turkey)	-	-	37	-
Asseco SEE (Serbia)	-	-	-	2
	-	-	37	2
Transactions with associates:				
eDocu, a.s.	31	-	-	-
SCS Smart Connected Solutions GmbH	162	-	6	-
LittleLane, a.s.	-	-	175	-
	193	-	181	-
Transactions with entities related through Group's key management personnel				
Nowire, s.r.o.	1	-	-	-
	1	-	-	-
Transactions with other related parties				
	-	-	1,000	1,000
TOTAL	269	80	1,219	1,002

20. 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 2016	30 June 2015
Change in inventories	(130)	(328)
Change in receivables	16,542	2,916
Change in liabilities	(26,051)	(10,050)
Change in prepayments and deferred income	3,062	3,996
Change in provisions	(411)	(1,314)
	(6,988)	(4,780)

Cash flows – investing activities

In the period of six months ended 30 June 2016, 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 964 thousand, purchases of intangible assets for EUR 123 thousand.
- Dividends received from associates in the amount of EUR 205 thousand.
- Under the positions “Loans collected” and “Loans granted” are presented mainly the cash flows related to bills of exchange of J&T Private Equity B.V.

Cash flows – financing activities

In the period of six months ended 30 June 2016, 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 11,107 thousand.
- Dividend paid to non-controlling interests in the amount of EUR 309 thousand.

21. Commitments and contingencies in favour of related parties

As at 30 June 2016, guarantees and sureties issued by and for Asseco Central Europe, a. s. (SK) in favour of related parties were as follows:

- DanubePay a. s. (subsidiary) was granted a guarantee of EUR 2,000 thousand to secure its liabilities towards Slovenská sporiteľňa, a.s. under a framework credit agreement.

As at 30 June 2015, guarantees and sureties issued by and for Asseco Central Europe, a. s. (SK) in favour of related parties were as follows:

- DanubePay a. s. (subsidiary) was granted a guarantee of EUR 1,000 thousand to secure its liabilities towards Komerční banka under a framework credit agreement.

22. Commitments and contingent liabilities to other entities

As at 30 June 2016, guarantees and sureties issued by and for the Group were as follows:

- Asseco Central Europe a. s. uses a bank guarantee issued by Komerční banka a.s. of EUR 300 thousand to secure its obligations towards Ministerstvo dopravy, výstavby a regionálneho rozvoja. (guarantee is effective up to 31 December 2016).
- Asseco Central Europe a. s. (Czech Republic) uses a bank guarantee issued by ČSOB, a. s. of 1,000 thousand CZK to secure its obligations towards public offering procurer (the guarantee is effective up to 1 July 2016).
- Asseco Solutions AG (Germany) uses a bank guarantees of EUR 173 thousand to secure the rent of an office building and the performance of the IT contracts.

As at 30 June 2015, guarantees and sureties issued by and for the Group were as follows:

- Asseco Central Europe a. s. (Slovak Republic) uses a bank guarantees issued by Komerční banka a. s. of EUR 908 thousand to secure its obligations towards various public offering procurers (guarantees are effective up to 31 December 2015).
- Asseco Central Europe a. s. (Czech Republic) uses a bank guarantees issued by Unicredit Bank Czech Republic and Slovakia, a. s. of EUR 1,085 thousand to secure its obligations towards various public offering procurers (guarantees are effective up to 31 December 2015).

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 2016	31 Dec. 2015	30 June 2015
Liabilities under lease of space			
In the period up to 1 year	3,972	3,835	2,826
In the period from 1 to 5 years	10,604	10,403	8,141
In the period over 5 years	2,385	2,567	418
	16,961	16,805	11,385
Liabilities under operating lease of property, plant and equipment			
in the period shorter than 1 year	709	578	494
in the period from 1 to 5 years	630	430	415
in the period longer than 5 years	-	-	-
	1,339	1,008	909

23. Employment

Average Group's workforce in the reporting period*	6 months ended 30 June 2016	12 months ended 31 Dec. 2015	6 months ended 30 June 2015
Management Board of the Parent Company	4	4	4
Management Boards of the Group companies	19	15	12
Production departments	1,257	1,178	1,125
Direct sales departments	116	101	86
Indirect sales departments	29	20	20
Back-office departments	180	167	171
Total	1,605	1,485	1,418

*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 2016	31 Dec. 2015	30 June 2015
Management Board of the Parent Company	4	4	4
Management Boards of the Group companies	19	20	12
Production departments	1,318	1,278	1,159
Direct sales departments	118	120	90
Indirect sales departments	35	23	23
Back-office	210	195	188
Total	1,704	1,640	1,476

Number of employees in the Group companies as at	30 June 2016	31 Dec. 2015	30 June 2015
Asseco Central Europe, a.s. (Slovakia)	403	399	388
Asseco Central Europe, a.s. (Czech Republic)	241	247	252
Asseco Berit AG	7	7	7
Asseco Berit GmbH	17	16	16
Asseco Solutions Group (Czech Republic)	314	321	314
Asseco Solutions Group (Slovakia)	186	167	164
Asseco Solutions Group (Germany)	225	206	192
DanubePay, a.s.	37	32	25
Asseco Hungary Zrt.	-	2	2
GlobeNet Zrt.	51	47	47
Statlogics Zrt.	81	70	69
InterWay, a.s.	88	76	-
exe, a.s.	50	50	-
Asseco Bel LLC	4	-	-
	1,704	1,640	1,476

24. Seasonal and cyclical nature of business

The Group's activities are subject to seasonality in terms of uneven distribution of turnover in individual quarters of the year. Because 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.

25. Significant events after the balance sheet date

On 22 June 2016 Asseco Solutions (SK) signed an agreement for acquisition of additional 35% interest in Axera, s. r. o. (SK), effective from 1 July 2016. As a result of that transaction Asseco Solutions increased its interests in Axera from 50% to 85% and obtained control over that company.

On 29 June 2016 Asseco Central Europe, a.s. (Slovakia) signed an agreement for acquisition of additional 49% interest in Asseco Hungary Zrt., effective from 8 July 2016. As a result of that transaction Asseco Central Europe increased its interests in Asseco Hungary from 51% to 100%.

On 30 June 2016 the merger of GlobeNet Zrt. and Statlogics Zrt. was registered, effective from 1 July 2016. The remaining company – Globenet changed its name for Asseco Central Europe Magyarország Zrt.

Apart from the mentioned above, until the date of preparing these interim condensed consolidated financial statements, i.e. 4 August 2016, no significant events and transactions occurred that might have an impact on the interim condensed consolidated financial statements.

26. 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 2016, no significant events related to prior years occurred that might have an impact on the interim condensed consolidated financial statements.

**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 2016 and the related interim profit and loss account, statement of comprehensive income, changes in equity and cash flows for the six 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 do not give a true and fair view of the financial position of the Group as of 30 June 2016 and of its financial performance and its cash flows for the six months period then ended in accordance with IAS 34.

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

4 August 2016
Bratislava, Slovak Republic



Interim Condensed Financial Statements

FOR THE 6 MONTHS ENDED 30 JUNE 2016

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

4 August 2016

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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 4 August 2016.

Jozef Klein Chairman of the Board

Marek Grác Vice-Chairman of the Board

David Stoppani Member of the Board

Branislav Tkáčik Member of the Board

Person responsible for maintaining the accounting books:

Zuzana Nemcová Chief Accountant

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

		6 months ended 30 June 2016	3 months ended 30 June 2016	6 months ended 30 June 2015	3 months ended 30 June 2015
	Note				
Sales revenues		20,335	9,066	23,589	12,457
Cost of sales (-)		(15,538)	(6,893)	(17,714)	(9,394)
Gross profit on sales		4,797	2,173	5,875	3,063
Selling expenses		(318)	(153)	(194)	(99)
General administrative expenses		(1,417)	(724)	(1,475)	(988)
Net profit on sales		3,062	1,296	4,206	1,976
Other operating income		44	26	30	15
Other operating expenses		(53)	(27)	(26)	(11)
Operating profit		3,053	1,295	4,210	1,980
			-		
Financial income	<u>1</u>	5,234	69	6,080	1,485
Financial expenses		(29)	(13)	(32)	(21)
Pre-tax profit		8,258	1,351	10,258	3,444
Corporate income tax (current and deferred portions)	<u>2</u>	(690)	(273)	(1,013)	(507)
Net profit for the period reported		7,568	1,078	9,245	2,937
Earnings per share attributable to Shareholders of Asseco Central Europe, a. s. (in EUR):					
<i>Basic earnings per share from continuing operations for the reporting period</i>					
		0.35	0.05	0.43	0.14
<i>Diluted earnings per share from continuing operations for the reporting period</i>					
		0.35	0.05	0.43	0.14

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

	6 months ended 30 June 2016	3 months ended 30 June 2016	6 months ended 30 June 2015	3 months ended 30 June 2015
Net profit for the reporting period	7,568	1,078	9,245	2,937
Total other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	7,568	1,078	9,245	2,937

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

ASSETS	Note	30 June 2016	31 Dec. 2015	30 June 2015
<hr/>				
Non- current assets		87,957	88,600	83,784
<hr/>				
Property, plant and equipment		881	811	850
Intangible assets		5,325	6,055	6,787
Investments in subsidiaries	<u>6</u>	80,545	80,544	74,950
Investments in associates	<u>6</u>	685	430	430
Deferred income tax assets		521	760	767
<hr/>				
Current assets		33,056	46,443	39,008
<hr/>				
Inventories		1	-	-
Deferred expenses		2,063	2,019	660
Trade accounts receivable		13,272	17,949	22,385
Corporate income tax	<u>2</u>	408	911	366
Other receivables		251	93	86
Loans granted	<u>3</u>	2,771	2,520	2,653
Other financial assets	<u>4</u>	3,666	3,521	425
Cash and short-term deposits		10,624	19,430	12,433
<hr/>				
TOTAL ASSETS		121,013	135,043	122,792
<hr/>				

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

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	30 June 2016	31 Dec. 2015	30 June 2015
Shareholders' equity				
Share capital		709	709	709
Share premium		74,901	74,901	74,901
Retained earnings		34,758	38,297	35,756
Total shareholders' equity		110,368	113,907	111,366
Current liabilities				
		10,645	21,136	11,426
Trade accounts payable		4,441	13,041	5,300
Liabilities to the State budget		1,030	1,976	1,104
Financial liabilities	z	964	1,696	765
Other liabilities		610	902	1,172
Provisions	g	14	54	291
Accrued expenses		1,906	2,658	1,689
Deferred income		1,680	809	1,105
TOTAL LIABILITIES		10,645	21,136	11,426
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		121,013	135,043	122,792

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

	Share capital	Share premium	Retained earnings	Total shareholders' equity
As at 1 January 2016	709	74,901	38,297	113,907
Net profit for the period				
<i>TOTAL COMPREHENSIVE INCOME</i>	-	-	7,568	7,568
Dividend for the year 2015	-	-	(11,107)	(11,107)
As at 30 June 2016 (not audited)	709	74,901	34,758	110,368
As at 1 January 2015	709	74,901	36,550	112,160
Net profit for the period				
<i>TOTAL COMPREHENSIVE INCOME</i>	-	-	11,786	11,786
Dividend for the year 2014	-	-	(10,039)	(10,039)
As at 31 December 2015 (audited)	709	74,901	38,297	113,907
As at 1 January 2015	709	74,901	36,550	112,160
Net profit for the period			9,245	9,245
<i>TOTAL COMPREHENSIVE INCOME</i>			9,245	9,245
Dividend for the year 2014			(10,039)	(10,039)
As at 30 June 2015 (not audited)	709	74,901	35,756	111,366

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

	Note	6 months ended 30 June 2016	6 months ended 30 June 2015
Cash flows - operating activities			
Pre-tax profit		8,258	10,258
Total adjustments:		-	-
Depreciation and amortization		929	929
Changes in working capital	<u>10</u>	(6,180)	(9,047)
Interest income and expense		(124)	(120)
Gain on foreign exchange differences		7	5
Gain on investing activities		(5,098)	(5,960)
Other		(2)	(11)
Net cash generated from operating activities		(2,210)	(3,946)
Corporate income tax paid		52	(2,270)
Net cash provided by (used in) operating activities		(2,158)	(6,216)
Cash flows - investing activities			
Disposal of tangible fixed assets and intangible assets		-	32
Acquisition of tangible fixed assets and intangible assets		(197)	(163)
Acquisition/settlement of financial assets at fair value through profit or loss		(3)	-
Acquisition of subsidiary companies	<u>6</u>	-	(35)
Acquisition of associates	<u>6</u>	(75)	-
Proceeds from sale of financial assets at fair value through profit or loss		6	13
Loans granted	<u>3,4</u>	(3,531)	(3,684)
Loans collected	<u>4</u>	3,217	5,950
Interest received		115	65
Dividends received	<u>1</u>	4,927	5,955
Net cash provided by (used in) investing activities		4,459	8,133
Cash flows - financing activities			
Dividends paid to shareholders of the parent entity	<u>5</u>	(11,107)	(10,039)
Net cash provided by (used in) financing activities		(11,107)	(10,039)
Increase (decrease) in cash and cash equivalents		(8,806)	(8,122)
Cash and cash equivalents as at 1 January		19,430	20,555
Cash and cash equivalents as at 30 June		10,624	12,433

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 S.A. (the higher-level parent company). As at 30 June 2016, 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 2016 and contain comparative data for the period of 6 months ended 30 June 2015 in case of the interim condensed profit and loss account, interim condensed statement of other comprehensive income and interim condensed cash flows; and comparative data as at 31 December 2015 and 30 June 2015 in case of the interim condensed 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.

The Company prepares consolidated financial statements of the Asseco Central Europe Group in accordance with International Financial Reporting Standards ("IFRS") endorsed by the European Union for the for 6 month period ended 30 June 2016 and comparative period which were published on 4 August 2016.

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 2016 and 4 August 2016 (date of publication):

Board of Directors	Period	Supervisory Board	Period
Jozef Klein	01.01.2016-30.06.2016	Adam Góral	01.01.2016-30.06.2016
Marek Grác	01.01.2016-30.06.2016	Andrej Košári	01.01.2016-30.06.2016
David Stoppani	01.01.2016-30.06.2016	Ján Handlovský	01.01.2016-30.06.2016
Branislav Tkáčik	01.01.2016-30.06.2016	Marek Panek	01.01.2016-30.06.2016
		Przemysław Sęczkowski	01.01.2016-30.06.2016

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 2016 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 2015 published on 19 February 2016.

3. Significant accounting judgements, estimates and assumptions

Preparing financial statements in accordance with IFRS requires making judgments, estimates and assumptions which affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. 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.

Details of the main areas subject to accounting estimates and the management's professional judgement, and whose estimates, if changed, could significantly affect the Company's future results are 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, 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 2016, 31 December 2015 and 30 June 2015, receivables from the valuation of IT

contracts amounted to EUR 2,071 thousand, EUR 195 thousand and EUR 5,662 thousand, respectively, while liabilities due to such valuation of IT contracts equaled to EUR 313 thousand, EUR 2,936 thousand and EUR 676 thousand, respectively.

ii Rates of depreciation and amortization as well as 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 2016 market capitalization of Asseco Central Europe, a. s. amounted to EUR 91,050 thousand.

As at 30 June 2016 the Company did not identify any indicators of impairment thus no impairment testing was performed. Last impairment testing was performed as of 31 December 2015.

iii Fair value

The Company considers three levels of hierarchy to measured the fair value of financial instruments. First level: the fair value of financial instruments which are actively traded on organized financial markets is measured based on quoted market prices. Second level: the fair value of financial instruments for which no quoted market price is available is measured 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. There is no outstanding position of financial instruments at fair value as of 30 June 2016.

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 2015, except for applying following amendments to standards and new interpretations effective for periods beginning on or after 1 January 2016. 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.

Changes resulting from IFRSs contain:

- Annual Improvements to IFRSs 2010-2012 – in EU effective at the latest for financial years beginning on or after 1 February 2015;
- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions – effective for financial years beginning on or after 1 July 2014, in EU effective at the latest for financial years beginning on or after 1 February 2015;
- IFRS 14 Regulatory Deferral Accounts – effective for financial years beginning on or after 1 January 2016; The European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard – not yet endorsed by EU at 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;
- 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;
- Amendments to IAS 27 Equity Method in Separate Financial Statements – effective for financial years beginning on or after 1 January 2016;
- Annual Improvements to IFRSs 2012–2014 - effective for financial years beginning on or after 1 January 2016;
- Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation - effective for financial years beginning on or after 1 January 2016;
- Amendments to IAS 1 Disclosure Initiative – effective for financial years beginning on or after 1 January 2016.

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

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

5. 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 above-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.

6. Change in the applied principles of presentation and changes in the comparative data

There were no changes in the applied principles of presentation and changes in the comparative data.

7. Translation of items expressed in foreign currencies

The functional currency of the Company as well as the reporting currency used in these interim condensed financial statements is 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	As at	As at
	30 June 2016	31 Dec. 2015	30 June 2015
EUR	1.00000	1.00000	1.00000
USD	1.11020	1.08870	1.11890
CZK	27.13100	27.02300	27.25300
GBP	0.82650	0.73395	0.71140
HUF	317.06000	315.98000	314.93000
PLN	4.43620	4.26390	4.19110

III. NOTES TO THE FINANCIAL STATEMENTS

1. Financial income and expenses

Financial income in H1 2016 represents dividends declared in the amount of EUR 5,098 thousands (dividend received in H1 2016 amounted to EUR 4,927 thousands) and interest income in the amount of EUR 124 thousands.

Financial income in H1 2015 represents dividends declared in the amount of EUR 5,960 thousands (dividend received in H1 2015 amounted to EUR 5,955 thousands) and interest income in the amount of EUR 120 thousands.

2. 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 2016	3 months ended 30 June 2016	6 months ended 30 June 2015	3 months ended 30 June 2015
Current portion of corporate income tax and prior years adjustments	(451)	(169)	(1,012)	(762)
Deferred portion of corporate income tax	(239)	(104)	(1)	255
<i>related to occurrence or reversal of temporary differences</i>	(239)	(104)	(1)	255
Income tax expense as disclosed in the profit and loss account, of which:	(690)	(273)	(1,013)	(507)

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.

Reconciliation of the corporate income tax payable on pre-tax profit according to the statutory tax rates with the corporate income tax was computed at the Company's effective tax rate. The amount EUR 1,153 thousands (Non-taxable financial income and non-deductible financial expenses) includes dividends received during the six month period ended 30 June 2016.

	6 months ended 30 June 2016	3 months ended 30 June 2016	6 months ended 30 June 2015	3 months ended 30 June 2015
Pre-tax profit	8,258	1,351	10,258	3,444
Statutory corporate income tax rate	22%	22%	22%	22%
Corporate income tax computed at the statutory tax rate	1,817	297	2,257	758
Non-taxable financial income – dividends	(1,121)	1	(1,311)	(316)
Other non-taxable income and non-deductible expenses	(6)	(29)	12	10
Prior years adjustments to tax calculation	-	4	55	55
Corporate income tax computed at the effective tax rate of 8.36% in H1 2016 and 9.87 % in H1 2015	690	273	1,013	507

All figures in thousands of EUR,
unless stated otherwise

3. Loans granted

Loans granted in the amount of EUR 2,771 thousands (EUR 2,653 thousand as at 30 June 2015) presented as at 30 June 2016 include loan granted to DanubePay, a. s. (principal + interest amounted to EUR 1,836 thousands, interest rate 1M EURIBOR + 1.1% p.a., maturity as at 31 December 2016), loan granted to GlobeNet Zrt. denominated in currency Hungarian Forint (principal + interests amounted to EUR 430 thousand, interest rate 1M BUBOR + 1.5% p.a., maturity as at 31 December 2016), loan granted to Asseco Hungary Zrt. (principal + interests amounted to EUR 307 thousand, interest rate 1M BUBOR + 2.25% p.a., maturity as at 31 December 2016), loan granted to Asseco BEL (principal + interests EUR 63 thousand, interest rate 1M EURIBOR + 2.6% p.a., maturity as at 31 December 2016), loan granted to eDocu (principal + interests amounted to EUR 135 thousand, interest rate 2.5% p.a., maturity as at 31 December 2016).

No impairment indicators were identified in respect of these financial assets.

In H1 2016 the Company provided loans of EUR 35 thousands to DanubePay, EUR 135 thousands to eDocu and EUR 61 thousands to Asseco BEL (cash outflow presented in interim condensed statement of cash flows).

In H1 2015 the Company provided loan of EUR 65 thousands to Asseco Hungary Zrt. (cash outflow presented in interim condensed statement of cash flows).

4. Other financial assets

As at 30 June 2016 the Company owns bills of exchange of J&T Private Equity B.V in total amount of EUR 3,666 thousand (maturity up to 4/2017, interest rate 3.2%- 6.3%).

In H1 2016 the Company purchased bills in amount of EUR 3,300 thousand and collected bills in amount of EUR 3,217 thousand (cash outflow and inflow presented in interim condensed statement of cash flows).

In H1 2015 the Company purchased bills in amount of EUR 3,619 thousand and collected bills in amount of EUR 5,950 thousand (cash outflow and inflow presented in interim condensed statement of cash flows).

5. Dividends

In March 2016 the Company paid out to its shareholders a dividend for 2015. By decision of the Ordinary General Meeting of Shareholders of Asseco Central Europe, a. s., the amount of EUR 11,107,200 from net profit for the year 2015 was allocated to payment of a dividend of EUR 0.52 per share and the amount of EUR 678,960.98 remained in retained earnings.

In March 2015 the Company paid out to its shareholders a dividend for 2014. By decision of the Ordinary General Meeting of Shareholders of Asseco Central Europe, a. s., the amount of EUR 10,039,200 from net profit for the year 2014 was allocated to payment of a dividend of EUR 0.47 per share and the amount of EUR 6,460,103.57 remained in retained earnings.

6. Investment in subsidiaries and associates

	30 June 2016	31 Dec. 2015	30 June 2015
Subsidiaries			
Asseco Solutions, a. s.	9,295	9,295	9,295
Asseco Solutions AG	13,802	13,802	13,802
DanubePay, a. s.	15	15	15
Asseco Central Europe a. s., Czech Republic	34,986	34,986	34,986
Asseco Hungary Zrt.	9	9	9
Statlogics Zrt.	10,818	10,818	10,818
GlobeNet Zrt.	5,990	5,990	5,990
exe, a.s.	2,413	2,413	-
InterWay, a.s.	3,216	3,216	35
Asseco Bel	1	-	-
Total	80,545	80,544	74,950

The Company regularly undergoes assessment of a presence of impairment indicators in relation to its financial investments in subsidiaries. As at 30 June 2016 the Company did not identify any indicators of impairment, thus no impairment testing was performed.

	30 June 2016	31 Dec. 2015	30 June 2015
Associates			
eDocu	430	430	430
Little Lane	255	-	-
Total	685	430	430

Carrying amount of acquired investment in Little Lane as at 30 June 2016 is EUR 255 thousands, out of which EUR 175 thousands represents deferred payment for shares.

7. Financial liabilities

Financial liabilities in the amount of EUR 964 thousands (as at 31 December 2015 EUR 1,696 thousands and as at 30 June 2015 EUR 765 thousands) are presented at amortized cost and mainly consist of EUR 300 thousands liabilities to IBM Slovensko, s.r.o. for financing purchase of hardware delivered to Ministry of Interior, EUR 175 thousands deferred payment for shares in acquired associate LittleLane, a.s. and deferred payment for shares in acquired subsidiaries exe, a.s. EUR 480 thousands.

8. Current provisions

	Provision for warranty repairs	Other provisions	Total
As at 1 January 2016	54	-	54
Provisions established during the financial year	-	-	-
Provisions reversed (-)			
Provisions utilized (-)	(40)	-	(40)
As at 30 June 2016	14	-	14
Short-term as at 30 June 2016	14	-	14
As at 1 January 2015	669	83	752
Provisions established during the financial year	549	-	549
Provisions reversed (-)	-	-	-
Provisions utilized (-)	(927)	(83)	(1,010)
As at 30 June 2015	291	-	291
Short-term as at 30 June 2015	291	-	291
As at 1 January 2015	669	83	752
Provisions established during the financial year	703	-	703
Provisions reversed (-)	-	(83)	(83)
Provisions utilized (-)	(1,318)	-	(1,318)
As at 31 December 2015	54	-	54
Current as at 30 December 2015	54	-	54

Provision for warranty repairs

Provision for warranty repairs is created for projects, for which Company is obliged to provide warranty repairs and for which is not provided maintenance services.

Expected use of provision for warranty repair is up to September 2016.

Other provisions

The other provision were in 2015 established for the costs of contractual penalties and compensations related to delayed projects.

9. Transactions with related parties

	Asseco Central Europe sales		Asseco Central Europe purchases		Asseco Central Europe receivables as at		Asseco Central Europe liabilities as at	
	to related companies		from related companies		receivables as at		liabilities as at	
	in the period of		in the period of					
	6 months ended	6 months ended	6 months ended	6 months ended	30 June	30 June	30 June	30 June
	30 June	30 June	30 June	30 June	2016	2015	2016	2015
	2016	2015	2016	2015				
Transactions with parent company	5	-	12	2	5	-	-	-
Asseco Poland SA	5	-	12	2	5	-	-	-
Transactions with subsidiaries and associates	829	1,199	1,250	1,679	4,536	6,392	681	369
Asseco Solutions a.s. SR	29	24	26	49	-	29	19	25
Asseco Solutions a.s. ČR	1	1	-	-	-	-	-	-
Asseco Czech Republic a.s.	412	813	1,203	1,522	134	159	658	325
Asseco SEE d.o.o.	-	-	1	-	-	-	-	-
DanubePay, a.s.	341	329	-	-	4,360	5,012	-	-
Globenet Zrt.	7	24	-	-	4	980	-	-
Asseco Hungary Zrt.	-	3	-	54	-	207	-	-
Asseco Berit AG, Switzerland	-	-	-	54	-	-	-	19
Statlogics Zrt.	13	5	-	-	7	5	-	-
Exe, a.s.	-	-	16	-	-	-	-	-
Asseco Solutions AG Germany	-	-	4	-	-	-	4	-
eDocu, a.s.	26	-	-	-	31	-	-	-
Transactions with related companies	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Transactions with other related parties	-	-	-	-	-	-	-	-
TOTAL	834	1,199	1,262	1,681	4,541	6,392	681	369

All transactions with related parties are made at arm's length principle.

10. 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	6 months ended
	30 June 2016	30 June 2015
Change in inventories	(1)	-
Change in receivables	4,611	(5,445)
Change in liabilities	(10,820)	(3,117)
Change in deferred and accrued expenses	75	(24)
Change in provisions	(40)	(461)
Change in other non- financial asset	(5)	-
Total	(6,180)	(9,047)

11. Commitments and contingent liabilities concerning related companies

As at 30 June 2016, guarantees issued for Asseco Central Europe a. s. were as follows:

- Asseco Central Europe a. s. uses a bank guarantee issued by Komerční banka a. s. of EUR 300 thousand to secure its obligations towards Ministerstvo dopravy, výstavby a regionálneho rozvoja. (guarantee is effective up to 31 December 2016);

As at 30 June 2016, guarantees issued by Asseco Central Europe a. s. were as follows:

- DanubePay a. s. (subsidiary) was granted a guarantee of EUR 2,000 thousand to secure its liabilities towards Slovenská sporiteľňa, a.s. under a framework credit agreement.

As at 30 June 2015, guarantees issued for Asseco Central Europe a. s. were as follows:

- Asseco Central Europe a. s. uses a bank guarantees issued by Komerční banka a. s. of EUR 908 thousand to secure its obligations towards various public offering procurers (guarantees are effective up to 15 December 2015);

As at 30 June 2015, guarantees issued by Asseco Central Europe a. s. were as follows:

- DanubePay a. s. (subsidiary) was granted a guarantee of EUR 1,000 thousand to secure its liabilities towards Komerční banka under a framework credit agreement.

As at 31 December 2015, guarantees issued for Asseco Central Europe a. s. were as follows:

- Asseco Central Europe a. s. uses a bank guarantees issued by Komerční banka a. s. of EUR 344 thousand to secure its obligations towards various public offering procurers (guarantees are effective up to 30 June 2016);

As at 31 December 2015, guarantees issued by Asseco Central Europe a. s. were as follows:

- DanubePay a. s. (subsidiary) was granted a guarantee of EUR 1,000 thousand to secure its liabilities towards Komerční banka under a framework credit agreement;

- DanubePay a. s. (subsidiary) was granted a guarantee of EUR 2,000 thousand to secure its liabilities towards Slovenská Sporiteľňa under a framework credit agreement;

12. Significant events after the balance sheet date

On 29 June 2016 Asseco Central Europe, a.s. (Slovakia) signed an agreement for acquisition of additional 49% interest in Asseco Hungary Zrt., effective from 8 July 2016. As a result of that transaction Asseco Central Europe increased its interests in Asseco Hungary from 51% to 100%.