

# ASSECO

SOUTH EASTERN EUROPE



March 17th, 2010

Financial results of  
Asseco South Eastern Group  
for FY2010



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1. STRATEGY AND BUSINESS UPDATE
2. FINANCIAL UPDATE
3. MERGERS AND ACQUISITIONS
4. OUTLOOK AND SUMMARY
5. APPENDIX - DETAILED FINANCIAL DATA



## RESULTS BETTER THAN LAST YEAR, BUT BELOW INTERNAL TARGETS

mEUR	2010	2009	Growth	
Revenue Total	112,5	100,6	11,8%	organic growth -1%
<i>Proprietary Sft &amp; Serv</i>	35,4	29,7	19,2%	organic growth +11%
EBIT* (excl. Experience)	14,2	13,1	8,4%	organic growth -1%
EBIT	12,8	12,8	-0,7%	
NPAT	10,9	10,9	-0,3%	

\* Experience business excluded in 2010 and 2009 Q4



## MOST OF THE GOALS WERE REACHED

### Strategic goals

- Unify product offering
- Improve profitability in software business
- Build sales channels for MASS products
- Develop CARD business in new markets
- Unify vendor cooperation for entire group
- Increase maintenance revenue

### Achievements

Unified offering of Banking ASEE products

In Serbia BU Banking except Exp. and BI improved by **2.2 pp** to 28%;

In Macedonia BU Banking improved by **0.5pp** to 23%

Established dedicated REP in Romania, Serbia and Poland

Strengthen position in Slovenia and B&H (*from **1,94mEUR** to **3,06mEUR***)

Grew start-ups in Albania, Kosovo, Bulgaria (*0,82mEUR*)

Roll out of ATM outsourcing model – Multicard

Plan for vendor management

Significant improvement

(2009: **16.0mEUR**; 2010: **18.2mEUR** - **14%** increase old, **21,4mEUR** - All)



## ORGANIZATIONAL AND MARKET PRESENCE MATRIX

	Ban-Core	Ban-MASS	Ban-Card	SI
Albania				
Bulgaria				
B&H				
Croatia				
Kosovo				
Macedonia				
Moldavia				
Montenegro				
Romania				
Serbia				
Slovenia				
Turkey				

We estimate we have gained market share on all marked ( ↑ ) markets.

On others remained on the 2009 level.

a - acquisition



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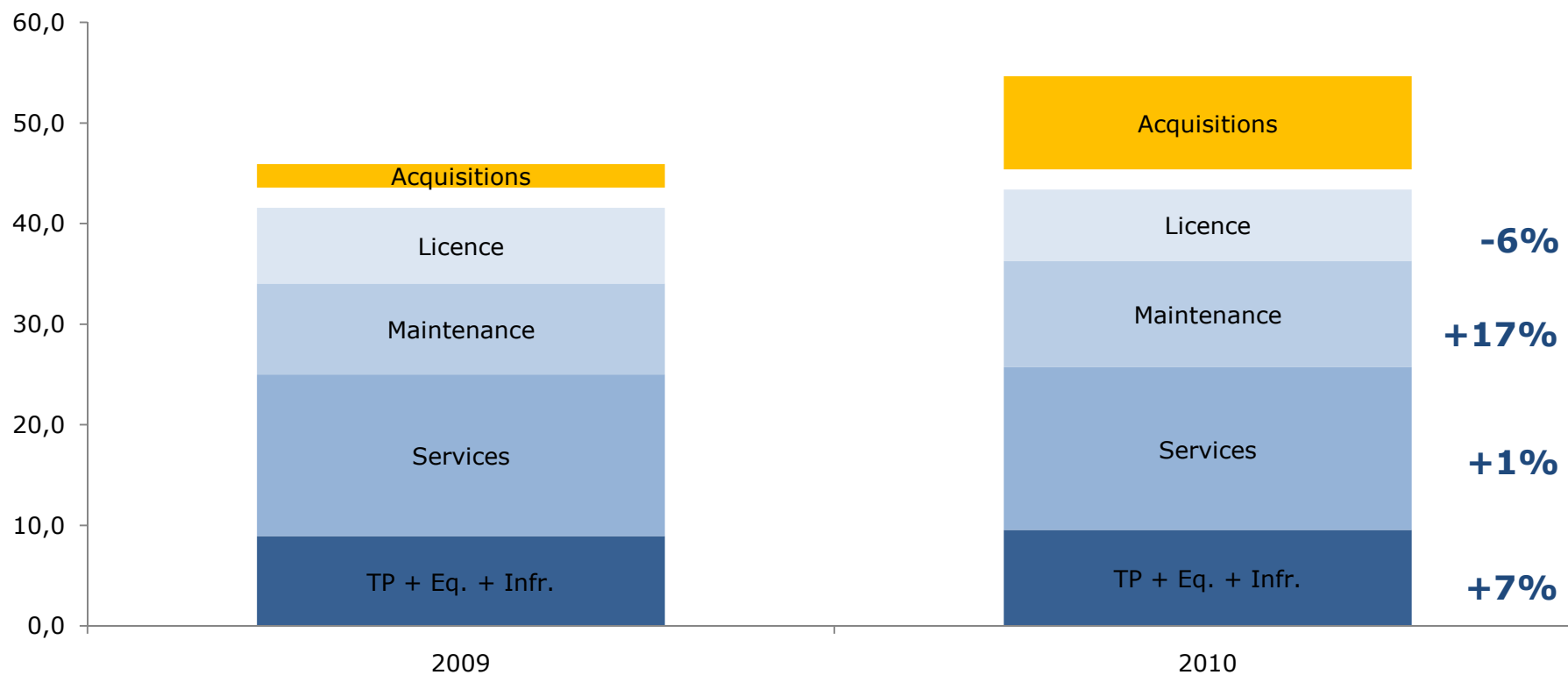


## FINANCIAL UPDATE

	2010	2009	Δ %	2010	2009	Δ %
	mPLN	mPLN		mEUR	mEUR	
Revenue	450,3	436,7	3%	112,5	100,6	12%
M1 (Net Revenue)	210,9	190,6	11%	52,7	43,9	20%
OC excl.dev.	154,0	133,8	15%	38,5	30,8	25%
EBIT (excl. Exp.)	56,8	56,8	0%	14,2	13,1	8%
<i>%EBIT (incl. Exp.)</i>	<i>13%</i>	<i>13%</i>	<i>0.39 pp</i>	<i>13%</i>	<i>13%</i>	<i>0.39 pp</i>
EBIT	51,1	55,7	-8%	12,8	12,8	-1%
<i>%EBIT</i>	<i>11%</i>	<i>13%</i>	<i>-1.43 pp</i>	<i>11%</i>	<i>13%</i>	<i>-1.43 pp</i>
Financial and other operations	0,7	-0,1		0,2	0,0	
Income tax	-8,2	-8,3		-2,0	-1,9	
Net Profit of Asseco SEE	43,6	47,4	-8%	10,9	10,9	0%
EPS	0,87	1,00	-13%	0,22	0,23	-6%



## LIKE FOR LIKE M1 +4%

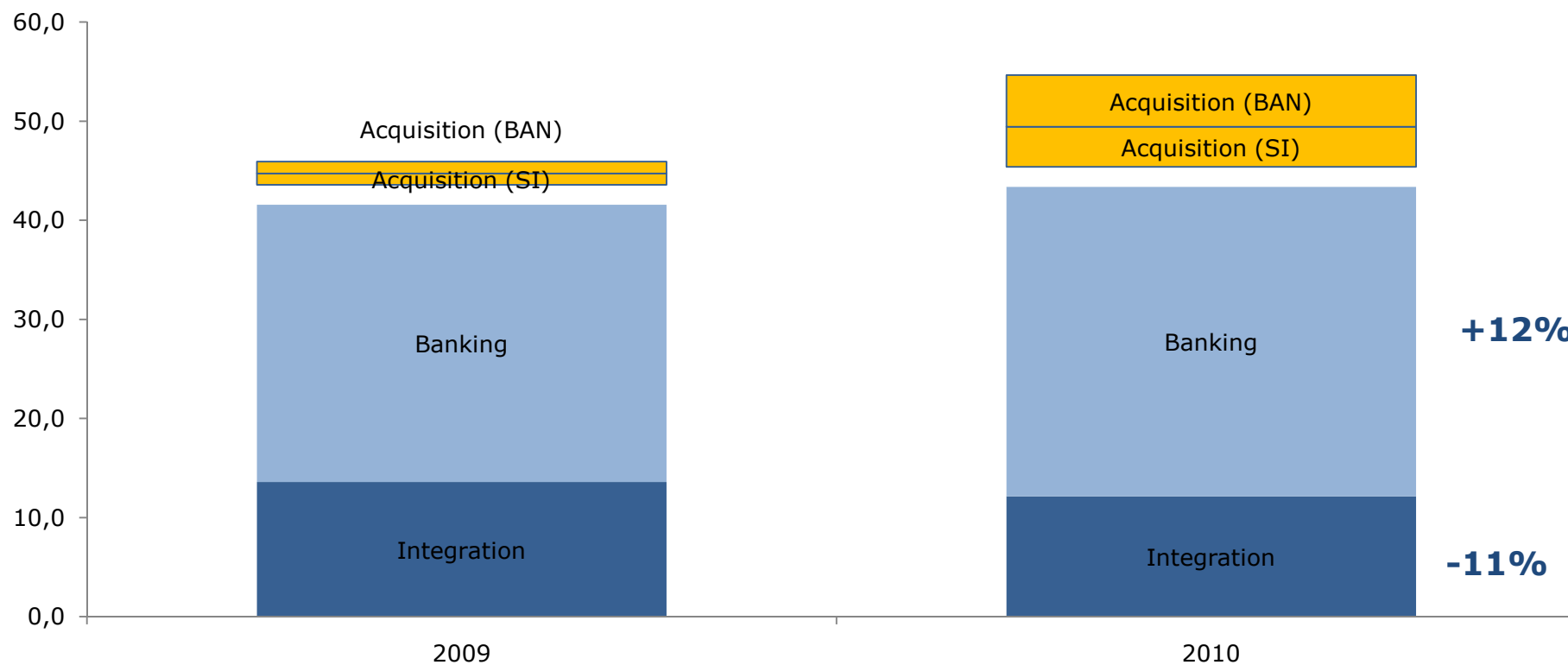


\* Licence + Maintenance + Services = Own Sftw. & Serv.; TP + Eq. + Infr. = Third Party Solutions, Equipment & Services





## LIKE FOR LIKE M1 +4% (BY BU'S)

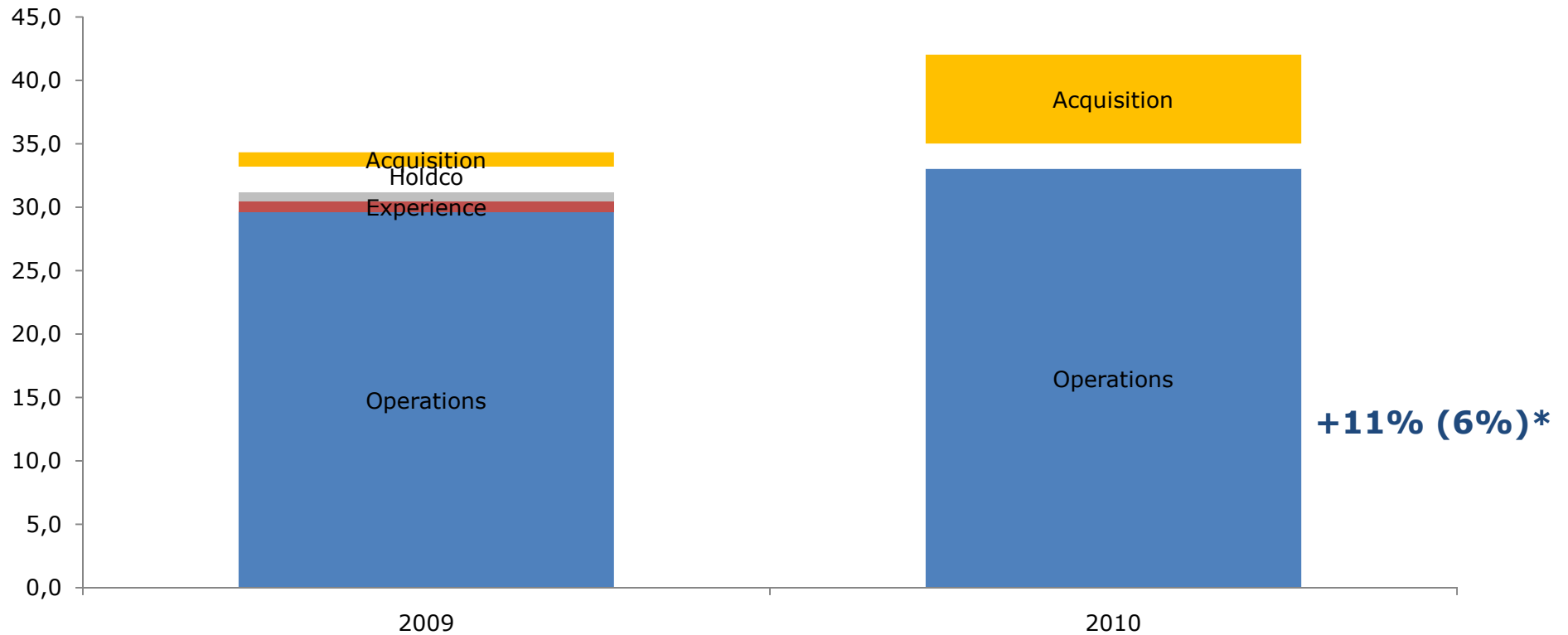


\* Banking = Ban-Core; MASS, CARD

\*\* Integration = System Integration



## LIKE FOR LIKE OWN COST +6%

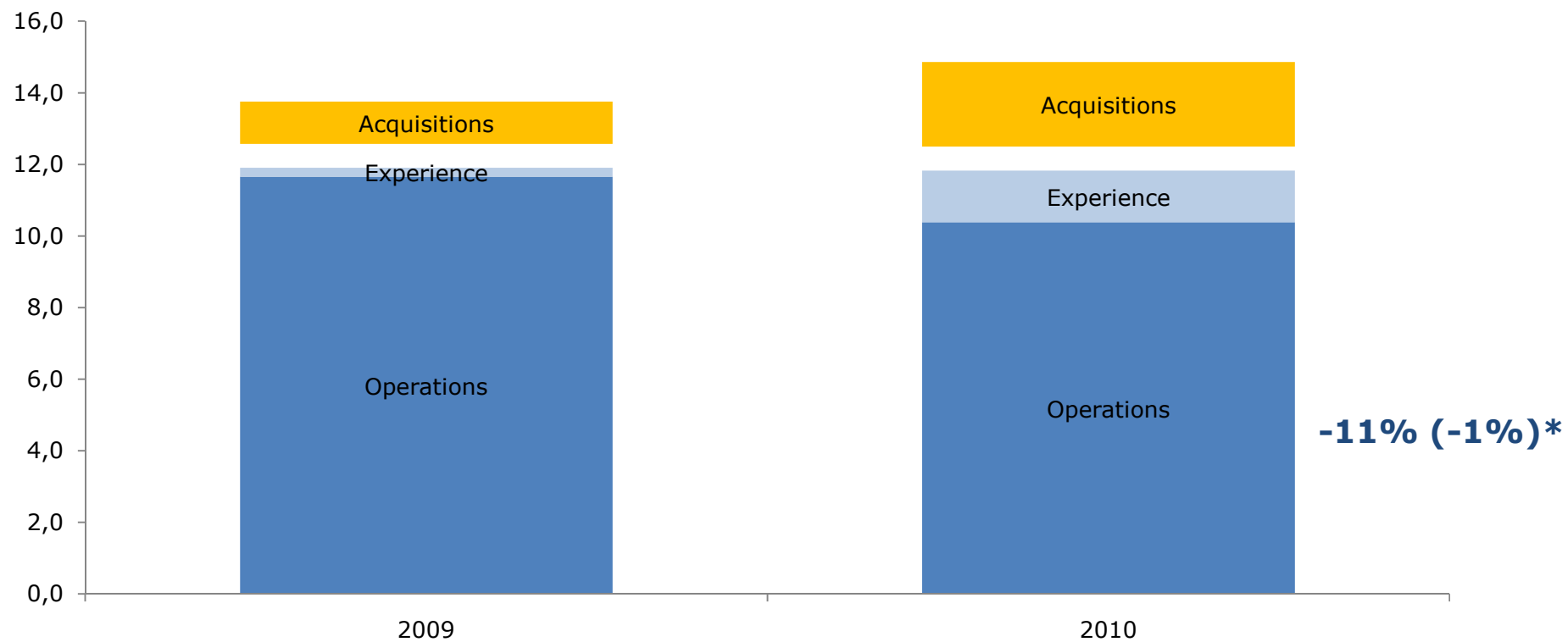


\* excl. Experience effect – all cost of development being capitalised are presented as red bar

\*\* excl. Holdco Cost effect



## LIKE FOR LIKE EBIT



\* excl. Experience cost



## ASSECO SEE GROUP KPI

		<b>ASEE GROUP</b>	<b>Ban-Core</b>	<b>Ban-MASS</b>	<b>Ban-CARD</b>	<b>Integration</b>
2	Margin IV % Sales ( <b>FY 2010</b> )	11% (13%) <sup>1</sup>	17% (23%) <sup>1</sup>	21%	17%	7%
	Margin IV % Sales ( <b>FY 2009</b> )	13%	20%	27%	17%	8%
4	[Maint, outs sales] / [prod cost, S&M, G&A] ( <b>FY 2010</b> )	55%	60%	36%	106%	35%
	[Maint, outs sales] / [prod cost, S&M, G&A] ( <b>FY 2009</b> )	54%	51%	34%	123%	41%

<sup>1</sup>Excluding Experience Research



## FINANCIAL UPDATE

### ■ FINANCIAL LIQUIDITY

mPLN (mEUR)	Asseco SEE	Asseco SEE Group
Short and long term debt	0	-3
Cash and cash equivalents	14	101
<b>Cash – debt</b>	<b>14 (3,5)</b>	<b>98 (24,5)</b>
Receivables	1	108
Liabilities (in cash)	-11	-120
Inventory	0	14
<b>Operational Balance</b>	<b>3 (0,8)</b>	<b>100 (25,0)</b>
<b>Other Liabilities (in share)</b>	<b>-11</b>	<b>-11</b>
<b>NetDebt to EBIDTA</b>	<b>no debt</b>	<b>no debt</b>
<b>Quick Ratio</b>	<b>1.62</b>	<b>1.97</b>

7.0mPLN - EST  
1.9mPLN - ASEE  
Bulgaria

1.2 mPLN –  
provisions of CIT  
of IPO cost I

1.4mPLN – other

Dividend policy is to pay 30% of consolidated NPAT of the Group



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## MERGERS AND ACQUISITIONS UP-DATE

### Acquisitions

ITD, EST (in Turkey):

BDS (in Croatia):

### Description

CEO of Turkish operations appointed as member on ASEE Group level responsible for Payment Gateway and VOICE competencies in whole region;

Merger of Turkish operations should be finished by July 2011;

Products are aligned with strategy for Banking and for SI;

Leader is already Board member in ASEE in Croatia responsible for Card BU;

Strategy for further development of ATM and building of POS in Croatia is already agreed and implemented;



## MERGERS AND ACQUISITIONS UP-DATE

### Goals

Flatten organisation structure project

Next Acquisitions

### Description

First stage completed, (Seperation of ASEE in Macedonia, ASEE in B&H and ASEE in Bulgaria)

One of the Slovenian targets lost (no agreement about pricing);

Another Slovenian target still in plans;

Other discussions – initial phase





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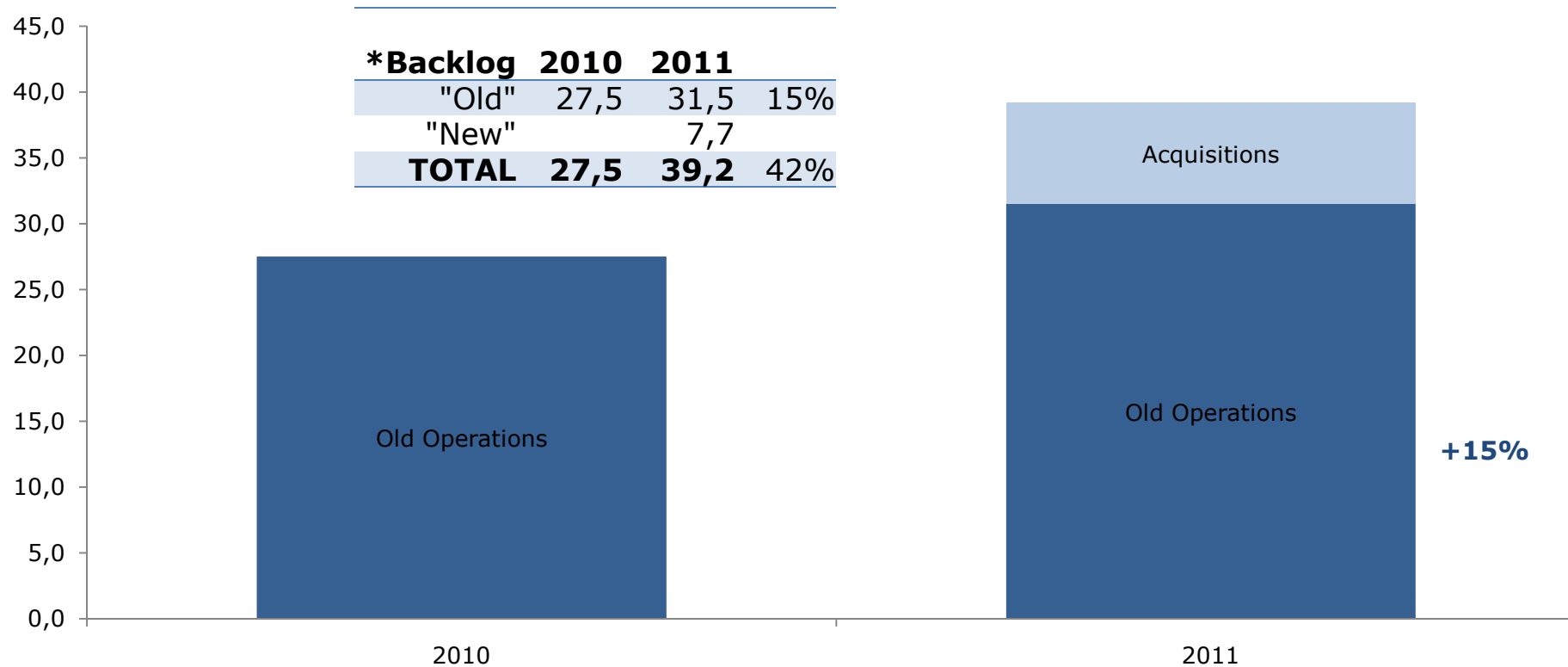
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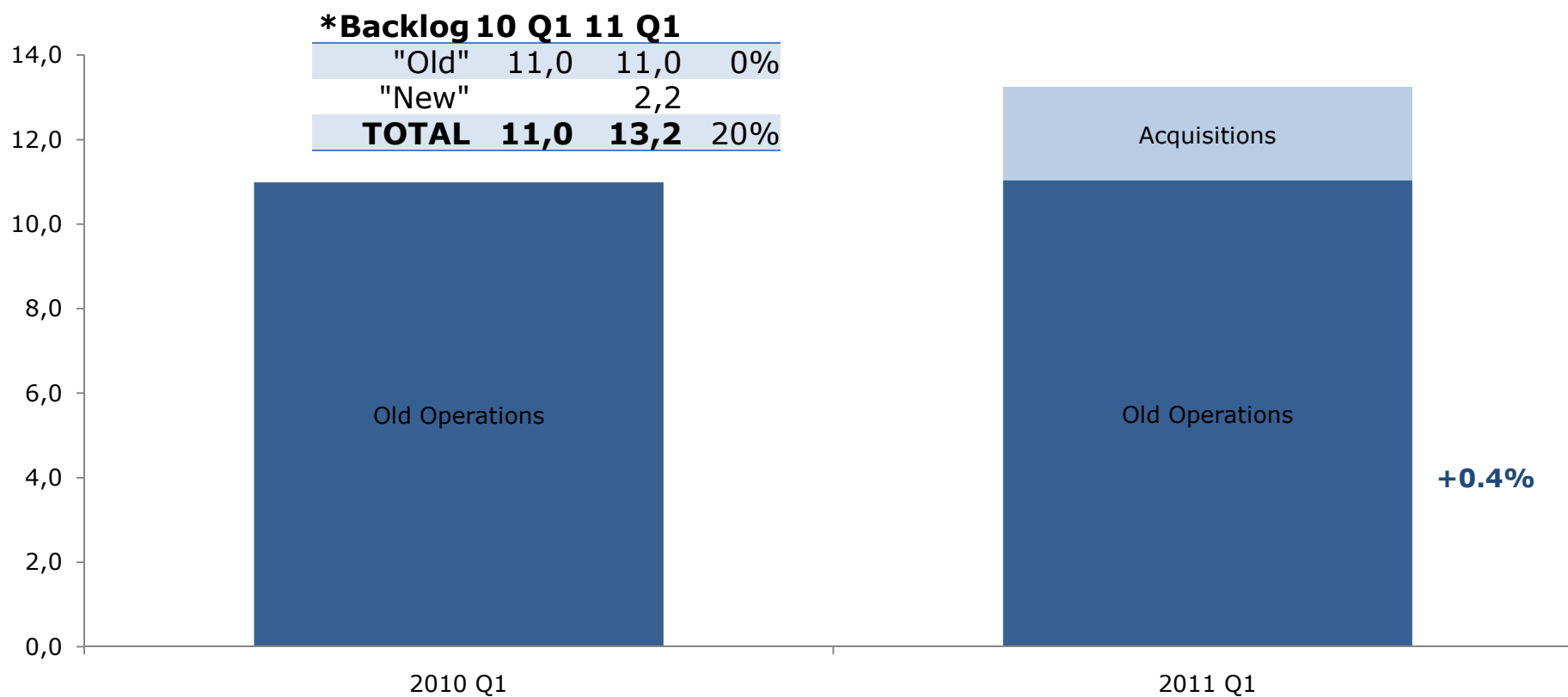
## SIGNIFICANT IMPROVEMENTS OF BL IN M1



\* BL as at March 10<sup>th</sup> , all data in mEUR



## SIGNIFICANT IMPROVEMENTS OF BL IN M1 (Q1)



\* BL as at March 10<sup>th</sup> , all data in mEUR



## CURRENT POLITICAL & ECONOMIC SITUATION

### Key impacts to Revenues, EBIT in 2010, 2011:

+ Likelihood of overcoming recession  
Ro + Cro

+ Increased utilization of EU funds Ro + Blg

+ Defreezing of budgets in the financial  
sector

+ Perspective for joining EU increase for  
more countries of the region

- Strong bounce back of GDPs is not  
expected in 2011

- Cost savings approach expected to  
continue in the private sector

- Public finances struggling to curb down  
deficits

- Political situation stable, though far from  
strong support. New election possible on  
few markets



## WHERE DO WE WANT TO BE?

### Strategic goals

- **Grow** in revenues and profits
- **Increase** own competencies and thus ASEE value added – share of own solutions and services
- **Increase** security of our business – level of recoccurring revenues
- **Be present** on all ASEE markets – geographic expansion (Albania, Bulgaria, Moldavia, Slovenia, Poland)

	2011	2010
M1	4,77	1,80

- **Leverage** on long term growth – international expansion – setting up Partnership Network
- **Develop** new products (development or introduction of new products)



## SELECTED PRODUCT DEVELOPMENTS

- Finalise development of **Personal Finance Management**;
- Package **VoicePrint** for NestPay;
- Finalise development of **Experience Product Studio**;
- Development of **Experience Loans&Deposits** BO product;
- Create **SaaS offering** for small and medium size banks within an ASEE private cloud. Based on experience + mix of other ASEE or AG products;
- Develop **Infrastructure as a Service** offering;



## STRATEGIC KEY DRIVERS FOR RESPECTIVE BUS

### ***BAN-CORE***

- Banks with old systems (in house or from small companies) are considering change;
- Need for Front Office, CRM solutions & Performance Management solutions is increasing on the market;
- Regulatory requirements become more stringent - IFRS reporting;
- Risk management, AML and Basel II requirements are still areas of growth;
- Need for more advanced e-banking – pops upon the market.

### ***BAN-MASS***

- Need for more advanced authentication solutions appears on the market;
- Mobile banking becomes a key topic for many banks;
- Partnership channel an important element of future growth.



## STRATEGIC KEY DRIVERS FOR RESPECTIVE BUS

### ***BAN-CARD (PG INCL.)***

- Banks finally start to think about expansion of ATM & POS network though decisions are much more careful;
- New markets Cr, Alb, Blg become for us growth factors for ATM or POS business;
- Outsourcing becomes a hot topic;
- E-commerce traffic - card payment transaction settlement increases;
- With Payment Gateway solutions we have started to address new markets (Russia, Poland, Romania).

### ***INTEGRATION***

- Clients finally less restrictive on their budgets;
- Projects for Public are slowly becoming realistic (EU financing – Romania);
- Clients focused on cost – Infrastructure as service becomes an increasingly authentic offer to them.





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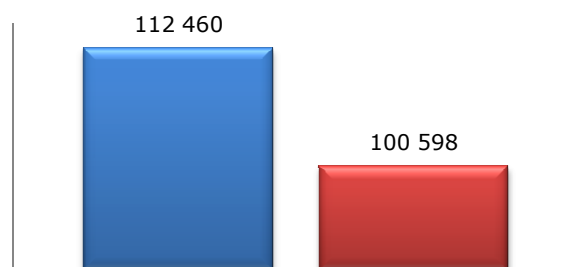
## ASSECO SEE GROUP 2010 RESULTS CONSOLIDATED RESULTS

kEUR	2010	2009	Change	Growth
Revenue	112 460	100 598	11 863	11,8%
Revenue from Proprietary Software & Services	35 416	29 717	5 699	19,2%
EBIT	12 753	12 843	-90	-0,7%
Aggregate Net Profit	10 888	10 915	-27	-0,3%
Net Profit for the Group	10 900	8 818	2 082	23,6%

Excluding one offs:

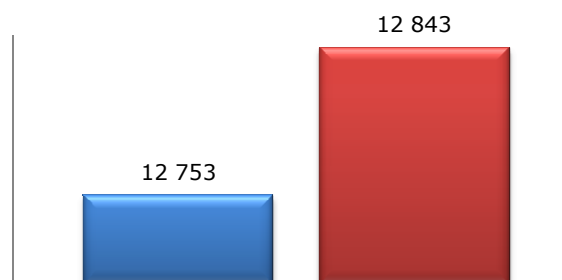
- Experience development -1.4 mEUR
- Adjusted EBIT 14.2 mEUR

**Revenue**



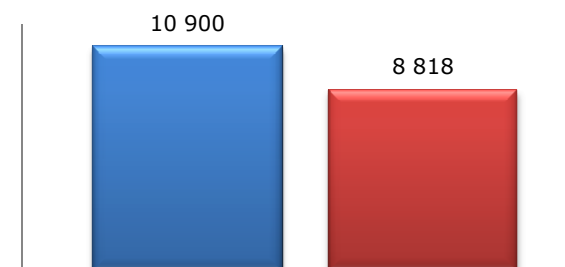
■ 2010 ■ 2009

**EBIT**



■ 2010 ■ 2009

**Net Profit for the Group**



■ 2010 ■ 2009

\* All data in EUR thousands



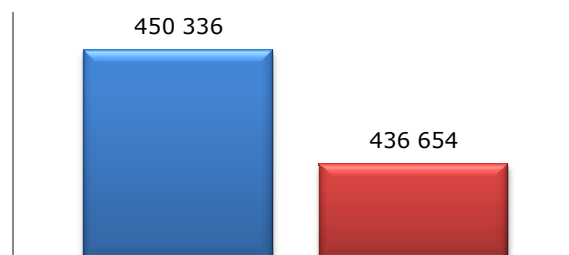
## ASSECO SEE GROUP 2010 RESULTS CONSOLIDATED Q1-4 RESULTS

kPLN	2010	2009	Change	Growth
Revenue	450 336	436 654	13 682	3,1%
Revenue from Proprietary Software & Services	141 821	128 990	12 831	9,9%
EBIT	51 068	55 744	-4 676	-8,4%
Aggregate Net Profit	43 600	47 379	-3 779	-8,0%
Net Profit for the Group	43 647	38 276	5 371	14,0%

Excluding one offs:

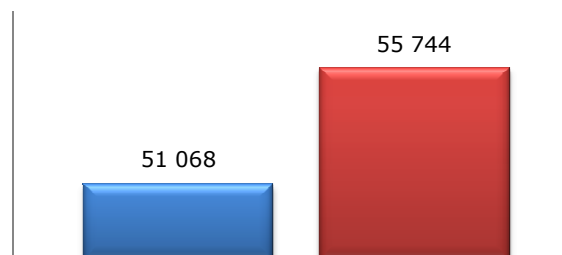
- Experience development -5.6 mPLN
- Adjusted EBIT 56.8 mPLN

**Revenue**



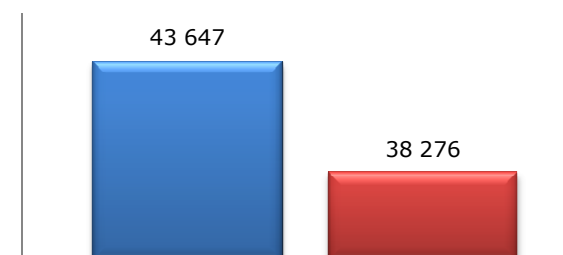
■ 2010 ■ 2009

**EBIT**



■ 2010 ■ 2009

**Net Profit for the Group**



■ 2010 ■ 2009

\* All data in PLN thousands



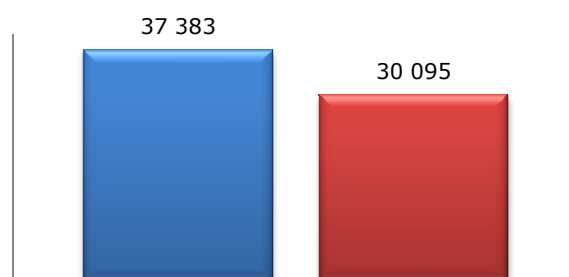
## ASSECO SEE GROUP Q4 2010 RESULTS CONSOLIDATED RESULTS

kEUR	Q4 2010	Q4 2009	Change	Growth
Revenue	37 383	30 095	7 288	24,2%
Revenue from Proprietary Software & Services	11 033	10 031	1 002	10,0%
EBIT	4 078	3 945	133	3,4%
Aggregate Net Profit	3 133	3 307	-174	-5,3%
Net Profit for the Group	3 141	3 137	5	0,2%

Excluding one offs:

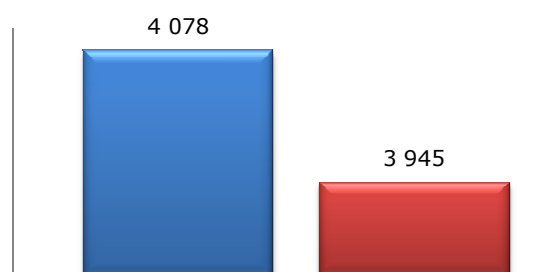
- Experience development -0.65 mEUR
- Adjusted EBIT 4.7 mEUR

**Revenue**



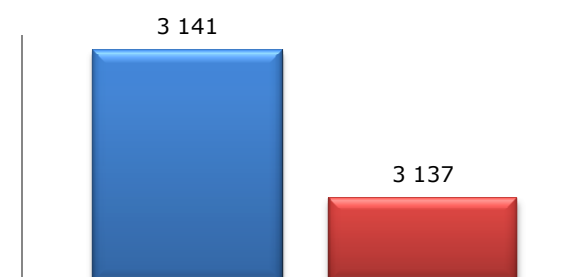
■ Q4 2010 ■ Q4 2009

**EBIT**



■ Q4 2010 ■ Q4 2009

**Net Profit for the Group**



■ Q4 2010 ■ Q4 2009

\* All data in EUR thousands

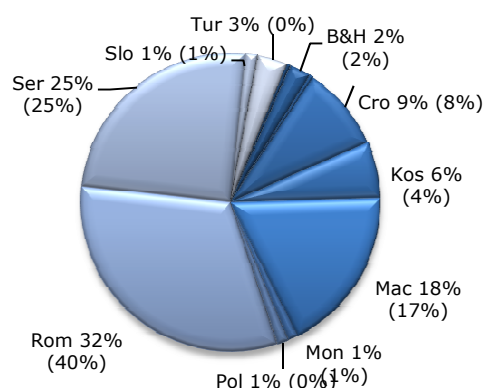


# ASSECO SEE GROUP 2010 RESULTS

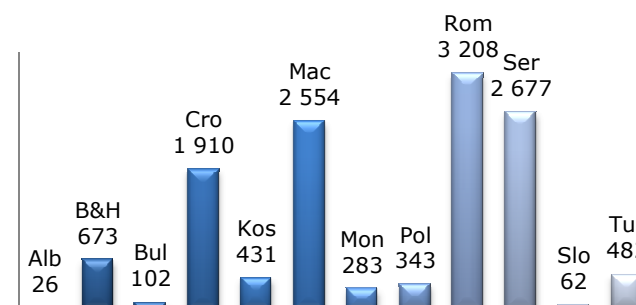
## COMPANIES AND REGIONAL REVENUE AND EBIT CONTRIBUTION – 2010\*

KEUR	Revenue 2010	Revenue 2009	Change	EBIT 2010	EBIT 2009	Change	NPAT 2010	NPAT 2009	Change
Alb	491	349	142	26	60	-33	19	55	-36
B&H	2 576	2 466	111	673	803	-129	629	724	-95
Bul	483	116	367	102	-62	165	89	-58	147
Cro	10 343	8 086	2 258	1 910	1 954	-44	1 489	1 505	-16
Kos	6 831	4 155	2 676	431	748	-317	368	662	-294
Mac	20 286	17 463	2 824	2 554	2 684	-129	1 977	2 348	-371
Mon	1 287	1 148	139	283	234	49	256	225	30
Pol	1 382	216	1 166	343	-238	580	475	-431	906
Rom	35 720	40 308	-4 588	3 208	4 174	-966	2 982	3 566	-584
Ser	27 942	25 308	2 634	2 677	2 420	258	2 139	2 255	-115
Slo	1 536	984	552	62	67	-5	41	64	-23
Tur	3 581	0	3 581	482	0	482	423	0	423
<b>Asseco SEE Group</b>	<b>112 460</b>	<b>100 598</b>	<b>11 863</b>	<b>12 753</b>	<b>12 843</b>	<b>-90</b>	<b>10 888</b>	<b>10 915</b>	<b>-27</b>

**Revenue 2010**



**EBIT contribution 2010**



\* All data in EUR thousands; \*\* in brackets 2009 split

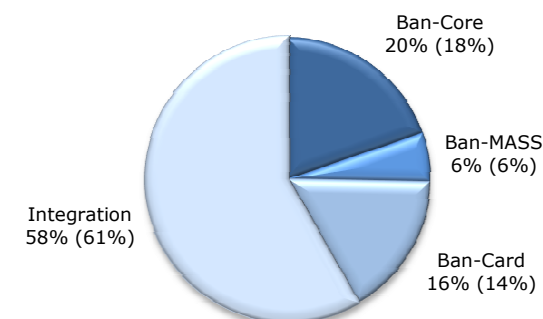


# ASSECO SEE GROUP 2010 RESULTS

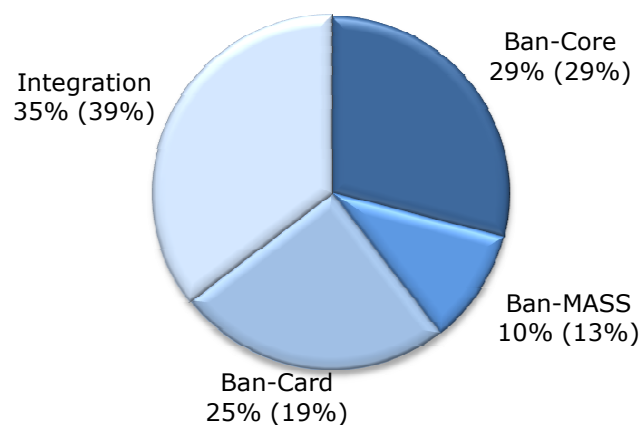
## COMPANIES AND REGIONAL REVENUE AND EBIT CONTRIBUTION – 2010\*

kEUR	Revenue 2010	Revenue 2009	Change	EBIT 2010	EBIT 2009	Change
<b>Banking</b>	<b>46 975</b>	<b>38 848</b>	<b>8 126</b>	<b>8 239</b>	<b>7 874</b>	<b>365</b>
Ban-Core	22 170	18 447	3 723	3 698	3 735	-37
Ban-MASS	6 294	6 392	-98	1 338	1 729	-391
Ban-Card	18 511	14 009	4 502	3 203	2 410	793
<b>Integration</b>	<b>65 486</b>	<b>61 749</b>	<b>3 736</b>	<b>4 514</b>	<b>4 969</b>	<b>-455</b>
<b>Asseco SEE Group</b>	<b>112 460</b>	<b>100 598</b>	<b>11 863</b>	<b>12 753</b>	<b>12 843</b>	<b>-90</b>

**Revenue per BUs 2010**

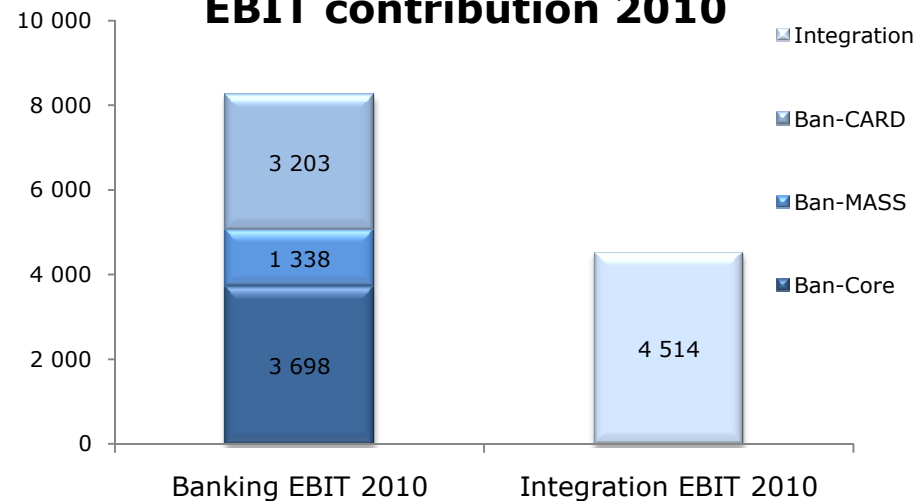


**EBIT contribution 2010**



**kEUR**

**EBIT contribution 2010**



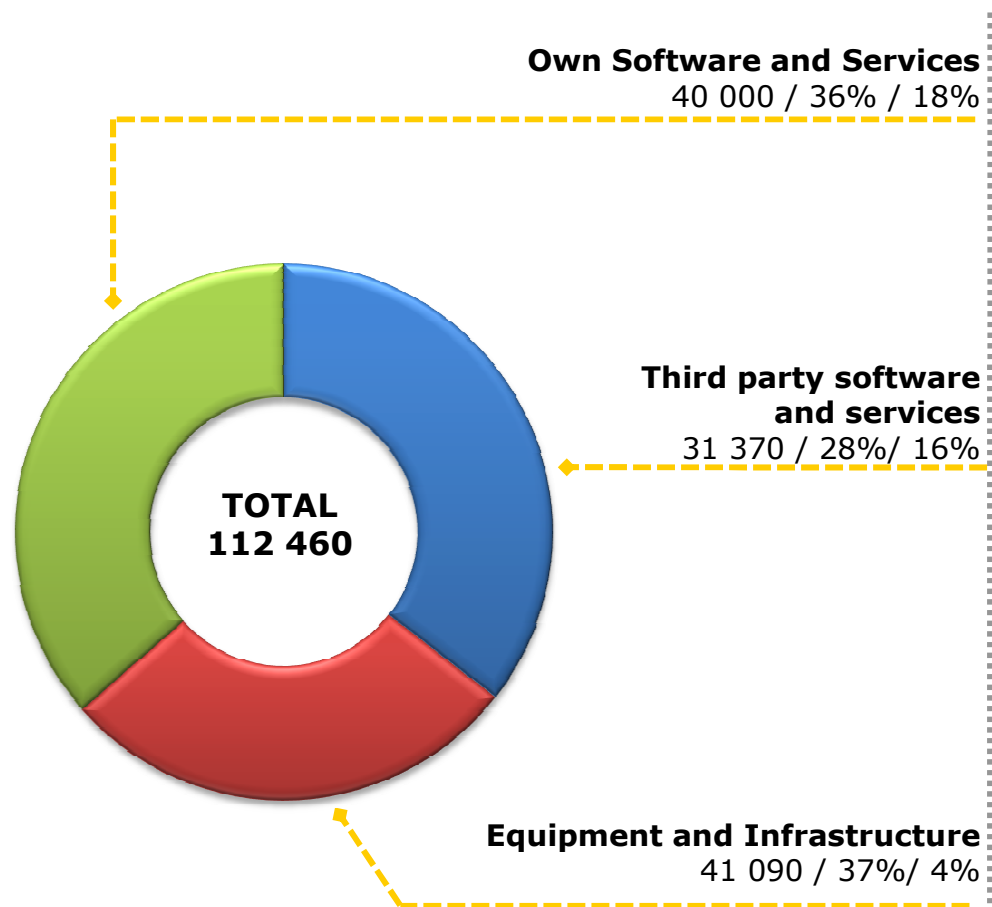
\* All data in EUR thousands; \*\* in brackets 2009 split



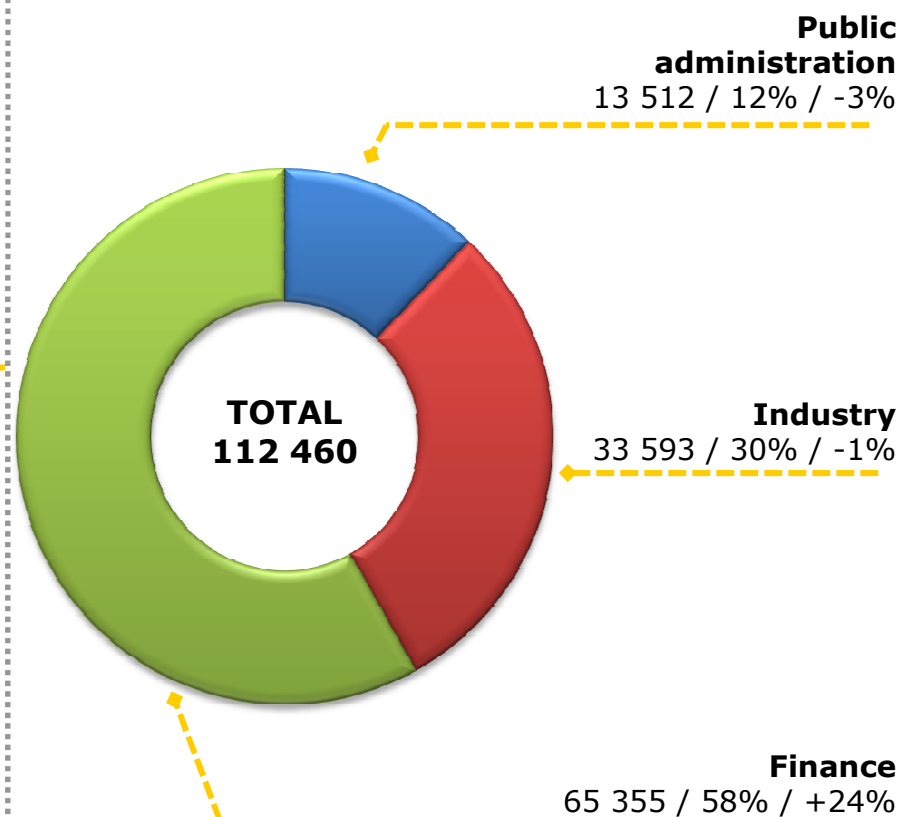
# ASSECO SEE GROUP 2010 RESULTS (FINANCIAL STATEMENT)

## CONSOLIDATED 2010 SALES STRUCTURE (REVENUE)

### Products\*



### Market Segments\*



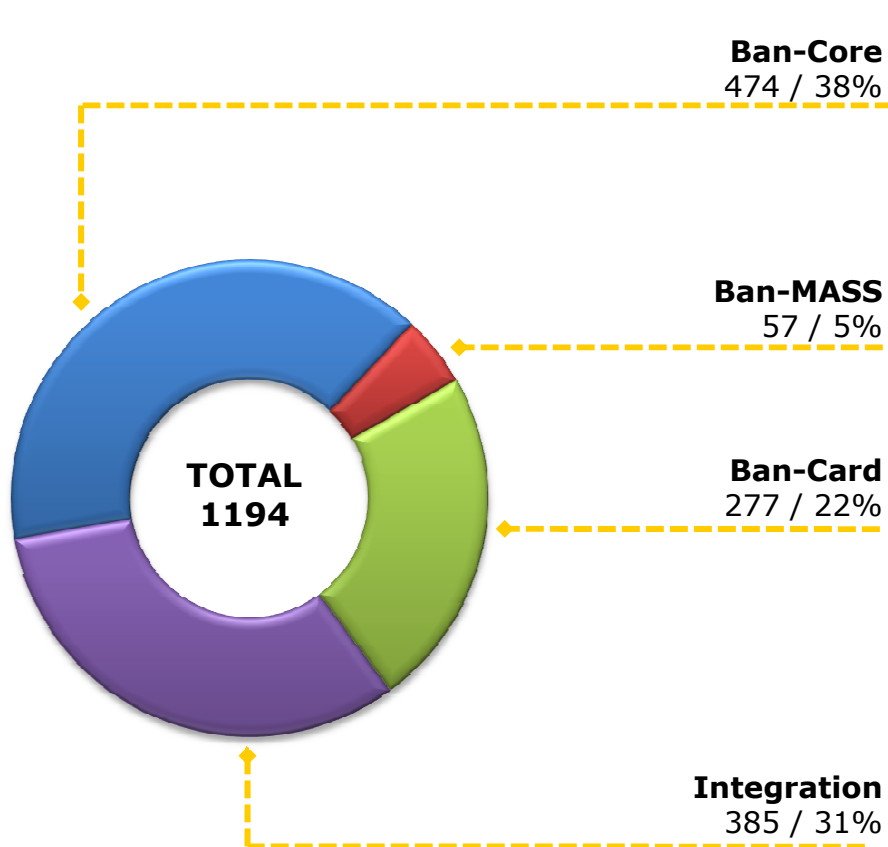
\* All data in EUR thousands / % in total FY 2010 sales / % change to FY 2009 sales



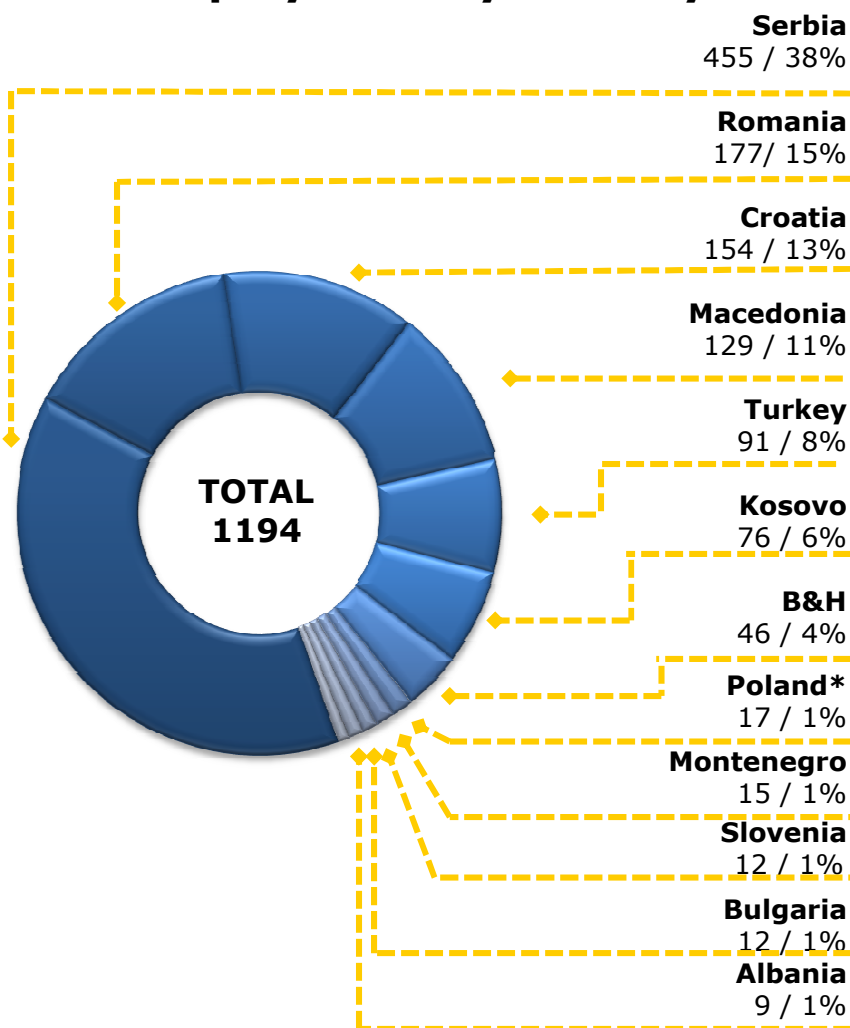
# ASSECO SEE GROUP 2010 RESULTS

## CONSOLIDATED 2010 EMPLOYEE STRUCTURE

### Employment by BU\*



### Employment by Country\*



\* Polish part of Turkish business

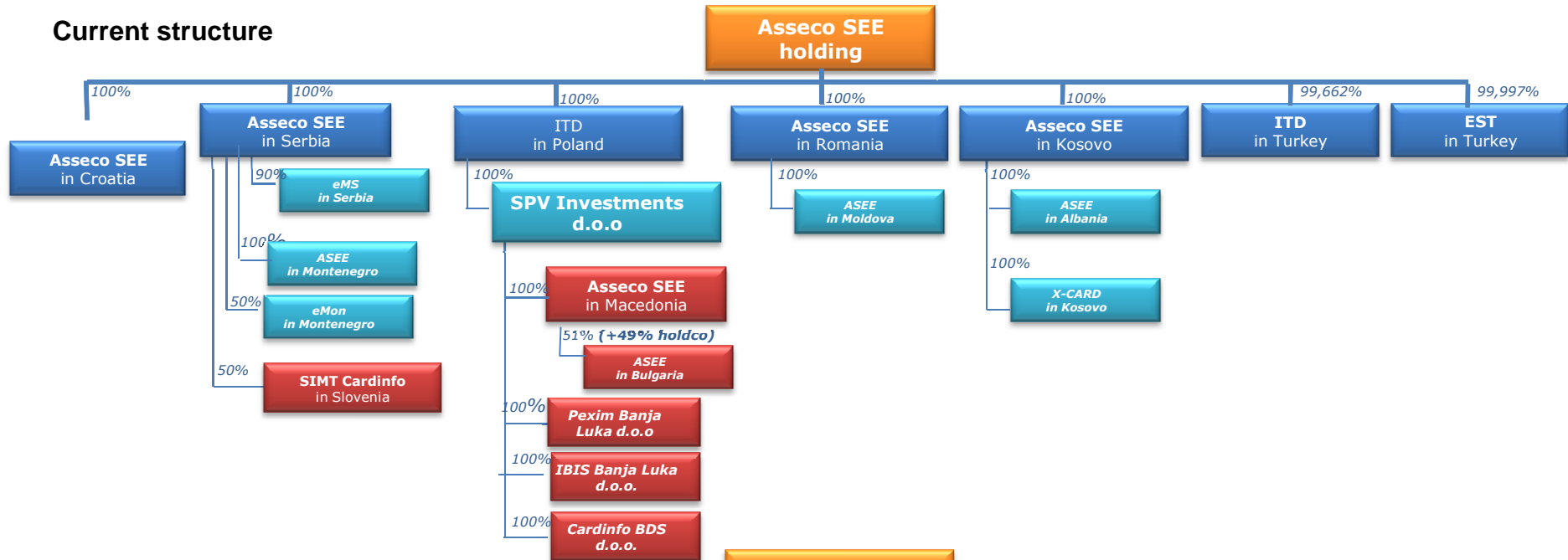
\*\* ASEE Holdco divided between countries based on employment key





## Flatten Organisation Structure Project

### Current structure



### Targeted structure

