

# COMARCH

REPORT  
OF COMARCH S.A.'s MANAGEMENT BOARD  
REGARDING  
THE ACTIVITIES OF THE CAPITAL GROUP IN 2009

Krakow, 30<sup>th</sup> of April, 2010

<b>1.</b>	<b><u>GENERAL INFORMATION ABOUT THE CAPITAL GROUP</u></b>	<b>3</b>
1.1	SELECTED FINANCIAL DATA	3
1.2	ORGANISATIONAL STRUCTURE AND CHARACTERISTICS OF THE GROUP'S ENTITIES	5
1.3	SHAREHOLDING STRUCTURE, MANAGING AND SUPERVISING ENTITIES	7
1.4	EMPLOYMENT AND PRODUCTION CAPACITY OF THE GROUP	9
<b>2.</b>	<b><u>ECONOMIC ACTIVITIES</u></b>	<b>10</b>
2.1.	PRODUCTS AND SERVICES OFFERED BY COMARCH IN 2009	10
2.2.	POSITION OF THE GROUP IN THE IT MARKET AND INFORMATION ABOUT MARKETS AND SOURCES OF SUPPLY	27
2.3.	THE MOST SIGNIFICANT CONTRACTS IN 2009	29
2.4.	MAJOR DOMESTIC AND FOREIGN INVESTMENT (SECURITIES, FINANCIAL INSTRUMENTS, INTANGIBLE ASSETS AND REAL ESTATE), INCLUDING CAPITAL INVESTMENT MADE OUTSIDE THE GROUP OF RELATED PARTIES, AS WELL AS A DESCRIPTION OF THEIR FINANCING	30
2.5.	ACTIVITY IN THE SPECIAL ECONOMIC ZONE	31
<b>3.</b>	<b><u>FINANCIAL SITUATION OF THE CAPITAL GROUP IN 2009</u></b>	<b>33</b>
3.1	FINANCIAL ANALYSIS	33
3.2	COMMENTARY ON DIFFERENCES BETWEEN FINANCIAL RESULTS PRESENTED IN ANNUAL REPORT AND RESULTS FORECAST FOR THE GIVEN YEAR PUBLISHED BEFORE	36
3.3	FACTORS AND EVENTS OF UNUSUAL NATURE THAT AFFECT THE ISSUER ACTIVITIES AND THE ACHIEVED RESULTS, AS WELL AS THEIR APPRAISAL	36
3.4	CHANGES IN METHODS OF COMPANY MANAGEMENT AND ITS CAPITAL GROUP MANAGEMENT	36
3.5	DESCRIPTION OF THE MAIN CAPITAL DEPOSITS OR THE MAIN CAPITAL INVESTMENTS MADE WITHIN THE COMARCH GROUP IN THE GIVEN YEAR	37
3.6	TRANSACTIONS CONCLUDED BY THE ISSUER OR ITS SUBSIDIARY WITH RELATED PARTIES ON TERMS DIFFERENT FROM MARKET CONDITIONS	37
3.7	FINANCIAL LIABILITIES AND SIGNIFICANT OFF- BALANCE SHEET ITEMS	37
3.8	LOANS	38
3.9	SIGNIFICANT LEGAL, ARBITRATION OR ADMINISTRATIVE PROCEEDINGS	39
<b>4.</b>	<b><u>PERSPECTIVES FOR DEVELOPMENT</u></b>	<b>40</b>
4.1	FACTORS ESSENTIAL FOR DEVELOPMENT OF THE GROUP	40
4.2	OTHER SIGNIFICANT FACTORS, INCLUDING RISKS AND THREATS	40
4.3	PERSPECTIVES OF DEVELOPMENT IN THE GROUP IN 2009	41
4.4	CHARACTERISTIC OF POLICY OF THE DEVELOPMENT DIRECTION IN THE COMARCH GROUP	42
4.5	ACHIEVEMENTS WITHIN RESEARCH AND DEVELOPMENT AS WELL AS AN APPRAISAL OF ABILITY FOR EXECUTING INVESTMENT PLANS, INCLUDING CAPITAL INVESTMENT COMPARED TO THE AMOUNT OF RESOURCES OWNED	42
<b>5.</b>	<b><u>COMARCH IN THE STOCK EXCHANGE</u></b>	<b>43</b>
5.1	RESOLUTIONS OF THE AGM AND THE BOARD OF SUPERVISORS	43
5.2	OPERATIONS ON COMARCH S.A SHARES	43
5.3	MANAGERIAL OPTION PROGRAM FOR MEMBERS OF THE MANAGEMENT BOARD AND OTHER KEY EMPLOYEES FOR 2008-2010	45
5.4	TRANSACTIONS ON SHARES OF SUBSIDIARIES AND ASSOCIATES OF COMARCH S.A.	47
5.5	DATA REFERRING TO THE AGREEMENT SIGNED WITH THE ENTITY ENTITLED TO AUDITING FINANCIAL STATEMENTS	48
5.6	OTHER	48
<b>6.</b>	<b><u>AMENDMENT TO THE REPORT OF THE MANAGEMENT BOARD</u></b>	<b>51</b>
6.1	CHARACTERISTICS OF COMPANIES IN THE GROUP	51
6.2	CHANGES IN THE ORGANISATIONAL STRUCTURE IN 2009	57
6.3	CHANGES IN ORGANISATIONAL STRUCTURE AFTER THE BALANCE SHEET DATE	59
6.4	METHODS OF CALCULATION OF FINANCIAL RATIOS	60

# 1. GENERAL INFORMATION ABOUT THE CAPITAL GROUP

## 1.1 Selected Financial Data

### 1.1.1 Consolidated Financial Data

	2009	2008	2007	2006
Revenue from sales	729,403	700,965	581,048	491,550
Operating profit	14,373	45,919	44,006	45,551
Profit before income tax	18,465	244,521	45,519	54,572
Net profit attributable to the company's shareholders	32,306	199,126	42,770	52,760
Profit per share	4.06	25.01	5.46	7.13
Assets	895,106	915,247	558,489	461,559
Book value	554,316	534,174	300,780	256,983

In 2009 Comarch Group sales revenue climbed by 4.1 % to 729.4 million PLN year on year. Operating profit decreased by 68.7 % to 14.4 million PLN and net profit attributable to the company's shareholders amounted to 32.3 million PLN, a decrease of 83.8 %. EBIT margin was down year on year at 2 % (6.6 % in 2008). The resulting consolidation with the SoftM Group generated additional sales revenue in 2009 for the Comarch Group of 169.7 million PLN, a decrease in operating profit of 29.3 million PLN and a decrease in net profit of 20.1 million PLN. On the 31<sup>st</sup> of December, 2009 the Comarch Group employed 3,260 people excluding employees of MKS Cracovia SSA. This represented a 1.7 % decline in the number employed, a decrease of 55 people.

The value of the Comarch Group's assets at the end of 2009 fell by 2.2 % from 2008 from 915.2 million PLN to 895.1 million PLN. This resulted from a 5.4 % decrease in current assets. Equity grew by 3.8 % over 2009 and was due in large measure to the sizeable increase in retained earnings in 2009 of 133.3 %. Liabilities and provisions for liabilities fell to 40.3 million PLN.

Backlog for the current year	At 30 April 2010	At 30 April 2009	Change
Revenues contracted for the current year	396,502	381,246	4.0%
including export contracts	97,941	93,515	4.7%
<i>% of export contracts</i>	24.7%	24.5%	
including services and proprietary software	352,616	340,719	3.5%
<i>% of services and proprietary software</i>	88.9%	89.4%	

As of the end of April 2010, the backlog for the current year, excluding SoftM's backlog, amounted to 396.5 million PLN and was therefore higher by 4.0 % compared to the same period in the previous year. The value of services and proprietary software sales amounted to 352.6 million PLN, i.e. an increase of 3.5 %, and as a consequence their share of the total backlog maintained a comparable level of 88.9 %. The share of export contracts of the total backlog has remained at a stable level of 24.7 %.

In the company's opinion, the current value of its backlog confirms the slow recovery of both the Polish and global economy, as well as of the IT market. Moreover, the structure of revenue contracted for the current year confirms the strong financial position of the Group and its low sensitivity to changeable macroeconomic conditions. At the same time, the company's Management Board emphasises that an increase in the EBIT margin and further market expansion within the following years remain one of the most important priorities of the Group for the current year.

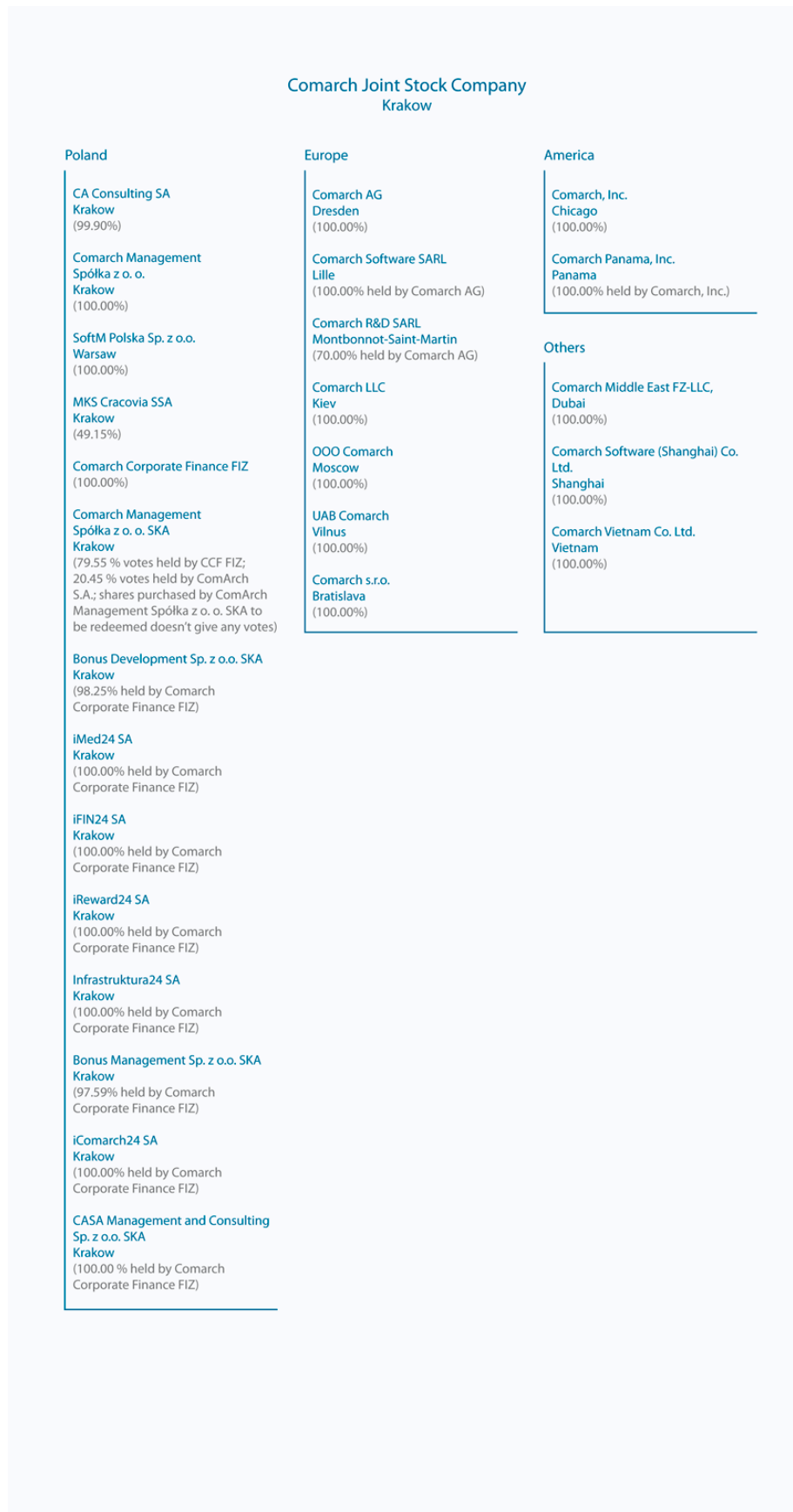
## 1.1.2 ComArch S.A. Stock Price Performance (in PLN)



Period	The highest	The lowest
Q1 2009	62.5	41.2
Q2 2009	72.0	58.0
Q3 2009	79.4	54.1
Q4 2009	95.0	68.6

On the 31<sup>st</sup> of December, 2009, the closing rate of ComArch S.A. shares in the Warsaw Stock Exchange reached 95 PLN. That is an increase of 55.7 % compared to the last closing rate of ComArch S.A. shares in 2008 which was 61.0 PLN.

## 1.2 Organisational Structure and Characteristics of the Group's Entities





In parentheses, the share of votes held by ComArch S.A.

\*) MKS Cracovia SSA is ComArch S.A.'s subsidiary according to IAS 27 pt 13

The basic activities of the Comarch Group (the "Group"), in which ComArch S.A. with its registered seat in Krakow at Al. Jana Pawła II 39 A is the dominant unit, include activity related to software, PKD 62.01.Z. The registration court for ComArch S.A. is the District Court for Krakow Śródmieście in Krakow, XI Economic Division of the National Court Register. The company's KRS number is 0000057567. ComArch S.A. holds the dominant share in the Group regarding realised revenues, value of assets and number and volume of executed contracts. ComArch S.A. shares are admitted to public trading on the Warsaw Stock Exchange. The duration of the dominant unit is not limited.

The structure of activities of the Comarch Group is as follows: the dominant entity acquires the majority of contracts and in large part executes them. ComArch AG, ComArch Software S.A.R.L., ComArch R&D S.A.R.L., ComArch, Inc., ComArch Panama, Inc., ComArch Middle East FZ-LLC, ComArch LLC, OOO ComArch, Comarch Software (Shanghai) Co. Ltd and Comarch Co. Ltd acquire contracts in foreign markets and execute them in their entirety or in part. CA Services S.A. (currently CA Consulting S.A.) specialises in data communications relating to the provision of connections for the own needs of the Comarch Group and for contracts executed by Comarch, as well as the provision of outsourcing and other IT services for the own needs of the ComArch S.A. and for a foreign contractor. The subject matter of activities of ComArch Management Sp. z o.o., ComArch Management Sp. z o.o. SK-A and Bonus Management Sp. z o.o. SK-A are activities related to IT. Purpose of the ComArch Corporate Finance FIZ is investment activity in the scope of new technologies and Internet services that are not ComArch S.A.'s basic activities. The subject matter of activities of Bonus Development Sp. z o.o. SK-A are activities related to real estates in Comarch. iMed24 S.A. conducts an IT project related to telemedicine (EHR - Electronic Health Record management). iFIN24 S.A. conducts an IT project related to financial services. iReward24 S.A. produces and implements loyalty software for the customers in small and medium sized enterprises. Infrastruktura24 S.A. offer services related to Data Centre for the customers in small and medium sized enterprises. iComarch24 S.A. provides accounting services for domestic subsidiaries in

Comarch Group. CASA Management and Consulting Sp. z o.o. SK-A will conduct investment activity on capital market. SoftM Polska Sp. z o.o. acquires and executes contracts related to SoftM software on Polish market. UAB ComArch is under liquidation proceedings. Activities of ComArch s.r.o. are limited.

SoftM Software und Beratung AG is a leading provider and an integrator of IT solutions in Germany (especially for small and medium-sized industry). Activities of other companies in the SoftM Group, i.e. Comarch Solutions GmbH with its registered seat in Munich, Comarch Schilling GmbH with its registered seat in Bremen, Comarch Systemintegration GmbH with its registered seat in Munich, Comarch Solutions GmbH with its registered seat in Vienna, SoftM France S.A.R.L. with its registered seat in Oberhausbergen, Solitas Informatik AG with its registered seat in Buchs are identical as activities of SoftM Software und Beratung AG.

MKS Cracovia SSA is a sport joint stock company.

### 1.3 Shareholding Structure, Managing and Supervising Entities

#### 1.3.1 Shareholders Holding at least 5 % of the Total Number of Votes at the General Meeting of ComArch S.A.

ComArch S.A.'s share capital consists of 7,960,596 shares at total nominal value of 7,960,596 PLN. According to the information possessed by ComArch S.A., as at 31<sup>st</sup> of December, 2009, shareholders holding at least 5 % of votes at the company's AGM are Elżbieta Filipiak, Janusz Filipiak and customers of BZ WBK AIB Asset Management S.A.

Shareholders	Number of shares	% of share capital	Number of votes at the company's AGM*	% of votes at the company's AGM
Janusz Filipiak	2,565,383	32.226	6,137,383	41.04
Elżbieta Filipiak	846,000	10.627	4,230,000	28.29
Other members of the company's Management Board	67,348	0.85	104,948	0.70
Customers of BZ WBK AIB Asset Management S.A., <i>including Comarch SA shares held by BZ WBK AIB TFI S.A.</i>	2,756,060 1,800,179	34.62 22.61	2,756,060 1,800,179	18.43 12.04
Other shareholders	1,725,805	21.68	1,725,805	11.54
<b>Total</b>	<b>7,960,596*</b>	<b>100.00</b>	<b>14,954,196</b>	<b>100.00</b>

\*) On the 31<sup>st</sup> of March, 2010 the District Court for Kraków-Śródmieście, XI Economic Division of the National Court Register registered an increase in the ComArch S.A. share capital to the amount of 8,051,637 PLN. After this increase the company's share capital is divided into 8,051,637 shares. It corresponds to 15,045,237 votes at the company's AGM.

#### 1.3.2 ComArch S.A.'s Board of Supervisors and Management Board

##### A) Members of ComArch S.A.'s Board of Supervisors as at 31<sup>st</sup> of December, 2009:

Name and surname	Position	Number of ComArch S.A. shares	Nominal value
Elżbieta Filipiak	Chairman of the Supervisory Board	846,000	846,000 PLN
Maciej Brzeziński	Vice-Chairman of the Supervisory Board	-	-
Maciej Czapiewski	Member of the Supervisory Board	-	-
Wojciech Kucharzyk	Member of the Supervisory Board	-	-
Anna Ławrynowicz	Member of the Supervisory Board	-	-
Tadeusz Syryjczyk	Member of the Supervisory Board	-	-

**B) Members of ComArch S.A.'s Management Board as at 31<sup>st</sup> of December, 2009:**

Name and surname	Position	Number of ComArch S.A. shares	Nominal value
Janusz Filipiak	President of the Management Board	2,565,383	2,565,383 PLN
Piotr Piątosza	Vice-President of the Management Board	10,776	10,776 PLN
Paweł Prokop	Vice-President of the Management Board	34,500	34,500 PLN
Piotr Reichert	Vice-President of the Management Board	-	-
Zbigniew Rymarczyk	Vice-President of the Management Board	22,072	22,072 PLN
Konrad Tarański	Vice-President of the Management Board	-	-
Marcin Warwas	Vice-President of the Management Board	-	-

Michał Bajcar, Paweł Bieryt, Błażej Chodarczewicz, Dariusz Duralek, Anna Kleszcz, Tomasz Nakonieczny and Maria Smolińska are the company's proxies.

**AFTER THE BALANCE SHEET DATE**

On the 31<sup>st</sup> of March 2010, as a result of the completion of the managerial options programme for 2009 and in relation to the registration of an increase in ComArch S.A.'s share capital:

Name and surname	Number of ComArch S.A. shares	Nominal value
Janusz Filipiak	2,620,010	2,620,010 PLN
Piotr Piątosza	16,845	16,845 PLN
Paweł Prokop	40,569	40,569 PLN
Piotr Reichert	6,069	6,069 PLN
Zbigniew Rymarczyk	28,141	28,141 PLN
Konrad Tarański	6,069	6,069 PLN
Marcin Warwas	6,069	6,069 PLN

**C) Contracts that May Result in Future Changes in Holdings of Shareholders or Bondholders**

On 28<sup>th</sup> of June, 2007, the Annual General Meeting of Shareholders passed Resolution no. 40 on the managerial options programme for company's Key Employees for 2008-2010. The program will be executed through offers of newly-issued shares in the company in 2009, 2010 and 2011 to Key Employees. More details were presented in point 5.3 of this report.

**D) Agreements between the Issuer and the Managing Persons, which Plan for Compensation in Case of Resignation or Discharge from the Occupied Post without a Substantial Reason, or when Their Dismissing or Discharge are Caused by Merger through Takeover**

None present.

**F) Value of Paid, Due or Potentially Due Remuneration, Awards or Benefits, including those Resulting from Managerial or Bonus Programmes based on Issuer's Equity, Separately for Each of the Managing and Supervising Persons in the Dominant Unit**

Information is included in notes 3.15.3 and 3.32 of the consolidated financial statement.

**G) Principles and Regulations for Remunerating Managing and Supervising Persons**

According to the article 15 point 10) of the ComArch S.A.'s Statute, competencies of the General Meeting include defining principles and regulations for remunerating members of the Management Board provided that this competency may be passed on in part or in entirety to the Supervisory Board. Before the 29<sup>th</sup> of August, 2004, this competency remained with the Supervisory Board. At present, the resolution of the Supervisory Board of the 20<sup>th</sup> of August, 2004 and the resolution No. 52 of the General Meeting of the 30<sup>th</sup> of June, 2005 are binding in the scope of defining principles for salary for members of the Management Board.



## 1.4 Employment and Production Capacity of the Group

As at 31<sup>st</sup> of December, 2009, in ComArch S.A. there were 2,533 employees compared to 2,666 persons as at 31<sup>st</sup> of December, 2008, and in Comarch Group number of employees reached 3,260 persons compared to 3,316 persons as at the 31<sup>st</sup> of December, 2008 (excluding employees of MKS Cracovia SSA due to different type of activity).

Average employment Comarch Group in 2009 and 2008 is presented in tables below:

<b>Number of employees:</b>	<b>2009</b>	<b>2008</b>
- full-time	2,760	2,350
- co-workers	566	562
<b>Total</b>	<b>3,326</b>	<b>2,912</b>
<b>Employees:</b>	<b>2009</b>	<b>2008</b>
- production employees and technical consultants	2,586	2,279
- marketing and sales	413	343
- management and administrative employees	327	290
<b>Total</b>	<b>3,326</b>	<b>2,912</b>

An average employment in MKS Cracovia SSA within 2009 and 2008 was as follows:

<b>Number of employees:</b>	<b>2009</b>	<b>2008</b>
- full-time	45	49
- co-workers	133	127
<b>Total</b>	<b>178</b>	<b>176</b>

Most of production by Comarch consists in production of computer software on the basis of customer orders and in production of company's own, versatile software products. The basic factor limiting the production capacity is human resources. As the company makes active investments in new products and technologies, it strives to provide appropriately wide range of competencies for all its employees. The company flexibly manages teams of employees through continuous optimisation of placements for current commercial projects and internal R&D projects (developing new products and updating the existing ones, which are not directly connected to contractual requirements), using proprietary IT solutions for this target. In effect, there are almost no unused resources.

### 1.4.1 Systems that Control Employees Shares Programmes

None present.

## 2. ECONOMIC ACTIVITIES

Comarch is a producer of innovative IT systems for key sectors of economy: telecommunications, finance and banking, public administration, as well as large, small and medium-sized companies. A wide range of the Comarch offer includes ERP-class and financial and accounting systems, CRM systems and loyalty software, sales support and electronic document exchange systems, knowledge management, Business Intelligence, security and protection of data and many other solutions. Apart from providing innovative IT solutions to its customers, Comarch is focused on professional customer service and on providing consulting, advisory and integration services as a uniform package, with which our customers can take full advantage of the possibilities offered by modern IT systems.

### 2.1. PRODUCTS AND SERVICES OFFERED BY COMARCH IN 2009

#### Solutions for the Telecommunications Sector

Comarch solutions are being planned in order to comply with the requirements of individual customers.

- **Solutions for Mobile Operators** – such as Next Generation Network Planning, Next Generation Service Management, M2M Platform, Convergent Billing, Wholesale/Interconnect Billing, Revenue Sharing & Roaming, CRM, Voucher & Top-Up Management, Network Inventory and Next Generation Service Assurance
- **Solutions for Landline Operators**, i.e. Convergent Billing for end customers, Wholesale/Interconnect Billing, Partner Management, Network Inventory and Next Generation Service Assurance, Next Generation Service Management
- **Solutions for Virtual Operators (MVNO/MVNE)**, i.e. Convergent Billing, Interconnect Billing, CRM, Data Services Support and Voucher & Top-Up Management
- **Solutions for Wholesale Operators**, i.e. Trading Support, Revenue Control, Performance, Dispute, Routing, Network Configuration, Prices, Prefixes & Agreements Management, Invoicing, G/L Integration and Partner/Supplier Relationship Management
- **Solution for Multi-Service Operators** - Comarch provides full support for triple- and quad-play operators, including convergent products from the BSS platform
- **Solutions for Satellite Services Operators**, i.e. Comarch Satellite Package
- **Solutions for CATV Operators** – this platform includes necessary tools for Convergent Billing, Interconnect Billing, CRM for Telecoms, PRM, Revenue Sharing, and Roaming & Voucher Management
- **Solutions for WiMAX and WiFi** provide wide ranging support in the processes of product preparation, definition of services offered to customers, as well as product sales through available channels. Standard functionalities include: activation, control, services settlements, as well as their monitoring and reporting.
- **Solutions for Internet Service Providers and VIP Operators**, i.e. Comarch 3arts – complex solutions combining BSS, OSS and CRM. In addition, they enable IT infrastructure management (Comarch IT Management), as well as Voucher & Top-Up Management.
- **Solutions for the content providers and IPTV operators**, i.e. Next Generation TV Middleware, Product Catalogue, Convergent Billing, Revenue Sharing, Network Inventory and Next Generation Service Assurance.

These solutions provide complex platforms to particular groups of operators. Specific products are described below.

## PRODUCTS

### 2.1.1. Comarch BSS Portfolio (Comarch BSS Suite)

**Comarch BSS Suite** is an innovative, modular billing platform supporting all areas related to settlements and customer services, as well as broadly understood suppliers and recipients of telecommunications services. Its task is to execute business objectives of the operator and preparing him for introduction of new-generation services. A comprehensive set of modules allows management of business in all the above-mentioned telecommunications markets, i.e. stationary telephone networks, mobile telephone networks, Internet services or cable TV.

Comarch Customer Billing and Management features flexible, scalable and open architecture which supports the complete billing process. The system, based on the latest technologies, is a very effective and reliable one, which can be integrated with other systems. Platform received certificates of performance on Sun and HP platforms in international testing centres in the United Kingdom, Switzerland and Germany. With it, operators can handle the most difficult challenges, such as inter-operator billing, implementation of new-generation services or convergent billing.

This platform consists of the following products:

- **Comarch Convergent Billing** is an advanced technological tool to support operators in their billing processes. It is a high-output, scalable system able to process almost unlimited data volumes. Its excellent, user-friendly interface provides a comfortable and intuitive service. Thanks to the 3G event-based billing system, whose format is configurable for IP, VoIP, GPRS and UMTS services and which offers extensive tariff and rebate options, the system is able to offer next generation services.
- **Comarch 3arts** is a solution for telecommunications operators and service providers who require the fast introduction of modern services onto the market. The solution provides broad support for the preparation process of the product, the definition of services offered to the customer, publication and sales of products through available sales channels. Activation, control and settlement of these services as well as monitoring and reporting are its basic functionalities.
- **Comarch CRM for Telecoms** means effective communication with customers, increased customer satisfaction and better customer retention. The system deploys an imposing, ergonomic Inductive User Interface (IUI) to deliver a user friendly interface and friendly work environment. Thanks to the IUI's 'one task – one screen' approach users rapidly become familiar with the system. The system has creators for more complex tasks, context links, a help function and a user-friendly interface, which is similar to that of an Internet browser.
- **Comarch Customer Loyalty Management** is an advanced set of business applications with wide functionality for straightforward and complex loyalty programs. The system stands out for its flexibility, ergonomic user interface and ease of operation. Its scalable architecture means the program can grow in step with the company.
- **Comarch Central Product Catalogue (CPC)** is a central product depository for telecommunications service providers. Information from the product catalogue can be used by any OSS/BSS system working with the products or services. This includes billing systems, CRM, services provisioning, etc. Comarch Central Product Catalogue makes it easy to define, store and manage the end product. Comarch Central Product Catalogue as a central product and offers base for all the operator's systems. Instead of defining and managing products and offers in a number of different systems using complex data transmission processes, the operator can use Comarch Product Catalogue as the central tool for defining, managing and modifying its products and offers.
- **Comarch Self Care** provides all categories of telecommunications subscribers with reliable, 24/7 access to user accounts and to precise information. This comprehensive system enables subscribers and partners to view and analyze financial documents and account information. In

addition, Self Care makes it easy for subscribers to activate and deactivate services and send comments to the operator. This is not all. Self Care acts as a marketing medium for the operator because it can carry advertisements and promotional material. Self Care uses the most modern technology and is flexible and scalable: no matter how many subscribers, how complex the services are or how much data are sent the system can integrate with the operator's organisational culture.

- **Comarch Interconnect Billing** - is an Interconnect solution designed for telecommunications operators who have interconnection points with other operators for any telecommunication service that requires inter-operator settlements. The solution, created on the basis of the Comarch InterPartner Billing system, makes it possible to obtain convergence in wholesale settlements as the same system can be used both for voice services as well as other services, such as DATA, SMS, MMS or premium services. It is also possible to use it for roaming services and revenue sharing.
- **Comarch Wholesale Billing** is a complete solution for wholesale departments, supporting them in everyday operations and protecting operator's business interests. Comarch Wholesale Billing supports business processes specific for wholesale business with cutting edge technology and effective functionalities including billing, optimisation of motion management, support for motion trade processes, automated management of network configuration and management of questionable receivables.
- **Comarch Partner Relationship Management (PRM)** offers an Internet interface for managing partner data gathered in the billing system. The system has two parts: a partner data view module and a partner relationship management module. The system deploys Comarch Business Process Management to manage partner operations such as order management, task management and complaints. Comarch Partner Relationship Management is closely integrated with Comarch InterPartner Billing.
- **Comarch Roaming Billing** is a solution which supports the system of roaming settlements for mobile operators and consists of two modules complementing billing systems: Comarch Convergent Billing and the Comarch InterPartner Billing System.
- **Comarch Revenue Sharing** is a solution which is designed for operators who cooperate with other operators and suppliers of content or services, in order to deliver comprehensive services for their customers. It makes it possible to manage partner relationships as well as the complex processes of settlements and revenue sharing.
- **Comarch M2M Platform (Machine-to-Machine) for Mobile Operators** is a solution which supports operators in the most important processes within BSS and OSS. It includes a self-service portal for partners, enables mediation, service activation, event appraisal, control of resources, managing workflows, performing mass operations on SIM cards, managing business processes and much more. In addition, the Comarch B2B Gateway solution enables direct plug in of partners to the platform enabling independent management of M2M services.
- **Comarch Voucher & Top-Up Management** is an independent component, which can support mobile or IP operators in management of vouchers and/or pre-paid account top-ups. The system can be integrated with an existing telecommunications infrastructure, such as media gateways or can be delivered together with a comprehensive IVR solution.
- **Comarch Active Mediation** is a solution for connecting a network to the billing system. It enables controlling, charging and billing of voice, data and content services in any billing system with a real-time charging interface. Connectivity is possible in any network type from PSTN to IMS.
- **Comarch Service Activation** – its task is to optimise the processes of planning and activation of new services according to parameters defined previously. The system supports the definition and ordering of new services, ensuring that the most advantageous criteria were taken into account.

- **Comarch Master Resource Management** fulfils the role of a central inventory of resources for multiple telecommunication systems. Its main intent is to be one central place for the resource inventory database, lifecycle management and logistical support.
- **Comarch Point of Sale** defines a new quality in Dealer - operator relations. Sophisticated reporting, CRM functionalities, sales support and registration/subscriptions features provide an additional bonus to typical Point of Sale applications. Since Comarch Point of Sale is designed both for inside and 3rd party dealers it features advanced security mechanisms (certificates, tokens, ssl transmission) and rights management (access to specific group of customers, reports, functionalities).

### 2.1.2. Operational Support Systems (Comarch OSS Suite)

**Comarch OSS Suite** is a comprehensive network and telecommunication services management platform providing operators with greater reliability and quality for their services and infrastructure. The platform is in line with NGOSS (New Generation Operations Systems and Software) principles and consists of modules that can be tailored to the needs of individual operators to increase return on investment (ROI) and savings on operating costs. The platform supports all OSS areas. The suite uses the most modern technology (SOA, MDA and J2EE) with a communications bus resting on XML and SOAP. This provides excellent integration with other IT systems, such as BSS, OSS and CRM, and high volume throughput between the individual systems. With the exceptional Comarch OSS Suite companies get the most from their network infrastructure.

This platform consists of the following products:

- **Service Quality Management** is a solution combining functionalities of service modelling, their monitoring and quality control. This is a solution which allows the gathering of network statistics about KPI (key performance indicators) propagation based on service model, reporting of KPI status for particular services and calculation of the influence of network events to service quality on the customer's side. This enables the measurement of service quality for selected customers and correlation with applications gathered in Trouble Ticketing types of systems.
- **Comarch OSS Process Management** is one of the key modules of Comarch OSS Suite. This module implements combined eTOM and ITIL-based process environments based on TM Forum's GB921V. It enables the fully monitored and controlled execution of all management processes. It readily masks the complexity of internal process dependencies and relationships allowing system operators to focus on their tasks. Furthermore, it supports task automation in order to reduce operation time and cost which results in an overall increase in OSS solution efficiency.
- **Comarch Network & Service Inventory** is one of the key modules in Comarch OSS. It gathers data on the operator's network resources and services to innovatively exploit their full potential and increase network productivity. The system provides detailed information on the network's physical and logical resources, which can be searched using a wide range of criteria. It also enables full visualisation of the telecommunications network and its infrastructure. Comarch Network & Service Inventory also supports functionality such as auto-discovery and reconciliation, thanks to which information stored in the inventory database can be updated along with changes taking place in the web. Comarch Network & Service Inventory has two main modules:
  - **Comarch Service Inventory Management** is responsible for modelling and storing resources for the customer-facing services and their dependencies on network resources.
  - **Comarch Network Inventory Management** provides a representation of the current state of an operator's infrastructure. Its components supply detailed information on the network's physical resources and mean that these can be searched across a broad range of criteria.

- **Comarch Network & Service Assurance** is the second key module in the Comarch OSS Suite. It is responsible for the security of the network and of the services that depend on the network devices. Comarch Network & Service Assurance has three main modules:
  - **Comarch Service Level Management** is dedicated to managing SLAs (service level agreements) and to monitoring of the services state.
  - **Comarch Fault Management** effectively monitors for problems and faults across the entire telecommunications network. It continuously surveys all network elements and enables visualisation, tracking and reception for the alarms.
  - **Comarch Network Performance Management** provides near real-time KPI tracking and “thresholding” that enables quick reaction to performance degradation as well as long-term performance analysis via reports and statistics.
- **Comarch Field Service Management system** is a complete solution for scheduling, staffing, managing, and supporting workforce in the field. Efficiency is achieved by selecting the most suitable resources for each task as well as accounting for scheduling issues. At the same time their availability and geographical location are taken into consideration.
- **Comarch Next Generation Service Delivery Platform** is a solution which simplifies the component-based service creation concept. The implementation leverages the TMF SID: CFS-RFS-R model so more business oriented service managers can define new services managed in the service catalogue without a need to understand the technical aspects of the employed SOA technology.
- **Comarch OSS Mediation** - this solution enables Comarch OSS system to communicate with heterogeneous networks which cover many areas and consist of equipment delivered by various suppliers, in a homogenous way, guaranteeing a whole range of FCAPS. To put it simply, Comarch OSS Mediation guarantees the integration of the physical infrastructure of the network (appliances and systems) with the Comarch OSS Suite. OSS Mediation is a product which is used for direct communication with the network in the areas of Inventory, Configuration, Fault management and Performance Management.
- **Comarch Next Generation Network Planning** is a solution for mobile operators, supporting them in network planning and operation activities. It enables automation of network operation through the integration of planning and optimisation, configuration management and network provisioning functionalities. It also constitutes a large step towards delivering Self-Organizing Networks (SON) capabilities to your network.
  - **Comarch Configuration Management** is part of NGNP and is responsible for network configuration. It generates configuration in a specific format for a given device and deliverer based on data from the planning system. It also delivers this configuration to devices and managing systems and uses an interface based on OSS Mediation.
- **Comarch Next Generation Service Assurance** is a solution which supports a telecommunication operator in providing the required quality of services to customers. Thanks to an efficient correlation engine, Comarch NGSA enables the monitoring of even complex services, assuring the analysis of the root cause of failures. A significant element of the solution is also the library of Incident Management and Problem Management process types. These processes ensure proper organisation and control over problem resolution thanks to standards like ITIL and eTOM. This solution incorporates not only separate software but also the many years of experience acquired during the integration of Fault Management and Service Monitoring types of systems.
- **Comarch Next Generation Service Management** is a solution with the mission of enabling fast and cost effective introduction of new exciting customer services leveraging technology convergence. Comarch NGSM supports the complete service lifecycle from the service inception through implementation of service fulfilment and assurance processes. The solution is perfectly suited for achieving a high innovation rate for services based on technology convergence, both mobile and fixed, combined with content based services.



### 2.1.3. Performance Management for Business

Performance Management for Business is a specialised tool for measuring the efficiency and effectiveness of business processes in large companies. The system enables optimising the allocation of resources on different management levels. It optimises effectiveness and therefore ensures the high quality of services to customers. This solution also enables the creation of various statistical dependences on user needs.

### 2.1.4. Service-Agnostic Transaction Engine

Service-Agnostic Transaction Engine is a highly effective, scalable system which includes a rating module to enable the use of a billing system in industries other than telecommunications. It is mostly used to computerise data in different types of transactions. This process may be configured using rules and may include configurations related to data introduction and their initial computerised correlation with other events.

### 2.1.5. Comarch IT Management

Comarch offers a comprehensive solution and many years of experience in the management of IT infrastructure and selling IT services to financial, telecommunications, public administration and services sectors. Comarch IT management enables the monitoring of efficiency of processes as well as the management of network alarms and auto discovery. It also contains functionalities related to the Configuration Database (CMDB) or SLA management, as well as ITIL based processes.

## SERVICES

Comarch also provides the following professional telecommunications services:

- **Comarch Mobile Software** – is Comarch software for mobile appliances. These services refer to the architecture, design, testing, maintenance and updating of the software, and especially to the construction of UI (User Interface) applications, service framework and mobile appliances drivers. Comarch's activity in this area is focused mainly on the Symbian platform, which is the most popular and the most promising mobile platform on the market, but one which also reaches beyond its scope. Comarch consultants have a lot of proven experience in the creation of mobile software for Linux, Java, Windows Mobile, Android, iPhone and RIM environments.
- **Comarch Billing SaaS** a telecom-grade billing system, available in the Software as a Service model (SaaS). The service supports key business processes, including customer management, product management, rating, invoicing, dispatching, partner management and customer self-care.
- **Consulting** begins with an integration and business process needs analysis. Then, a solution is recommended and functional specifications produced. Finally, a plan is drawn up for implementing the integration platform at your company.
- **Trainings** provide a specialised product and IT training and consultation for beginners and above with a wide range of subject areas covered. Training catalogue includes a full range of trainings beginning from standard trainings for system users, through advanced trainings for administrators and advanced users, trainings for trainers, as well as multimedia trainings.
- **Support** delivers Comarch's expert knowledge of the technology being employed and its system support tools and skills.
- **Implementation** Comarch knows how to implement coherent, connected systems combining the right equipment and program tools with technical expertise, innovation and know how across a broad spectrum of technologies and services.
- **IT Outsourcing** – projects including outsourcing of software production, IT business processes and infrastructure. Comarch is flexible to customers' needs and is open to rendering these and other outsourcing services respectively to the customer's business model.

- **Data Migration** - Comarch is a leader in data migration as well as the creation and integration of high-tech securities systems. We provide complex customer service ensuring optimum security levels. IT security is treated as a priority.

## **SOLUTIONS FOR THE FINANCE AND BANKING SECTOR**

### **2.1.6. Business Process Management and Document Workflow**

**Comarch Business Process Management** is a modern system designed for modelling and managing business processes in any circumstances. CBPM is also an integration platform that supports the connection of various distributed applications such as transactional systems, CRM, contact centre, data warehouses and document archives.

**Comarch Document Management** supports managing documents and their flow across an organisation. Comarch Document Management Systems allows managing images of documents (scanned paper documents) as well as electronic documents (text files, e-mails, etc.). The processes which handle documents can be managed with the help of the Comarch Business Process Management system or through an internal, simplified *workflow* service.

### **2.1.7. Internet Banking and Financial Services**

**Comarch Internet Banking** - the system guarantees clients from all segments access to services offered by the bank, 7 days a week, 24 hours a day, using the internet and smartphone type mobile phone. Thanks to integration with various central systems, it is a universal, complete, efficient and safe supplement to the bank's IT environment. The Comarch Internet Banking platform offers solutions, which carry out financial services through the self service channel, fulfilling large expectations of banks, brokerage houses, investment funds and other financial institutions. It is also an integration platform which links services and products offered by one financial institution, or by a whole financial group, into a whole.

**Comarch Mobile Banking** - mobile financial services, which are becoming increasingly popular, are a natural consequence of technological advances. Comarch created an application which allows the managing of finance using mobile devices. Thanks to Comarch Mobile Banking, a money transfer, investment task, balance check or other banking operations are possible using a mobile phone.

### **2.1.8. CRM and Sales Management**

**Comarch Front End (CAFE)** – the integrated work environment of a customer advisor in any financial institution, which covers the functionalities of customer file, Comarch CRM system modules selected by the customer, as well as operational modules which provide a comprehensive service for a bank branch or an insurance broker with the use of 1 application environment, created with the use of 'light' IT technologies.

**Comarch aCRM** is a new generation tool for the real time processing of high data volumes from companies' internal systems and of data originating in external systems.

**Comarch Content Management System** is dedicated to managing portal content and structure. It offers a set of tools that remotely update and manage www services. Comarch CMS gives users a great deal of freedom with full control over the content presented and a high security level. The customer does not need to install any extra software to work with the system as all the essential operations can be executed in Internet browsers.

**Comarch Contact Centre** is the strategic contact point integrating all channels of communication with the customer: the telephone (direct conversations, voice mail, SMS), facsimile, e-mail and Internet. This solution raises a company's competitiveness by building strong customer relations, making communications more effective and collecting and managing customer information. Comarch Contact Centre is a modern, modular platform which is easily expanded. It supports all communication methods including automatic IVR and customer care agents. The solution is based on Comarch's own application integrated and supported by the advanced mechanisms of selected hardware platforms.



**Comarch CRM Claim Management** is a complete claims management solution and is one of the modules that make up the Comarch customer relations platform (CRM). It is based on the proven service-profit chain used by the most successful companies. The service profit chain connects internal and external service quality, including claims management, with financial results. Thanks to this solution companies can compare expenditure on maintaining quality of service with expected financial results.

**Comarch CRM Sales Management** is a new generation integrated front end application. It provides comprehensive customer relations support across the entire product range from the moment of winning a new customer. This includes programs for cross selling and up-selling as well as support for everyday customer retention and maintenance. The system offers functionality for customer care agents in the form of the Sales Application, while for the middle and back office staff responsible for managing the sales process it offers the Department Director and the Central applications.

**Comarch CRM Campaign Management** is a system supporting the entire cycle of marketing campaign management: from planning to tests, execution and modification to tests of performance. The system allows reaching the target group of customers of a precisely defined profile, at a proper time, with appropriate information, and through an appropriate communication channel. The possibility of integration of mass Above The Line (ATL) campaigns and direct Below The Line (BTL) campaigns is a unique solution, allowing achievement of the synergy effect between the two types of activities and winning savings on costs of reaching the customer.

**Comarch Commission & Incentive** is a commission system designed for institutions which use extended networks of agents, brokers and intermediaries in their businesses. The system enables integration of all data related to sales networks, commission policy for all distribution channels and settlements with sales network units in one place. Additionally, collecting all sales data in one system allows better control over sales and optimising incentive systems.

**Comarch Loyalty Management** is an advanced set of business applications for standard and advanced loyalty programs. The system is distinguished by its ease of operation, its flexibility, and its ergonomic user interface. Its scalable architecture ensures that the loyalty program can be expanded in step with the company's growth.

#### 2.1.9. Credit Processes

**Comarch Credit Process Management** is an application suite supporting service of credit processes in all clients segments: corporate clients, medium and small enterprises and retail clients. The modular design of this system enables selection of an optimum set of functionalities and support for the most important processes related to management of any credit products for any customer segment: product design, simulations, preparing an application, support for the decision-making process, preparing an agreement, activation of funds, hedging management, monitoring of active agreements, settlements of transactions, management of the sales network and calculation of commission, as well as vindication from unreliable customers.

The corporate version of the **Comarch Credit Process Management** system is its extension with additional tools, specific for this segment of customers, such as the rating engine, the index analysis module or the extended module of hedges management. As with CRM solutions, emphasis has been put on flexibility of the decision-making mechanism in designing the system supporting the crediting process for large companies, and the proposals generated automatically do not restrict the process management policy in the degree characteristic for the retail segment.

**Comarch Scoring Engine** is a system platform helping credit analysts find the best way to assess credit applications and credit risk and to analyze credit portfolios. Comarch Scoring Engine can be rapidly implemented and put to work as it integrates easily with existing systems and provides great flexibility in the scoring definitions used.

**Comarch Rating** - a tool which supports the rating of corporate clients. It is possible to use the application to check the rating of transactions. The tool is fully configurable by bank employees as it does not require programming knowledge. Due to the high elasticity and integration with the credit process it is possible to change the risk management policy within a few minutes without the need to utilise IT resources.

**Comarch BIK Connector** can function as an integral part of any credit processing system. It is offered as one of the modules in the comprehensive **Comarch Credit Process Management** solution.

**Comarch Credit Monitoring** - the system supports credit contract monitoring processes, especially the monitoring of escrow, repayments, contract conditions as well as the client's financial situation. Thanks to the built-in Comarch Credit Monitoring mechanisms, it automatically generates cases which fulfil the monitoring criteria, e.g. overdue repayments exceeding 7 days. The system works in the context of the client which means that the monitoring has to do with all the client's accounts. Additionally, because the system is based on the Comarch Business Process Management, application, Comarch Credit Monitoring can automatically send the debt to be collected, restructured or the credit conditions can be changed. The system uses functionalities from the Printout Management module, which makes it possible to generate reminders within the system for clients (together with a note about which reminder it is) as well as integration with the central printing machine (mass correspondence).

#### 2.1.10. Capital Markets and Capital Management

**Comarch Asset Management** - the system is addressed to companies which manage assets, bank depositaries, investment and pension funds, insurance companies as well as other institutions which deal with investment activity and portfolio handling. Among others, the system guarantees the modelling of portfolios, handling of orders, access to current portfolio structure, control of investment limits, filling of transactions and operations on portfolios, valuation of portfolio assets, reports and measures the effectiveness of risk management.

**Comarch Custody** is an application designed for banks dealing with trading in securities. The system allows registering and quantitative as well as financial settlements of transactions with securities in NDS S.A. and foreign deposit and settlement chambers. It fully complies with the new deposit-settlement system.

**Comarch Internet Investments** - an independent system or functional supplement to Comarch Internet Banking. It guarantees access to investment financial services through the internet and other electronic distribution channels for brokerage house clients, trustees, investment funds, open pension funds as well as other institutions which operate on the capital market. The system has been continually developed from 1998 and offers the richest functionality on the market in terms of access to the brokerage account, investment funds register and specialised investment products.

**Comarch Online Quoting (NOL3)** - the most modern tool on the Polish market, which allows access to up to date stock exchange listings and market information, market analysis as well as individual stocks. It also realises tasks typical for Order Management System (OMS) solutions such as making dispositions directly from the listings table and sending them to the market at the right moment.

**Comarch Risk Management** is a management system for risks related to investment and credit portfolios. It automates risk control processes aimed at limitation (restriction) of the impact of fluctuation of risk factors on the elements of commercial operations. It also enables identification of the possibility of using the observed fluctuations in investments.

**Comarch Performance & Attribution** - the system allows an active valuation of the effectiveness of investment portfolios, calculating effectivity indicators in terms of benchmarks and risk, an analysis of the profit source attributes and losses, incurred on individual classes of assets, as well as reporting the results of management.

**Comarch CAFE Broker** - application ensures consistency of information, operations and authorisation in headquarters, branches and a brokerage house call centre. The key functional features of Comarch CAFE Broker include complex customer investment account servicing, i.e. orders on different markets, access to an investment profile, order monitoring, account activity tracking as well as support of customer communication.

**Comarch Deal Management** a solution which allows the processing of transactions made on the money and currency market as well as on debt instruments and derivatives, realised through the bank's dealing room or by internet banking clients. The tool guarantees a complex handling of the transactional process and accounting services with regards to the filling and valuation of instruments/transactions, the

calculation of transactional limits for clients as well as the balance equivalent, and adequacy of the transaction in terms of capital.

#### 2.1.11. Trade Financing

**Comarch Trade Finance** supports the business processes connected with letters of credit, collections and guarantees. Comarch Trade Finance works as a component in other IT solutions used in banks, such as the core system, the general ledger and the data warehouse, and must be integrated with these systems.

**Comarch Factoring** is a complex solution servicing debt financing transactions, allowing for both electronic and paper invoices. This solution features high flexibility in modelling of the client service process. It enables the introduction of data related to the factorer, debtor and the definition of a financing program.

#### 2.1.12. Insurance Processes

**Comarch for Insurance** are complex solutions supporting the basic business processes of insurance companies, dedicated to both property insurance companies and life insurance companies. During the design and creation of these solutions special emphasis was placed on sales support, streamlining services for the insured, the best use of information and the optimisation of back-office processes.

**Comarch NonLife Insurance** is a production system supporting all the processes of general insurance companies. The solution ensures flexibility in the release of a new offer on the market. Comarch NonLife Insurance supports administration of insurance policies, liquidation of damages, management of information and improvement in the effectiveness of the insurance business. Implementations can include all modules and product lines. Because it is modular, the system can be implemented in specific operational areas or for particular products. A further option exists to tailor selected modules to the company's existing system architecture.

**Comarch Life Insurance** System is a comprehensive IT solution designed and produced for life insurance companies. The system is capable of supporting the entire operations of a life insurance company and there is some scope for it to be matched to existing architecture. Implementation of Comarch Life Insurance enables comprehensive and cohesive management of the insurance business. Additionally, the high flexibility of the system allows for the optimisation of operations and quick response to the changing needs of the market.

**Comarch Health Insurance** is a stable and efficient solution for health insurance business. The solution provides communication between the insurer, medical service provider and customer.

**Comarch Insurance Claims** is a solution that provides comprehensive support of all types of life insurance claims. The solution helps reduce costs incurred in handling claims thanks to a reduction of paper-based tasks and the use of an internal workflow. The solution functionality covers the entire process of handling life insurance claims.

**CAFE for Insurance** platform is a mashup solution for real-time cooperation and communication. The main task of Comarch Front-End (CAFE) for Insurance is the implementation of sales support and customer service strategy. The advantage of the platform is its simplicity in linking functionalities to meet the business needs of insurance.

**Comarch Insurance Net** is a front office package of tools and solutions for insurance product distribution and support. It provides functionality for agents, employees, partners and individual customers. The system enables agents to perform offer simulations as well as efficiently and accurately complete insurance application forms. Comarch Insurance Net allows the registration of changes to the terms and conditions of insurance policies, as well as reporting on and keeping up with damage processes. A faster and more direct service and a possibility to preview the status of the application in a web portal are beneficial for customers.

**Comarch Commission & Incentive** supports the management and commission settlements of a sales network in insurance companies, banks and other companies with developed sales structures. The solution enables optimisation of sales networks by the introduction of innovative commission-motivation systems and providing agents/sales staff with access to information and necessary tools.

**Comarch Internet Insurance** provides the functionality of an online insurance account. The solution enables the insured to perform basic insurance operations and presents a wide range of information on the insurance offer. Self-service helps facilitate insurance operations by customers themselves, e.g.: offer preparation, insurance simulation, insurance claim submission, loss notification and managing customer investments in terms of fund policies

**Comarch Debt Management** is a comprehensive system facilitating notification and vindication processes, directed towards a diverse range of companies and financial institutions which conduct collection services, legal and enforcement proceedings, and exchange data with external cooperating entities. The Comarch Debt Management system guarantees the effective collection of overdue amounts among other things, through versatile support of multichannel contact with a debtor (phone, SMS, email) and by the organisation of debt collection teams' work including the prioritisation of cases. Growth of the collection rate of receivables is a significant benefit for customers that introduce the system.

**Comarch Insurance Data Warehouse** provides databases for insurance data. Production systems carefully collect data supporting internal and external reporting. They allow one to prepare and provide access for those entitled to information that is necessary for efficiently making decisions on different management levels in insurance companies.

**Comarch Insurance Scoring** is an IT system based on a flexible and definable rules engine, which can be deployed across a variety of assessments in the underwriting process. Comarch Insurance Scoring provided automated application assessments in risk assessment departments.

**Comarch Reinsurance** is an IT solution for reinsurance companies and insurance company departments involved in reinsurance. It was designed and produced as a tool to support reinsurance and additional insurance contracts. It does this by handling modelling and record keeping for proportional, non-proportional, compulsory and facultative reinsurance contracts.

#### 2.1.13. Data Security Solutions

**Comarch CentralLog** is a comprehensive solution for managing security data generated by the company's IT infrastructure. It includes tools for the centralisation, analysis and storage of the security audit information produced by various systems and applications. This includes those exclusively devoted to security and those that are independent, such as data bases.

**Comarch MobileID** is a new authentication and authorisation method based on cell phones, which combines features never before seen together in a single solution. It is reliable and secure, easy to use, inexpensive and technically advanced. The system functions as a stand-alone product and can also be integrated with Comarch Security Access Manager DRACO.

**Comarch Security Access Manager DRACO** supplies world-class identification, authorisation, authentication and accounting that is in line with the latest security trends and adapts to individual customer needs. Comarch Security Access Manager DRACO provides extensive options for resource and user management.

**Comarch MobilePKI** is a solution that supports authentication and authorisation using mobile technology. It enables full use of Public Key Infrastructure (PKI) on cell phones using SIM cards.

**Comarch SecureAdmin** is a user activity monitoring system which operates transparently at the level of the network layer (passive and active analysis). These features mean that implementing Comarch SecureAdmin does not require the modification or reconfiguration of existing applications or systems and its presence is not visible to users.

**System Comarch SOPEL** (Electronic Signature Support System) provides complete implementation of secure qualified electronic signature verification equipment and secure electronic signature submission software that is in compliance with the Law on Electronic Signatures.

**Comarch SafeDesktop** is Comarch's security solution for end-user workstations in IT systems. Comarch SafeDesktop makes it possible to obtain diverse functionality using microprocessor cards and USB

tokens in heterogeneous environments, including the MS Windows 98SE/Me/2000/XP/2003/Vista/7 platform and Linux.

**Comarch SmartCard** is a java based cryptographic microprocessor card for the secure storage of sensitive information such as cryptographic keys and passwords. They are chiefly used in PKI (Public Key Architecture) systems and in banking, where very high security standards, for example for customer transactions, are required. The card's security rests on asymmetrical cryptography. Also, the private key used to sign for the transaction never leaves the microprocessor card: it is generated there and there is no way that it can be copied. Finally, only the card's owner knows the PIN number.

**Comarch SmartToken** is a solution whose hardware is based on USB tokens. It combines cryptographic smart card and card reader features in one device. The programming, including the software inside the token, is produced by Comarch.

**Comarch SmartCard Workshop** manages the life cycles of smart cards and cryptographic tokens. As well as possessing the basic workflow process and smart card system status report functions, it also enables full integration with Comarch CertificateAuthority system.

**Comarch CertificateAuthority** is Comarch proprietary software for full implementation of PKI systems (Public Key Infrastructure). This involves issuing certificates for secure e-mail, web servers, communication channels, and user authentication and authorisation. Comarch CertificateAuthority supports the entire certificate life cycle from application through to expiry or annulment.

**Comarch Security Content Management** is a comprehensive solution for Internet service providers. The system builds and boosts competitive advantage by expanding the range of services that can be offered. These include a range of security options and content and connections monitoring.

## Solutions for Businesses

**Comarch CRM Campaign Management** is a system supporting the entire cycle of marketing campaign management: from planning to tests, execution and modification to tests of performance. The system allows reaching the target group of customers of a precisely defined profile, at a proper time, with appropriate information, and through an appropriate communication channel.

**Comarch CRM Sales Management** ensures complex management of relations with customers from the acquisition action to activation of the sales programmes (cross- and up-selling), building loyalty programmes, to termination the co-operation. The system includes functionalities for both salespeople who provide direct customer services (the Salesman Application) as well as back-office employees, responsible for management of the sales process (the Central Application: preparing information for salespeople, preparing the pricing policy, building sales plans, monitoring sales and analysing reports with results, etc.).

**Comarch Loyalty Management** is an advanced set of business applications with broad functionalities, designed for both simple and advanced loyalty programmes. The system features flexibility, an ergonomical user interface and ease of operation. Scalable architecture guarantees customising the loyalty program development to the pace of company's growth.

**Comarch Document Management System** is a system supporting management of document and information flow in the company. The system is aimed at improving efficiency of the company especially in the scope of work organisation and access to information and documents.

**Comarch Content Management System** is a system for management of portal content and structure. It offers a set of tools enabling remote website updating and management.

**Comarch Business Intelligence** is a modern IT solution based on the data warehouse technology. Its basic role is to provide well-organised and easy-to-understand information supporting the decision-making process at various levels of company management. Comarch Business Intelligence enables selection and application of different analysis areas, depending on user's needs, e.g. sales, finances, controlling and others.



**ECOD** is a complex solution of the EDI (Electronic Document Interchange) type and sales support. In the scope of sales channel management Comarch offers ECOD systems: Agent, Operator, Archive, Distribution, Data Share, Factoring, Delivery, Organiser, Tracker, Packaging, ECOD SA2 Products, Business Portal and Central Reporting Platform.

**Comarch Security Management** allows creation, development and management of the security policy for all networks and devices used in any location and architecture. Apart from this solution, Comarch has a broad range of products, including authentication and authorisation, public key infrastructure, as well as management of security and content.

**Systems for business management** - a complete line of ERP systems for all types of businesses:

**Comarch ALTUM** is an innovative ERP system aimed at small and medium sized companies in the trade and services sector operating locally or within a distributed network. It is well adapted for operations on foreign markets because it meets the legal requirements and has the necessary interface ergonomics. ALTUM is particularly strong in its integrated workflow and business intelligence elements. It is also available in the service model: **Comarch iALTUM24**

- The **CDN Egeria** Integrated Management System is a modern Polish system of the ERP II class, supporting company management features. The system offers a balanced functionality, including all essential areas of business activity. It is a universal tool guaranteeing stable development of any company, flexible enough to satisfy diverse needs
- **CDN XL** is a multi-module, fully integrated IT system of the ERP class, dedicated for medium size and large trade, manufacturing and service companies. It is also available in the service model and includes industry specific functionality for many industries: **Comarch CDN iXL24**.
- **CDN OPT!MA** is a program for management, handling sales, accounting, HR and salary departments. The program supports business management and it is a perfect working tool for an accounting office. The unique feature is the possibility of leasing the program over the Internet via the ASP- Comarch iOPT!MA24 platform
- **Comarch Klasyka** is a coherent and complete offer for small and medium-size trade, service and manufacturing companies. It consists of 9 programs supporting management and accounting, all working in the DOS environment
- **Comarch iOPT!MA24, Comarch CDN iXL24, Comarch iALTUM24** enable management via the Internet. This involves the rental, storage and continuous updating of applications for a fixed monthly subscription fee (service model).
- **Comarch Retail** is an independent system for conducting retail sales which allows for efficiently managing the commercial network in a comprehensive way, starting from the front-office through the back-office and to the point of sale (POS). The product is directed at retail networks with a dispersed structure. Integration with ERP class solutions in the front office of the commercial network is the most important characteristic of the software (Comarch ALTUM or Comarch CDN XL).
- **Comarch iSklep24** is an e-shop cooperating with every Comarch management system: Comarch OPT!MA, Comarch CDN XL and Comarch ALTUM. It is an Internet sales support solution. It possesses a wide range of functionality to effectively promote your offer on the Internet, provide a fuller description of the goods in your shop window and provide faster customer order turnaround.
- **Comarch iGaleria24** is a unique Internet shopping mall created by Comarch. Thanks to iGaleria24 owners of Comarch supported online shops (working on Comarch iSklep24) are able to present their shop in the service, promote and position the shop on the Internet and acquire new customers.
- **Comarch iKsięgowość24** is a unique accounting service created for small companies. The service arose with the thought in mind of entrepreneurs searching for the best price of professional accounting services. Thanks to iKsięgowość24, an entrepreneur can focus their entire energy on conducting business and developing the growth of their companies, and leave the accounting to reputable accounting offices.

- **Comarch iFaktry24** beta version, is a modern software solution that is available in the service model (SaaS) and is intended for the management of sales. The service's exceptional ergonomics and cooperation with other Comarch systems are its hallmark.
- **Comarch Mobile** is a set of solutions for management, which support work with mobile appliances such as a mobile phone, a smartphone or a data collector, and is designed for 3 groups of users: Comarch Mobile Manager – designed for those who manage a company. It enables a quick and intuitive insight into the most important reports on the situation of the enterprise. Comarch mobile sales – is dedicated to sales representatives and ensures the support of a broad sales structure. Comarch Mobile Warehouse – designed for the logistics department employees. Comarch Mobile cooperates with Comarch OPT!MA, Comarch CDN XL and Comarch ALTUM

**SoftM systems** are **ERP** (ERP = Enterprise Resource Planning) and finance-accounting systems for small and medium-sized enterprises in German speaking countries:

- **Comarch Semiramis** - the new generation ERP system SoftMSemiramis was developed to optimally fulfil requirements of active international companies in the Internet age. With a completely new ergonomic user interface and its integrated WorkFlow, SoftMSemiramis optimally maps business processes and organisational models,
- **Comarch SharkNex** – a new generation financial accounting system developed as a supplement for SoftM Semiramis. It enables complex financial management in modern enterprises,
- **Comarch SoftM Suite** – a classic ERP system offering clear functional solutions adjusted to the specifications of a branch for a wide range of users. It includes a certified, complex financial accounting system that administrates controlling and electronic archive of document modules. It proves its value in its internationalisation as well as in accordance with international standards (IFRS, US-GAAP, etc.),
- **Comarch Schilling** - a classic finance-accounting system,
- **Comarch DKS** – a finance-accounting system for customers in the Austrian market, including controlling and human resources modules,
- **Comarch Topas** – a system dedicated to HR services and employee settlements, supporting the management of work hours and recruitment.
- **DMS** – a system for managing the electronic archiving of records, which enables the implementation of electronic document workflow in an enterprise.

## **Solutions for Public Administration**

Comarch specialises in designing, implementing and integrating modern IT systems for public administration, developing comprehensive turnkey solutions and creating network hardware infrastructure. In view of the changes taking place in Polish public administration, Comarch has developed a series of e-government solutions. They are designed for roles specific to public sector institutions. Comarch solutions are designed and developed according to the latest international standards and are implemented by the best specialists. The most important solutions implemented in public sector are:

### **2.1.14. Comarch E-Government – Support of Services for the Society**

Comarch e-government is a platform of on-line public services which contains a set of modules enabling the realisation of tasks assigned to a local government unit by the legislator. The intuitive tools enable autonomous management of the application ensuring the support of creation and publication of contents and constitute a guarantee of streamlined and efficient communication with enquirers through the introduction of the electronic exchange of documents. The CMS system constitutes the core of the solution, enabling the management of the content and the structure of the portal. The modular structure facilitates flexible adjustment of the solution to user needs. Comarch e-Government consists of the following modules: Digital Office, Public Information Bulletin, Information Portal and Intranet.

### **2.1.15. Comarch Egeria – Improving Management Efficiency**

It is an integrated IT system for improving management efficiency which offers extensive decision making support to public sector institutions. The system has a modular design with rich configurability and can be tailored to the individual needs of every customer. It has five fundamental operational areas: Finance and

Accounting, including planning and budgeting, Personnel Management, Logistics, Customer Relations Management and Decision Making. Moreover, the system offers numerous trade modules dedicated to addressing the specific needs of all sorts of enterprises and institutions, including billing - for utilities enterprises, leasing - for leasing institutions and education - for higher educational institutions as well as maintenance and the technical support.

#### **2.1.16. Comarch Education - Support for Management in Education**

This is an integrated system for education departments and the educational institutions they are responsible for. It gathers data on students' educational progress and history, creates spreadsheets, manages finance, personnel and payroll and uses the Internet as the communications mode for all those involved in the educational process. The system forms part of Comarch's local government offer and adopting it along with other Comarch products will allow users to meet the goals set by the Polish government for IT use in education. The integrated Comarch Education system is a complete solution supporting educational institution management at all levels in both teaching and administration.

#### **2.1.17. Comarch Workflow - Group Work and Document Management**

These tools enable better planning and organisation for document flows and their associated tasks. They are also effective in storing case files and other documents. The offer also includes a group work environment with a high volume e-mail server, a group calendar, and online communication. Alongside Comarch e-government or ePUAP, Comarch Workflow forms a comprehensive platform for electronic document support. Implementing the system makes offices more effective: work is better organised and data and document access improved. The tools are in compliance with the prevailing laws and standards.

#### **2.1.18. Comarch Business Intelligence - Reporting and Data Analysis**

Comarch Business intelligence is software that provides decision making support through data analysis. This solution performs especially well for customers managing high data volumes with a number of systems and dispersed locations and for those who require a wide range of data presentation options. Comarch BI offers users the possibility to create analyses with flexible drill-down and filtering for metrics and dimensions as well as the visual display of crucial efficiency indicators and a manager dashboard.

#### **2.1.19. Comarch PKI – PKI Infrastructure Support System**

Comarch PKI consists of the following components:

- Comarch PKI electronic signature – modules which enable signing and verification of electronic signatures and which meet the legal requirements regarding an electronic signature.
- Comarch PKI CA – software which supports certificate management throughout their lifecycle, from the moment the application for the certificate is filled in until the time of their expiry or invalidation.
- Comarch PKI UPO – a component which enables the generation of Official Receipt Confirmation.

Comarch PKI provides working with HSM.

### **Services**

The strategic area of Comarch activity consists in taking advantage of the experience and knowledge of company's employees by providing a full range of IT services: from consulting, to implementation of individual solutions, to outsourcing. The services provided by Comarch form an important and effective way of applying competence of the employees of the company. Execution of numerous programming and integration projects allowed the company to gather unique experience and create a unique team of people. This experience is proven with numerous certificates and authorisations of leading suppliers of IT solutions. The broad range of Comarch IT services is provided in a highly competent and reliable way. The most important services provided by Comarch include:

#### **2.1.20. Data Centre and Managed Services**

**CDC Hosting** is an advanced service within which the customer receives a highly efficient and reliable software and hardware platform which is managed and administered in a safe Comarch Data Centre environment.



**Virtual server services** are a comprehensive package of solutions enabling a virtual machine to run on Comarch's servers, which ensures business processes. Thanks to a virtual environment based on the Comarch Data Centre infrastructure, customers receive a high quality IT environment at an optimal cost.

**Comarch Disaster Recovery Centre** – the aim of this service is to secure the business of the customer through the delivery of a replacement computer and office centre, which will take over the functions of a production environment in the case of unexpected events and stoppages in the operational activity of IT systems.

**Comarch IT Platform Integration** is a service which covers comprehensive designing of software and hardware solutions which constitute the platform for a Comarch application and for external systems. The solutions applied integrate various IT systems in a way that enables a streamlined exchange of data between them, which improves the efficiency and increases the information flow, ensuring continuity and stability of work and optimisation of resource use.

**Comarch IT Managed Services** are comprehensive, proactive services of customer support in the processes of planning, implementation and maintenance of IT solutions. The solutions offered include full advisory, consultation and engineering assistance, which helps while elaborating the strategy of development, design of new systems, development and reorganisation of the infrastructure. We carry out audits from the point of view of functionality, efficiency, effectiveness of processes and use of resources.

#### 2.1.21. Network and Telecommunications Solutions

**Comarch Global WAN Network** is a service which consists of passing on the responsibility for the convergent communication platform, which enables communication and data transmission onto a specialised, external company. As part of Comarch Global WAN Network, Comarch delivers comprehensive services regarding construction of wide area networks (WAN) and implementation of network solutions within the entire country and abroad.

**Comarch WAN Acceleration** is a solution that allows for a reduction in the movement of WAN network frames, which provides for the application's high productivity and enables and ensures the consolidation and effective protection of data. Acceleration is an alternative to the requirement of increasing the bandwidth of link data.

**Comarch LAN Network**- realisation of advanced structures of the LAN network in the area of active devices, (optimisation, expansion, administration and monitoring).

**Comarch Broadband Networks** – these are comprehensive broadband solutions (WiFi/WiMax), which enable multimedia transmission of data and voice data for public institutions. They include a broad range of services, from the definition and elaboration of a network project, through the optimisation to the implementation.

#### 2.1.22. Data Security and Protection

**Comarch Safe Company** - with the Safe Company package we provide comprehensive solutions for safely using the Internet and protecting corporate information. The following products are included in this package:

- **Comarch Safe Internet** - a group of products enabling the safe use of Internet resources: firewalls and systems for detecting intrusions (IPS), protection of email servers (antivirus, antispam systems) and monitored access of web pages.
- **Comarch Information Protection** - a group of solutions addressing: encoding of discs and external data carriers (pendrives, CD/DVD) and systems that provide protection from unauthorised leaks of data (Data Leak Prevention).
- **Comarch Mobile Business** is directed to companies and institutions which demand a simple and secure mechanism for users. This mechanism enables mobile employees, sales partners, subcontractors, affiliated companies and branches remote access to internal computer systems from any location.

**Comarch Security Management** - a group of services that allow for effective, professional and straightforward management of a company's IT security including: implementations, monitoring, management, service and maintenance as well as advisory services.

**Comarch Security Control** - the following elements are included in this system of services

- **Penetrative Tests** – a series of controlled attempts to break into the teleinformatic system by a group of qualified and authorised individuals, by simulating an intrusion attempt on the system.
- **Security Audit** - inspection of the configuration of devices, systems and the required procedures for complying with security standards, good practices and security policy guidelines.
- **Security Policy** determines in a consistent and precise way the rules and procedures relevant to a specific organisation as well as the creation of systems and IT resources. The specific methods of management, procedures, as well as necessary requirements are a result of implementing the policies for protecting information in the organisation at the appropriate level.

#### 2.1.23. IT Management Outsourcing

**Comarch Complex IT Service** is an IT environment management service, in which the customer passes on the entire IT infrastructure to Comarch or commissions Comarch to control selected IT areas, such as the management of selected applications, network environment, internet infrastructure or end-user infrastructure. The Service Desk is also part of the solution and it constitutes the first point of contact for the end-user and includes dealing with service requests, monitoring of systems 24/7/365 and remote correction of failures. The management service delivered by Comarch is created on the basis of the ITIL collection of good practices.

**Comarch End-User Service** - at a basic level it includes the management of work stations, work group servers, peripherals (printers, fax machines) and telephone configuration.

#### 2.1.24. Solutions for Airlines

**Comarch Airline Suite** is a complex solution focused on passengers and their needs. A set of complimentary products helps you meet the increasing expectations of passengers, while on the other hand provides you with a great opportunity for ancillary revenue.

**Comarch Frequent Flyer (CFF)** a comprehensive suite of business applications for managing both, simple and advanced loyalty programs in the Airline and Travel business. The solution offers a wide range of functionalities and provides the possibility to create both standard and complex loyalty programmes.

**Comarch Concierge Agent (CCA)** integrates a number of different systems used by airports, airlines and partners. It finds the most important information necessary for offering professional customer service, enables personal communication (including a direct channel of communication between an agent and the traveller) to offer the most relevant services.

**Comarch Travel Assistant (CTA)** is a new product designed to improve the travel experience by granting passengers a new level of self service possibilities. It is an innovative, flexible and simple system to use that is designed to virtually lead passengers along their journey.

### SPORTS ACTIVITY

MKS Cracovia SSA carries out sport activity by participating in professional league and contests in several sport disciplines, with football and ice hockey being the key ones. The objective of investing in the company is promotion of ComArch brand. It is an element of marketing strategy of the ComArch Group, aimed at creating image of ComArch as the first-choice integrator for large and medium-sized enterprises in Poland.

Revenues from sport activity of MKS Cracovia SSA include revenues on account of advertising services and other services, as well as revenues from tickets for sport events organised by the company.

## 2.2. Position of the Group in the IT market and Information about Markets and Sources of Supply

Due to the type of IT systems offered by the company, medium-size and large companies (who are the largest clients of advanced IT solutions all over the world) constitute the main group of clients. Majority of company's products are addressed to specific groups of customers, while IT services are of universal nature and are offered to all groups of customers. Sale in the company is highly diversified, with no dependency on one major client. In 2009, the share of none of the customer exceeded 10 % of the sale in Comarch Group's sales.

Due to the specific nature of the industry, in which Comarch manages its operations, international concerns, which are producers of computer systems and programmers tools, Polish branches and representatives of such concerns, as well as Polish distributing companies and subcontractors for systems, have to be considered sources of supply. In 2009, no supplier provided products and merchandise at the value exceeding 10 % of Comarch Group's proceeds on sale.

### 2.2.1 Geographical Sales Structure

	2009	%	2008	%	2007	%
Domestic (Poland)	410,523	56.3%	553,421	79.0%	467,460	80.5%
Export	318,880	43.7%	147,544	21.0%	113,588	19.5%
<b>Revenue from sales</b>	<b>729,403</b>	<b>100.0%</b>	<b>700,965</b>	<b>100.0%</b>	<b>581,048</b>	<b>100.0%</b>

Foreign sales at the Comarch Group in 2009 recorded growth of 171.3 million PLN and were up 116.1 % year on year. The share of foreign sales in overall sales was at 43.7 % against 21.0 % in 2008. The total recorded foreign sales revenue takes into account the SoftM Group by an amount of 169.7 million PLN. Foreign sales would account for 26.7 % of overall revenue at the Comarch Group and would be higher by 1.1 % than in 2008 without SoftM's contribution. The geographical structure of sales remained steady throughout the reporting year.

Geographical sales structure:

	2009	2008
Poland	410,523	553,421
DACH	204,311	57,302
Europe – other countries	97,322	69,568
North and South America	12,210	15,462
Remaining countries	5,037	5,212
<b>Total</b>	<b>729,403</b>	<b>700,965</b>

Sales in Europe in 2009 grew by 174.8 million PLN and account for 41.4 % of foreign sales at the Comarch Group, including an increase of 256.6 % within the DACH region. Sales to both of the Americas were 21.0 % lower than in 2008. The share of sales to remaining countries was down 3.4 % but is consistent with the Comarch Group's decision to concentrate sales on the DACH market, which has been continued by the Comarch Group in 2009.

**2.2.2 Revenues from Sales – Market Structure (in thousands of PLN)**

	2009	%	2008	%
Telecommunication, Media, IT	148,209	20.3%	114,696	16.4%
Finance and Banking	117,135	16.1%	146,709	20.9%
Trade and Services	60,222	8.3%	65,421	9.3%
Industry & Utilities	106,337	14.6%	63,222	9.0%
Public Sector	59,307	8.1%	203,728	29.1%
Small and Medium Enterprises – Poland	55,785	7.6%	54,727	7.8%
Small and Medium Enterprises - DACH	169,682	23.3%	37,624	2.1%
Others	12,726	1.7%	14,838,	5.4%
<b>Total</b>	<b>729,403</b>	<b>100.0%</b>	<b>700,965</b>	<b>100.0%</b>

In 2009 there was a significant change in the market sales structure. Sales to the telecommunication, media and IT sector enjoyed the greatest advance in 2009 with a year on year increase of 33.5 million PLN, which was up 29.2 % as compared with 2008. Their share in total sales increased from 16.4 % in 2008 to 20.3 % in 2009. There was also a significant increase in sales to customers in the industry and utilities sector of 43.1 million PLN – up 68.2 % year on year. Their share in total sales also grew from 9.0 % to 14.6 %. This was the result of the increased sales of third party software to customers in this sector. Sales in the public sector fell by 144.4 million PLN, i.e. 70.9 % and their share in total sales fell from 29.1 % to 8.1 % in 2009. This is a consequence of a lack of significant deliveries of computer hardware and third party software to customers in this sector. Sales to the trade and services sector over the year fell by 5.2 million PLN and were down 7.9 % over 2008, while sales to the finance and banking sector fell by 29.6 million PLN with a 20.2 % decrease year on year. Sales to customers in small and medium sized enterprises grew by 1.1 million PLN with a 1.9 % advance year on year.

Looking back over the year as a whole, the structure of sales by customer segment remained at a consistent level, and it was only in Q3 that sales to the industry and utilities sector outperformed overall sales.

**2.2.3 Products Sales Structure**

	2009	%	2008	%
Services	500,573	68.6%	354,827	50.6%
Proprietary software	74,657	10.3%	78,479	11.2%
Third party software	93,614	12.8%	134,710	19.2%
Hardware	46,149	6.3%	115,152	16.4%
Others	14,410	2.0%	17,797	2.6%
<b>Total</b>	<b>729,403</b>	<b>100.0%</b>	<b>700,965</b>	<b>100.0%</b>

Sales of IT services is the highest in value and is still a developing part of the Comarch Group's revenue year by year. In 2009 there was growth in the sale of IT services of 145.7 million PLN and 41.1 %. Yet the share of proprietary services and software in overall sales for the year constituted 68.6 %. Sales of proprietary software decreased by 3.8 million PLN and 4.9 % and sales of third-party software fell by 41.1 million PLN and 30.5 %. This is mostly the consequence of decreased demand for deliveries of this type of software by customers in the public sector. Sales of computer hardware saw a decline of 69.0 million PLN and 59.9 % as a result of a lack of big orders in public sector in 2009.

Looking at 2009 as a whole, the structure of sales by product type remained at a constant level, and it was not until Q3 that third party software sales showed any upward movement.

## 2.3. The most Significant Contracts in 2009

The most important contracts signed in 2009 are:

### 2.3.1. A frame Agreement Signed by the Centre of Information Projects at the Ministry of Interior and Administration (CPI MSWiA)

On 7<sup>th</sup> of April, 2009, between the Centre of Information at the Ministry of Interior and Administration based in Warsaw ("CPI MSWiA") and a consortium of companies: ComArch SA with its registered seat in Krakow, CA Services SA with its registered seat in Krakow and Pwc Polska Sp. z o.o. (Ltd Co.) with its registered seat in Warsaw ("Consortium") an agreement was concluded. The agreement is a frame agreement as it is regulated by article 99 of the Act dated 29<sup>th</sup> of January, 2004 (Journal of Laws, 2007, no. 233, position 1655, with later alterations) regarding Public Procurement Law. The abovementioned agreement defines the terms of realizing orders for services by the parties of the agreement. The subject of the agreement is to define the terms of providing and realizing orders for consultancy services within the projects under realisation. The stated services refer to those which the Consortium may provide to the CPI MSWiA within the period for which the abovementioned agreement has been concluded.

The stated frame agreement states that the orders made by CPI MSWiA and realised by the Consortium may not exceed the amount of 54,279,400.00 PLN (fifty-four million two hundred and seventy-nine thousand four hundred PLN and 00/100). The agreement is binding for the period of four years from the day of conclusion. The above amount is an approximation and it defines only the upper limit of the liabilities that may be incurred by CPI MSWiA on the basis of the stated frame agreement. If the realised orders account for a lesser amount than the one specified above, it does not constitute a basis for claiming that CPI MSWiA fails to fulfil the terms of the frame agreement. If the above amount is actually reached, the frame agreement is terminated without the necessity of providing any additional declarations by any of the parties.

The order realisation by the Consortium will include the following services:

- 1) Strategic consulting with regard to project planning, requirement analysis, concept of architecture, preparing documentation and possible alterations in legislation pertaining to the areas of activity related to projects under realisation,
- 2) Supporting the executives teams of the Ordering Party with respect to the management of programs, project portfolios and the project of organizing the Project Office as well as with regard to executing commissioned jobs by the project office of the Ordering Party, the following in particular: preparing necessary documentation, support of public procurement within the projects under realisation, support of acquisition and control of project finances, including the acquisition of EU aid funds, support of strategies for project communication and promotion, support of the process of handing over the products completed in the course of realizing particular projects.

### 2.3.2. Contract with JetBlue

On the 3<sup>rd</sup> of September, 2009, ComArch S.A. informed of the signing of an agreement between ComArch Inc., a subsidiary of ComArch S.A., and JetBlue Airways Corporation ("JetBlue"), a Delaware Corporation, based in New York in the United States of America. The subject of the contract is to supply COMARCH Loyalty Management software and provide hosting as well as a "Disaster Recovery Centre". The contract value is approximately 5.2 million USD net (approximately 15.3 million PLN net). JetBlue is a leading U.S. airline that employs innovative forms of customer experiences and services.

### 2.3.3. Letter of Intent with E-Plus

On the 10<sup>th</sup> of November, 2009, a letter of intent between Comarch AG, a subsidiary of ComArch S.A. ("Comarch"), and E-Plus Mobilfunk GmbH & Co. KG ("E-Plus") was signed. Comarch has been selected by E-Plus as a strategic outsourcing partner for Next Generation Network Planning. According to the letter of intent, Comarch and E-Plus endeavour to conclude the 5-year contract by the 28<sup>th</sup> of February, 2010. The letter of intent does not constitute any legal duties of the parties to conclude the contract. Within the framework of the contract, Comarch will deliver the OSS (Operations Support Systems) platform, covering the areas of planning and configuration management for the Radio Access and Transport Network, as well as migrate the existing data to the new platform. The platform will be delivered in a Managed Service business mode



The E-Plus Group is a division of KPN Mobile International, the mobile phone arm of Dutch telecommunications group KPN. KPN is one of Europe's leading providers of voice and data services. The company has mobile operations in the Netherlands, Germany (E-Plus Group), Belgium (KPN Group), Spain and France. The KPN Group has a total of approximately 33 million mobile telecoms customers.

#### **2.3.4. Contract with Łęgrzem Sp. z o.o. for the Fourth Stage of Investment in the Special economic Zone (SEZ) in Krakow**

On the 16<sup>th</sup> of November, 2009 (current report no. 26/2009) ComArch S.A. signed a contract with Łęgrzem Sp. z o.o. with its registered seat in Krakow, for the fourth stage of investment in the Special Economic Zone in Krakow. The subject of this contract is the construction of a new production and office building with a total size of five thousand two hundred and twenty-seven square meters, including road and technical infrastructure. The value of this contract amounts to 23.97 million PLN. The investment completion is planned on 30<sup>th</sup> of April, 2011.

### **AFTER THE BALANCE SHEET DATE**

#### **2.3.5. Update of the Information dated 10<sup>th</sup> of November, 2009 relating to the Letter of Intent with E-Plus**

On the 28<sup>th</sup> of February, 2010, in current report no. 3/2010, in relation to current report no. 25/2009 dated the 10<sup>th</sup> of November, 2009 relating to the letter of intent with E-plus signed between a subsidiary, Comarch AG and E-Plus Mobilfunk GmbH&Co. KG, ComArch S.A.'s Management Board announced that due to ongoing negotiations, the planned contract signing date has been changed from the 28<sup>th</sup> of February, 2010 to the 18<sup>th</sup> of May, 2010.

#### **2.3.6. Credit Agreement with Bank DnB NORD SA**

On 28<sup>th</sup> of April, 2010, ComArch S.A. signed a credit agreement with Bank DnB NORD Polska S.A. with its registered seat in Warsaw, for the financing of the fourth construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to a maximum of 80% of the investment value of up to 20 million PLN. The crediting period may last 11 years at a variable interest rate and should be taken out by 30<sup>th</sup> of September, 2011. The real estate mortgage, cession of rights in the building insurance policy and cession of rights in the bank guarantee issued for the debtor are security for this credit.

## **2.4. Major Domestic and Foreign Investment (Securities, Financial Instruments, Intangible Assets and Real Estate), including Capital Investment Made outside the Group of Related Parties, as well as a Description of their Financing**

### **2.4.1. Investments in SoftM Group**

In the fourth quarter of 2008, ComArch Software AG (currently ComArch AG) purchased 50.15 % of the shares in the German company, SoftM Software und Beratung AG, thereby acquiring the SoftM Group (details were presented in point 13 of this report). On 22<sup>nd</sup> of December, 2008, having attained a controlling position exceeding 30 % in the voting rights, ComArch AG launched a mandatory takeover offer to SoftM-shareholders, according to the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz). The offered purchase price of one share was 3.45 EURO. On the 2<sup>nd</sup> of February, 2009, a mandatory takeover offer of shares of SoftM Software und Beratung AG was completed. As a result of this offer, ComArch AG purchased 1,991,777 shares of the company for 3.45 EUROS per share, i.e. for a total sum of 6,871,630.65 EUROS. As at the date of preparing the quarterly financial report, ComArch AG holds 5,241,777 shares of SoftM Software und Beratung AG, which constitute 80.89 % of the company's share capital. This gives 5,241,777 or a 80.89 % share of the total votes at the company's annual general meeting. ComArch AG purchased the above-mentioned shares with loans acquired via internal means of ComArch S.A., ComArch Middle East FZ LLC and Bonus Management Sp. z o.o. SK-A.

On 10<sup>th</sup> of November, 2008, ComArch S.A. concluded with a subsidiary, ComArch AG, a contract for a loan of 8 million EURO. This loan has a variable interest rate based on the LIBOR for EURO index. A promissory note issued by ComArch AG is security for this credit. The crediting period may last until the 31<sup>st</sup> of December, 2010.

On 10<sup>th</sup> of November, 2008, ComArch AG concluded with a subsidiary, Bonus Management Sp. z o.o. SK-A, a contract for a loan of 4 million EURO. This loan has a variable interest rate based on the LIBOR for EURO index. A promissory note issued by Bonus Management Sp. z o.o. SK-A. is security for this credit. The crediting period may last until the 31<sup>st</sup> of December, 2010.

On 28<sup>th</sup> of January, 2009, ComArch S.A. concluded with a subsidiary, ComArch A.G., a contract for a loan of 2 million EURO. This loan has a variable interest rate based on the LIBOR for EURO index. A promissory note issued by ComArch A.G. is security for this credit. The crediting period may last until the 28<sup>th</sup> of January, 2011.

On 21<sup>st</sup> of January, 2009, ComArch Middle East concluded with a subsidiary, ComArch A.G., a contract for a loan of 1.1 million EURO. This loan has a variable interest rate based on the LIBOR for EURO index. A promissory note issued by ComArch A.G. is security for this credit. The crediting period may last until the 21<sup>st</sup> of January, 2011.

#### **2.4.2. Real Estates**

The conference centre building in the Special Economic Zone in Krakow was completed in March, 2009. The building was completed in February, 2009 and has been used since March, 2009 (the third investment stage). On the 9<sup>th</sup> of February, 2009, ComArch S.A. received a permit to use the building and it came into force on the 24<sup>th</sup> of February, 2009. The total value of incurred expenditures amounts to 68.07 million PLN. The credit described in pt 3.7.3 c) of this report represents the source for financing this investment.

In November, 2009, ComArch S.A. began the fourth investment stage in the SEZ in Krakow. The subject of the contract concluded on 16<sup>th</sup> of November, 2009 with Łęprzem Sp. z o.o. with its registered seat in Krakow, is the construction of a new production and office building with a total size of five thousand two hundred and twenty-seven square meters, including road and technical infrastructure. The value of this contract amounts to 23.97 million PLN. Investment completion is planned for the 30<sup>th</sup> of April, 2011. As at 31<sup>st</sup> of December, 2009, investment expenditures related to this building amounted to 1.45 million PLN. The credit described in pt 5.6.7 c) of this report will represent the source for financing this investment.

In the second quarter of 2009, Comarch AG purchased real estate with a total size of 2,121 m<sup>2</sup> with a building, which will represent the new seat of the company following its renovation. The purchase price was 0.7 million Euro. The company holds the valid building permit and commencement of construction works is being scheduled for 2010.

### **2.5. Activity in the Special Economic Zone**

On the 22<sup>nd</sup> of March, 1999, ComArch S.A. obtained a permit for conducting activity in the Special Economic Zone in Krakow. According to the regulation of the Council of Ministers of the 14<sup>th</sup> of October, 1997 on establishment of a Special Economic Zone in Krakow (Journal of Laws No. 135, item 912 and changes to this act), the entities, which invested in the Krakow special economic zone at least 2 million Euro, were granted the following tax allowances:

- a) During the first 6 years of commercial operations in the zone, the income from such activity is free from income tax
- b) After this period of time, but not later than until the date specified in the permit, half of the income obtained is free from income tax.

The allowance was applicable for the income tax from legal entities from the income obtained from the activity specified in the permit.

In reference to Poland joining the European Union, an Act was passed of the 2<sup>nd</sup> of October, 2003 on changing the act on special economic zones and some other acts (Journal of Laws No. 188 Item 1840), which changed the conditions for tax allowance for entities acting in special economic zones. Pursuant to the provision of Article 6 section 1 of the Act, these entities may apply for changing the terms and conditions of the permit in order to adjust it to the principles for granting public aid in force in the European Union. Pursuant to the provision of Article 5 Section 2 Point 1 b), Point 2, Point 3 of the Act, the maximum amount of public aid for entities, which manage operations in a special economic zone on the basis of a permit issued before the 1<sup>st</sup> of January, 2000, cannot exceed 75 % of the value of investments incurred in the period from the date of obtaining the permit to the 31<sup>st</sup> of December, 2006, provided that in determining the maximum amount of public aid, the total amount of public aid obtained since the 1<sup>st</sup> of January, 2001 is taken into consideration. It means a change in the current method of functioning of tax

allowance (public aid), from unlimited by value into limited by value and dependent on the value of investments made. In case of ComArch SA, the maximum value of public aid shall not exceed 75 % of the value of investment expenditures, which the company has incurred / shall incur in the period since obtaining the permit, i.e. the 22<sup>nd</sup> of March, 1999, till the 31<sup>st</sup> of December, 2006.

The costs of investments and the amount of aid are subject to discounting pursuant to Par. 9 of the Regulation of the Ministry from the 14<sup>th</sup> of September, 2004 on the Krakow Special Economic Zone (Journal of Laws 220 Item 2232) with wording changed pursuant to Par. 1 of the Regulation of the Ministry from 8 February 2005 that changed the Ordinance on the Krakow Special Economic Zone (Journal of Laws No. 32 Item 270) and with Par. 2 of the latter Ordinance taken into consideration.

ComArch S.A. applied to the Minister of Economy for change in the conditions of the permit and on the 1<sup>st</sup> of July, 2004 it obtained the decision of the Minister of Economy of the 24<sup>th</sup> of June, 2004 on change in the conditions of the permit to those specified above and compliant with the Act. At the same time, the period of time for which the permit for ComArch S.A. was issued was extended to the 31<sup>st</sup> of December, 2017 in the changed permit. This means extension of the period of time in which ComArch S.A. will be able to use the public aid limit, which it is entitled to use for the investments incurred in the special economic zone.

Pursuant to IAS 12, unused tax relief as at the 31<sup>st</sup> of December, 2009 constitutes a deferred income tax asset. The limit of the unused investment relief as at the 31<sup>st</sup> of December, 2009, discounted as at the permit date, is 20.1 million PLN.



### 3. FINANCIAL SITUATION OF THE CAPITAL GROUP IN 2009

#### 3.1 Financial Analysis

##### Balance Sheet

ASSETS	31		31		2009/2008	
	December 2009	%	December 2008	%		%
<b>Non-current assets</b>						
Property, plant and equipment	256,306	28.6%	257,137	28.1%	-831	-0.3%
Goodwill	42,697	4.8%	26,328	2.9%	16,369	62.2%
Other intangible assets	84,656	9.5%	98,666	10.8%	-14,010	-14.2%
Non-current prepayments	8,089	0.9%	8,350	0.9%	-261	-3.1%
Investment in associates	447	0.0%	1,252	0.1%	-805	-64.3%
Other investment	106	0.0%	106	0.0%	-	0.0%
Deferred income tax assets	19,633	2.2%	12,713	1.4%	6,920	54.4%
Other receivables	1,745	0.2%	1,741	0.2%	4	0.2%
	<b>413,679</b>	<b>46.2%</b>	<b>406,293</b>	<b>44.4%</b>	7,386	1.8%
<b>Current assets</b>						
Inventories	33,008	3.7%	29,551	3.2%	3,457	11.7%
Trade and other receivables	221,901	24.8%	244,645	26.7%	-22,744	-9.3%
Current income tax receivables	382	0.0%	240	0.0%	142	59.2%
Long-term contracts receivables	8,507	1.0%	12,191	1.4%	-3,684	-30.2%
Available-for-sale financial assets	10,291	1.2%	129	0.0%	10,162	7,877.5%
Other financial assets at fair value – derivative financial instruments	398	0.0%	-	0.0%	398	100.0%
Cash and cash equivalents	204,075	22.8%	219,333	24.0%	-15,258	-7.0%
	<b>478,562</b>	<b>53.5%</b>	<b>506,089</b>	<b>55.3%</b>	-27,527	-5.4%
Assets classified as designated-for sale	2,865	0.3%	2,865	0.3%	-	0.0%
<b>Total assets</b>	<b>895,106</b>	<b>100.0%</b>	<b>915,247</b>	<b>100.0%</b>	-20,141	-2.2%

As of the end of 2009, the value of the company's assets decreased by 2.2 % as compared to 2008 from 915.2 million PLN to 895.1 million PLN. This is mostly the result of a decrease in the Comarch Group's current assets (a decrease of 5.4 %), especially in the scope of trade and other receivables of the Comarch Group (a decrease of 22.7 million PLN and 9.3 %) as well as cash and cash equivalents (a decrease of 15.3 million PLN and 7.0 %). The increase of 10.2 million PLN in available-for-sale assets is related to investments made by ComArch Management Sp. z o. o. SK-A in participation units in the money market and debt securities fund, KBC GAMMA SFIO and securities held by SoftM Software und Beratung AG. The share of items of current assets in the total structure of assets has remained at a similar level to those in 2008. A slight increase of 7.4 % in non-current assets is mostly the result of an increase of 16.4 million PLN in goodwill due to the acquiring of the SoftM Group by a subsidiary, ComArch AG in 2008/2009. There was also an increase in value of deferred income tax assets (an increase of 6.9 million PLN and 54.4 %). The share of other non-current items in the total structure of assets has remained at a similar level to that of 2008.

<b>EQUITY AND LIABILITIES</b>	<b>31 December 2009</b>	<b>%</b>	<b>31 December 2008</b>	<b>%</b>	<b>2009/2008</b>	<b>%</b>
<b>EQUITY</b>						
<b>Capital and reserves attributable to the company's equity holders</b>						
Share capital	7,960	0.9%	7,960	0.9%	-	0.0%
Other capitals	137,798	15.4%	134,818	14.7%	2,980	2.2%
Exchange differences	10,684	1.2%	4,894	0.5%	5,790	118.3%
Net profit for the current period	32,306	3.6%	199,126	21.8%	-166,820	-83.8%
Retained earnings	348,522	38.9%	149,396	16.3%	199,126	133.3%
	<b>537,270</b>	<b>60.0%</b>	<b>496,194</b>	<b>54.2%</b>	41,076	8.3%
Minority interest	17,046	1.9%	37,980	4.1%	-20,934	-55.1%
<b>Total</b>	<b>554,316</b>	<b>61.9%</b>	<b>534,174</b>	<b>58.3%</b>	20,142	3.8%
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Credit and loans	82,823	9.3%	94,400	10.3%	-11,577	-12.3%
Other liabilities	-	0.0%	-	0.0%	-	0.0%
Deferred income tax liabilities	53,498	6.0%	59,959	6.6%	-6,461	-10.8%
Provisions for other liabilities and charges	2,298	0.2%	4,458	0.5%	-2,160	-48.5%
	<b>138,619</b>	<b>15.5%</b>	<b>158,817</b>	<b>17.4%</b>	-20,198	-12.7%
<b>Current liabilities</b>						
Trade and other liabilities	174,951	19.5%	177,171	19.4%	-2,220	-1.3%
Current income tax liabilities	1,347	0.2%	6,111	0.7%	-4,764	-78.0%
Long-term contracts liabilities	7,653	0.9%	5,730	0.6%	1,923	33.6%
Credit and loans	12,899	1.4%	26,794	2.9%	-13,895	-51.9%
Financial liabilities	-	0.0%	97	0.0%	-97	-100.0%
Provisions for other liabilities and charges	5,321	0.6%	6,353	0.7%	-1,032	-16.2%
	<b>202,171</b>	<b>22.6%</b>	<b>222,256</b>	<b>24.3%</b>	-20,085	-9.0%
<b>Total liabilities</b>	<b>340,790</b>	<b>38.1%</b>	<b>381,073</b>	<b>41.7%</b>	-40,283	-10.6%
<b>Total liabilities and charges</b>	<b>895,106</b>	<b>100.0%</b>	<b>915,247</b>	<b>100.0%</b>	-20,141	-2.2%

Equity grew over 2009 by 3.8 % and was due in large measure to the sizeable increase in retained earnings in 2009 of 199.1 million PLN, which was the result from the high net profit generated in 2008 (an increase of 133.3 %). The structure of equity has not changed significantly and their share in total equity and liabilities has grown only slightly compared to the previous year (an increase in share from 58.3 % to 61.9 % in 2009). Liabilities and provisions for liabilities decreased by 40.3 million PLN. This increase of 10.6 % is related to the payment of ComArch S.A. long-term bank credits in 2009 (a decrease of 25.5 million PLN in the value of credits and loans). There was also a decrease of 11.2 million PLN in deferred and current income tax liabilities. Over the course of 2009 the share structure of liabilities has not changed significantly.

In 2009, the Comarch Group maintained very good financial liquidity. In the Management Board's opinion, the Comarch Group has no problems with meeting the contracted financial liabilities on-time. Temporarily free funds are invested by the company in safe financial instruments like bank deposits and participation units in money investment funds.

<b>Debt analysis</b>	<b>31 December 2009</b>	<b>31 December 2008</b>	<b>31 December 2007</b>
Debt ratio	10.69%	13.24%	14.80%
Debt/equity ratio	17.82%	24.42%	28.85%

	2009	%	2008	%	2009/2008	%
<b>Revenue</b>	<b>729,403</b>	<b>100.0%</b>	<b>700,965</b>	<b>100.0%</b>	28,438	4.1%
Cost of sales	-590,718	-81.0%	-551,021	-78.6%	-39,697	7.2%
<b>Gross profit</b>	<b>138,685</b>	<b>19.0%</b>	<b>149,944</b>	<b>21.4%</b>	-11,259	-7.5%
Other operating income	8,236	1.1%	2,287	0.3%	5,949	260.1%
Sales and marketing costs	-70,794	-9.7%	-49,238	-7.0%	-21,556	43.8%
Administrative expenses	-51,849	-7.1%	-46,793	-6.7%	-5,056	10.8%
Other operating expenses	-9,905	-1.4%	-10,281	-1.5%	376	-3.7%
<b>Operating profit</b>	<b>14,373</b>	<b>2.0%</b>	<b>45,919</b>	<b>6.6%</b>	-31,546	-68.7%
Finance costs - net	4,562	0.6%	198,644	28.3%	-194,082	-97.7%
Share of profit/(loss) of associates	-470	-0.1%	-42	0.0%	-428	1,019.0%
<b>Profit before income tax</b>	<b>18,465</b>	<b>2.5%</b>	<b>244,521</b>	<b>34.9%</b>	-226,056	-92.4%
Income tax expense	7,969	1.1%	-43,299	-6.2%	51,268	-118.4%
<b>Net profit for the period</b>	<b>26,434</b>	<b>3.6%</b>	<b>201,222</b>	<b>28.7%</b>	-174,788	-86.9%
Including:						
<b>Net profit attributable to equity holders of the company</b>	<b>32,306</b>	<b>4.4%</b>	<b>199,126</b>	<b>28.4%</b>	-166,820	-83.8%
Minority interest	-5,872	-0.8%	2,096	0.3%	-7,968	-380.2%

In 2009, the Comarch Group sales revenue amounted to 729.4 million PLN, i.e. an increase of 4.1 % compared to those in 2008. Operating profit achieved a level of 14.4 million PLN which was a decrease of 68.7 % PLN compared to the previous year. Net profit attributable to the company's shareholders was at 32.3 million PLN having decreased by 83.8 %. In consequence, EBIT margin amounted to 2 % (6.6 % in 2008) and net margin decreased from 28.4 % to 4.4 %.

<b>Profitability analysis</b>	<b>31 December 2009</b>	<b>31 December 2008</b>	<b>31 December 2007</b>
Margin on sales	19.01%	21.39%	22.43%
EBIT margin	1.97%	6.55%	7.57%
Gross margin	2.53%	34.88%	7.83%
Net margin	4.43%	28.41%	7.36%

In 2009, margin on sales decreased slightly from a level of 21.39 % in 2008 to 19.01 % in 2009. The decrease in EBIT margin in 2009 is mostly the consequence of operating loss generated in 2009 by the SoftM Group and companies included in the Internet segment. Their result should improve in subsequent years. Net margin in 2009 decreased from 28.41 % to 4.43 %, mostly due to the very high result of finance activity in 2008 which was not repeated in 2009.

#### Financial liquidity and turnover ratios

<b>Liquidity analysis</b>	<b>31 December 2009</b>	<b>31 December 2008</b>	<b>31 December 2007</b>
Current ratio	2.37	2.28	1.79
Quick ratio	2.16	2.09	1.49
Cash to current liabilities ratio	1.01	0.99	0.39

Turnover analysis	31 December 2009	31 December 2008	31 December 2007
Current asset turnover ratio	1.52	1.39	1.90
Receivable turnover ratio (days)	110	126	117
Inventories turnover ratio (days)	75	39	58
Liabilities turnover ratio (days)	166	205	167
Liabilities turnover excluding liabilities due to investment credit ratio (days)	122	142	117

Turnover ratios indicate the effective use of the Group's funds. In 2009, the receivables turnover ratio decreased slightly compared to the previous year. This is the consequence of a low level of trade receivables as at the 31<sup>st</sup> of December, 2009. Furthermore, the liabilities turnover ratio, as well as liabilities turnover excluding liabilities due to investment credit ratio, decreased as a consequence of the increase in the total costs in the Comarch Group.

### 3.2 Commentary on Differences between Financial Results Presented in Annual Report and Results Forecast for the Given Year Published Before

The Group has not published the results forecast for 2009.

### 3.3 Factors and Events of Unusual Nature that Affect the Issuer Activities and the Achieved Results, as well as Their Appraisal

#### 3.3.1. Deferred Income Tax

As at 31<sup>st</sup> of December, 2009, the company dissolved an asset due to activities in the SSE that was worth 10.032 million PLN. As at the 31<sup>st</sup> of December, 2009, the company presented a deferred income tax asset in the income statement due to activities in the SSE (hereinafter referred to as the "Asset") that was worth 8.993 million PLN. This Asset will be realised successively (as write-offs diminishing net profit of the Group) in proportion to the generation of Comarch's tax-exempt income in 2010. At the same time, pursuant to IAS12, the company will regularly verify the valuation of the Asset considering the possibilities of its realisation and further recognition. Additionally, the company signifies that the recognition of this Asset does not have any influence on cash flow in the company and in the Group (both the recognition and realisation of the Asset). This is an accrual based operation and is a result of the fact that the Group applies IFRS when preparing consolidated financial statements of the Comarch Group.

#### 3.3.2. Effect of SoftM Group's Figures on the Comarch Group's Results

The Comarch Group's revenue in 2009 included 169.68 million PLN from the SoftM Group's revenue for 2009. Group's net profit decreased by 20.12 million PLN due to the net results of SoftM Group in 2009.

### 3.4 Changes in Methods of Company Management and Its Capital Group Management

Due to the ongoing recession in 2009 on the IT market within the DACH region, in combination with the negative results of SoftM Software und Beratung AG in the first half of 2009, the Management Board of SoftM has been executing a restructuring programme in the second half of 2009 named DASD (Decentralisation of organisation, lean Administration, Sales driven organisation, Development increase). The programme comprises adjusting the SoftM's cost structure to the current level of revenue, simplification of the organisational structure and an increase in the responsibility of business units and the continuation of investment in the development of new software.

With the notice dated the 9<sup>th</sup> of September, 2009, the State Enterprise Centre of Registers with its registered seat in Vilnius, Lithuania (Valstybes Imones Registru Centro Vilniaus Filialo Juridiniu Asmenu Registravimo Skyrius - Vilnius Branch Legal Persons Registration Department) opened liquidation proceedings in UAB ComArch with its registered seat in Vilnius, Lithuania (current report no. 21/2009). According to the shareholders' decision, Ms. Asta Macijauskiene became the liquidator of the company.

The decision to liquidate is part of a restructuring process related to foreign activity of the Comarch Group.

### **3.5 Description of the Main Capital Deposits or the Main Capital Investments Made within the Comarch Group in the Given Year**

On the 31<sup>st</sup> of July, 2009, ComArch S.A. with its registered seat in Krakow, purchased 500 shares (nominal value of 100 PLN each) in SoftM Polska Sp. z o.o. (Limited liability Company) with its registered seat in Poznań, Poland for the total amount of 298,300.00 PLN. The acquisition was carried out in relation to a contract concluded with SoftM Software und Beratung AG, with its registered seat in Munich.

In 2009 Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty acquired shares in iCDN24 S.A. (currently iComarch24 S.A) (investment value: 0.5 million PLN).

In the third quarter of 2009, Comarch Software (Shanghai) Co. Ltd. was registered. ComArch S.A. acquired shares in the company for the total amount of 0.2 million USD via internal means.

In the third quarter of 2009, ComArch S.A. acquired shares in CASA Management and Consulting Sp. z o.o. SK-A (investment value: 30 million PLN). On the 12<sup>th</sup> of October, 2009, the District Court for Kraków-Śródmieście, XI Economic Division of the National Court Register registered a company, CASA Management and Consulting Sp. z o.o. SK-A.

### **3.6 Transactions Concluded by the Issuer or its Subsidiary with Related Parties on Terms Different from Market Conditions**

None present.

### **3.7 Financial Liabilities and Significant Off- Balance Sheet Items**

#### **3.7.1 Bank Guarantees**

On the 31<sup>st</sup> of December, 2009, the value of the bank guarantee and letters of credit issued by banks on order from ComArch S.A. in reference to executed agreements and participation in tender proceedings was 36.97 million PLN, including a bank guarantee in the amount of 2 million euro, i.e. 8.22 million PLN, for Bank HVB's benefit, as a suretyship for credit used by SoftM Software und Beratung AG. On 31<sup>st</sup> of December, 2008, the value of bank guarantee and letters of credit issued by banks on order from ComArch S.A. in reference to executed agreements and participation in tender proceedings was 26.97 million PLN.

On 31<sup>st</sup> of December, 2009, the value of bank guarantees issued by banks on order from CA Services S.A. in reference to executed agreements and participation in tender proceedings was 0.25 million PLN, whereas it was 0.9 million PLN on 31<sup>st</sup> of December, 2008.

On 31<sup>st</sup> of December, 2009, the value of bank guarantees issued by banks on order from SoftM Group in reference to executed agreements and participation in tender proceedings was 0.3 million EURO, i.e. 1.24 million PLN, whereas it was 0.31 million EURO, i.e. 1.3 million PLN on 31<sup>st</sup> of December, 2008.

#### **3.7.2 Suretyships and Liabilities due to Leases**

As at 31<sup>st</sup> of December, 2009, there were no ComArch S.A.'s suretyships for the debts from lease agreements.

As at 31<sup>st</sup> of December, 2009, the Comarch Group had contractual obligations due to operational leasing agreements in the amount of 6.83 million PLN.

#### **3.7.3 Credits**

As at the 31<sup>st</sup> of December, 2009, ComArch S.A. had liabilities due to credits in the amount of 89.53 million PLN.

- a) An investment credit from Fortis Bank Polska S.A. with its registered seat in Warsaw in amount of 20 million PLN for the financing of the first construction stage of production and office buildings in the Special Economic Zone in Krakow. The crediting period may last a maximum of 10 years, i.e. until 2015. This credit has a variable interest rate. On 5<sup>th</sup> of January, 2009, the company revaluated the remaining credit to be paid into EURO at the rate of 1 EUR = 4.003 PLN. A promissory note, the mortgage on land and the building insurance policy are security for this credit. As at 31<sup>st</sup> of December, 2009, the value of the credit to be repaid amounted to 2.75 million EURO, i.e. 11.3 million PLN.
- b) An investment credit from Kredyt Bank S.A. with its registered seat in Warsaw, for the financing of the second construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to 80 % of the investment value up to a maximum of 26.82 million PLN. The crediting period may last a maximum of 16 years at a variable interest rate. A promissory note, the mortgage on land and the building insurance policy are security for this credit. As at 31<sup>st</sup> of December, 2009, the value of the credit to be repaid amounted to 23.15 million PLN.
- c) An investment credit from Fortis Bank Polska S.A. with its registered seat in Warsaw, for the financing of the third construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to 85 % of the investment value up to a maximum of 44 million PLN. The crediting period may last a maximum of 16 years at a variable interest rate and was taken out by 30<sup>th</sup> of September, 2008. A promissory note, the mortgage on land and the building insurance policy are security for this credit. As at 31<sup>st</sup> of December, 2009, the value of the credit to be repaid amounted to 39.94 million PLN.
- d) An investment credit from Bank Pekao S.A. with its registered seat in Warsaw, for the financing of purchase of land in the Special Economic Zone in Krakow. The credit amounts to 15.1 million PLN. The crediting period may last a maximum of 5 years at a variable interest rate. The mortgage on the land is security for this credit. As at 31<sup>st</sup> of December, 2009, the value of the credit to be repaid amounted to 15.1 million PLN.

A subsidiary, SoftM Software und Beratung AG has received a credit in IBM Kreditbank for financing of current activity in the amount of 1 million EURO. As at 31<sup>st</sup> of December, 2009, the credit used was 0.27 million EURO. SoftM Software und Beratung AG uses investment credit in HypoVereinsbank AG that amounts to 2 million EURO and the crediting period may last till 15<sup>th</sup> of February, 2010. It was raised in Q4 2009 for financing of current activity. The crediting period was 4 years. As at 31<sup>st</sup> of December, 2009, the credit used was 1.23 million EURO.

## 3.8 Loans

### 3.8.1 Loans

As at 31<sup>st</sup> of December, 2009, there were no unpaid home loans granted to employees of ComArch S.A.

As at 31<sup>st</sup> of December, 2009, the following companies of the Capital Group were indebted towards ComArch S.A. for loans granted:

Company	Due date	Value	Currency	Interest	Value in PLN
ComArch AG	31-01-2011	8,560,000	EURO	3.30%	35,166,192,
ComArch AG	21-01-2011	2,000,000	EURO	3.30%	8,216,400
ComArch, Inc.	31-01-2011	870,000	USD	3.09%	2,479,761
ComArch LLC	31-01-2011	40,000	USD	3.09%	114,012
ComArch Panama, Inc.	31-01-2011	100,000	USD	3.09%	285,030
OOO ComArch	31-01-2011	150,000	USD	3.09%	427,545
MKS Cracovia SSA	30-06-2010	1,000,000	PLN	6.20%	1,000,000
MKS Cracovia SSA	30-06-2010	2,400,000	PLN	6.50%	2,400,000
MKS Cracovia SSA	30-06-2010	1,800,000	PLN	7.59%	1,800,000
MKS Cracovia SSA	30-06-2010	500,000	PLN	6.46%	1,500,000
MKS Cracovia SSA	30-06-2010	600,000	PLN	6.17%	600,000
MKS Cracovia SSA	30-06-2010	400,000	PLN	6.18%	400,000



**3.8.2 Loans Granted to Members of the Management Board and Members of the Supervisory Board**

As at 31<sup>st</sup> of December, 2009, there are no unpaid loans as well as there are no guarantees nor suretyships granted by ComArch S.A. to members of the Management Board and members of the Supervisory Board and their relatives.

**3.9 Significant Legal, Arbitration or Administrative Proceedings****3.9.1 Proceedings Related to Liabilities or Receivables of the Issuer or a Subsidiary, which Value Constitutes at least 10 % of Equities**

None present.

**3.9.2 Two or more Proceedings related to Liabilities or Receivables of Issuer's or a Subsidiary, which Total Value Constitutes at least 10 % of Equities and the Issuer's Opinion on the Matter**

None present.

## 4. PERSPECTIVES FOR DEVELOPMENT

### 4.1 Factors Essential for Development of the Group

#### 4.1.1. Internal Factors

- a) Increase in export sales and significance of foreign sales,
- b) Position and reputation of the company affecting the nature of clients acquired;
- c) Commercial operations of ComArch S.A. in the special economic zone in Krakow;
- d) Significant share of standard (repetitive) products offered for sale, which means:
  - lower costs, especially variable costs related to a single contract,
  - the possibility of significant increase in profitability of a single contract with simultaneous reduction in charges for clients (license fees),
  - broader and more diversified circle of clients, which means a broader scale of activities;
- e) Attractive training policy and attractive work conditions offered for employees of the Group;
- f) Increasing awareness of the Comarch brand among prospective clients by promotion managed through MKS Cracovia SSA;
- g) Necessity of continuous investment in human resources to maintain the company's competitive edge in future years;
- h) High levels of investment expenditure designated for research and development activity, and development of new products and IT services;
- i) High level of investment expenditure designated for the development of production sources in Poland (material investment) and for expansion on foreign markets (capital investment).

#### 4.1.2. External Factors

- a) Enhanced requirements from clients for IT systems. There is an increase in demand for large, complex IT systems dedicated for specific users. This gives advantage to large IT companies such as Comarch, which offer a number of different technologies and products and which are able to provide technologically advanced solutions;
- b) Development of Internet banking and more frequent usage of the Internet as a new distribution channel for financial products;
- c) Change in business models in many branches as well as change in business strategies of many companies related to technological progress and fast economical growth, which increases demand for new IT systems;
- d) An access of Polish companies to resources from structural funds related to Polish membership in European Union that will be dedicated in part to develop IT systems and finance research and development works;
- e) Growing competition, causing decrease in achieved margins; competition between IT companies;
- f) Pressure on increase in remuneration in IT sector;
- g) The international economic situation, taking into particular consideration the situation on financial markets that effects levels of demand for products and IT services;
- h) Economic slowdown observed in many countries in 2009, having a strong effect on investment decision-making by enterprises;
- i) Exchange rate levels which were favourable for exporters for the most part of 2009, especially EUR/PLN and USD/PLN, and which affect the profitability of export sales;
- j) Decreased availability of external monetary sources observed in 2009.

### 4.2 Other Significant Factors, including Risks and Threats

#### 4.2.1. Credit Risk

The dominant unit establishes the financial credibility of potential clients before signing contracts for the supply of IT systems and adjusts the conditions of each contract to the potential risk depending on its assessment of the financial standing of the client. Concentration of credit risk is limited due to diversification of the Group's sales to a significant number of customers in different branch of economy, in different world's regions.

#### **4.2.2. Risk of Change in Interest Rates**

The company is exposed to the risk of changes in interest rates related to long-term investment credits to finance the construction of new production buildings in the Special Economic Zone in Krakow. These are credits at variable interest rates based on the WIBOR and LIBOR index. The company has not been hedging this interest rate risk; however it monitors market situation in this scope. The influence of interest rate changes on the amount of interest on credit paid is partly compensated for by a change in the amount of interest received on cash and cash equivalents.

#### **4.2.3. Risk of Fluctuation in the Exchange Rates**

The company is exposed to foreign exchange risk in relation to export sales and sales denominated in foreign currencies, especially in relation to foreign exchange of EURO/PLN and USD/PLN. At the same time, part of the company's costs are also expressed in, or related to, exchange rates for foreign currencies, and natural hedging is sometimes attempted through the adjusting of assets, equity and liabilities denominated in foreign currencies (for example, through change of currency for investment credit). In individual cases, the company hedges future payments with forward contracts.

The balance sheet value of assets and financial liabilities of the Group denominated in foreign currencies is related to receivables and liabilities due to deliveries and services as well as cash as at the balance sheet date.

#### **4.2.4. Financial Liquidity Risk**

The Group has a liquidity risk management system to manage its short, medium and long-term funds. The fundamental financial liquidity risk arises because the majority of costs incurred by the Group are fixed, while revenue from sales, as is typical for a services company, fluctuates. The Group manages liquidity risk by holding the appropriate amount of working capital, by holding reserve credit lines in the current account, by constantly monitoring the forecasted and actual cash flows and by analyzing the maturity profiles of financial assets and liabilities.

### **4.3 Perspectives of Development in the Group in 2009**

In 2009, the pace of economic development in Poland and globally should have affected Comarch and the IT market. The decrease in demand for IT products and services in 2009 is related to the economic slowdown, and in the company's opinion, will also be present in 2010. It may have a detrimental impact on Comarch's development, and simultaneously, on the financial results achieved by the company. The consistently executed strategy of positioning itself on the market as a technological and product-based company reaps results in the form of an annually increasing client base; most of these being international companies. It allows for the limitation of activities' risk during a period of economic slowdown. After Poland's integration with the European Union, more and more international companies operate in Poland, thus broadening the circle of prospective clients for IT systems. At the same time, activity of Comarch in international markets should additionally increase sales volume and enhance the image of Comarch among international corporations, thus strengthening the competitive position of Comarch in Poland. Strengthening of the Polish currency, beginning from the fourth quarter of 2009, had a negative effect on the development of export sales.

Execution of Comarch strategy largely depends on macroeconomic conditions, beyond the Group, especially on the level of IT investments in medium-size and large companies in Poland and abroad and on the fact that competition in the IT sector becomes more and more fierce. At the same time, effective management of operational risks is the necessary condition for execution of the strategy. The most important operational risks connected with the operations of the company are:

- a) risks related to R&D work (developing proprietary software products);
- b) risks related to assessment of time requirements for long-term contracts;
- c) risks related to failure to observe contract terms and conditions and contractors taking advantage of the provided performance guarantees;
- d) risk of foreign legal and political environment related to execution of export contracts;
- e) risk of decreased possibility (difficulty) of controlling and monitoring financial standing of foreign contractors.

#### **4.4 Characteristic of Policy of the Development Direction in the Comarch Group**

The strategic development directions in the Comarch Group are:

- constant development of its own technologically advanced products
- offers to customers in many economic sectors
- strict cooperation with global customers in international markets
- development of international sales, especially focusing on mature markets in Western Europe (in particular in the DACH region)
- constant investment in human resources
- development of a modern production base in Poland and abroad.

#### **4.5 Achievements within Research and Development as well as an Appraisal of Ability for Executing Investment Plans, Including Capital Investment Compared to the Amount of Resources Owned**

Globalisation of world economy, as well as liberalisation of trade, result in disappearance of barriers for companies and their products. The IT market becomes an open and global market where prices and quality of available products are continuously compared against each other. Along with increase in the presence of foreign capital in Poland, even IT companies conducting operations solely in the Polish market must offer competitive products from the point of view of the global market. Comarch, since the very beginning of its operations, has had reputation of a technological company developing and successfully selling products competitive internationally.

Therefore, the main strategic objectives of the company are still development of new competitive products to enable further development of Comarch and, as a result, increasing its value. Maintaining dynamics of sales requires expenditures for development of products as well as their proper promotion and marketing. This applies to both modifications of already existing products and technologies as well as developing new products.

The present policy of Comarch assumes running research and development work related to implementation of new products and standardisation of products from the very beginning of their preparation for the client. Thus, even in cases when a product was developed for the needs of a particular client, a part or whole of software / code may be then used for preparation of a standard product. This results in higher profitability of particular contracts and expansion of the client base. Expenses for research and development works exceeded 10 % of revenue in 2009. Comarch allocated there internal funds as well as acquired actively European funds. Within next years, with Comarch Group innovative investment projects will be carried out and they will enable further company's expansion in new areas of activities and new markets. This will be financed with monetary funds from the Comarch Group's internal means, using bank credits.

In November, 2009, ComArch S.A. began the fourth investment stage in the SEZ in Krakow, the construction of a new production and office building with a total size of five thousand two hundred and twenty-seven square meters, including road and technical infrastructure. The value of this contract amounts to 23.97 million PLN. Investment completion is planned for the 30<sup>th</sup> of April, 2011. The company intends to finance 80% of planned investment expenditures with bank credit.

Comarch does not restrict its interest to the territory of Poland alone. With products featuring international competitive edge, Comarch will consistently aim at increase in international sales. The sales will be executed directly to the final client (through ComArch S.A. or another company from the Comarch Group) or through partner companies.

## 5. COMARCH IN THE STOCK EXCHANGE

### 5.1 Resolutions of the AGM and the Board of Supervisors

#### 5.1.1. Resolutions of the Board of Supervisors

##### A) Corporate Governance Principles

Pursuant to the rule number 3) included in the third part, pt 1 of the "Corporate Governance Principles", in current report no. 14/2009, ComArch S.A.'s Management Board reported that on the 25<sup>th</sup> of May, 2009, Supervisory Board of ComArch S.A. passed the resolution no. 10/5/2009 in which projects of the resolutions at the AGM, to be held on the 22<sup>nd</sup> of June, 2009, are given positive opinions.

Pursuant to the rule number 1) and 2) included in the third part, pt 1 of the "Corporate Governance Principles", in current report no. 15/2009, ComArch S.A.'s Management Board presented 2008 activities' report of ComArch S.A.'s Supervisory Board and assessment of the company's situation in 2008 including assessment of the company's internal system control and risk management of the company.

#### 5.1.2. Content of the Resolutions Passed at the AGM

On the 28<sup>th</sup> of May, 2009, pursuant to article 395 § 1 and article 399 § 1 of the Commercial Companies' Code and pursuant to § 14 of the company's Statute, the Management Board of ComArch S.A. convened the Annual General Shareholders' Meeting of ComArch S.A., to be held at 09:00 o'clock on the 22<sup>nd</sup> of June, 2009, at Aleja Jana Pawła II 41e in Krakow, Poland. Agenda of the meeting was presented in the current report no. 12/2009. Projects of resolutions to be presented on AGM were published on the 8<sup>th</sup> of June, 2009 in the current report no. 13/2009.

On the 22<sup>nd</sup> of June, 2009, the AGM passed the resolutions related to:

- removing from the agenda of the meeting the point regarding the election of the Returns Committee;
- passing the agenda of the meeting;
- approving the company's financial statement for the fiscal year 1.01.2008 - 31.12.2008;
- approving the report of the Management Board regarding the activities of the company in 2008;
- approving the activity report of the company's Board of Supervisors for the fiscal year 1.01.2008 - 31.12.2008 and audit of the company's financial statement and audit of the report of the Management Board regarding company's activities in 2008;
- approving the financial statement of the Capital Group for the fiscal year 1.01.2008 - 31.12.2008;
- approving the report of the Management Board of ComArch S.A. regarding the activities of the Capital Group in 2008;
- approving the report of the company's Supervisors Board of the audit of the consolidated financial statement of the Capital Group and of the report of the Management Board regarding the activities of the Capital Group in 2008;
- distribution of the company's net profit for the fiscal year 1.01.2008 - 31.12.2008;
- acknowledging the fulfilment of duties by the members of the Management Board and the Supervisory Board in the fiscal year 1.01.2008 - 31.12.2008;
- changes in the company's Statute.

The full content of the resolutions was published on 23<sup>rd</sup> of June, 2009, in the current report no. 16/2009.

On 7<sup>th</sup> of September, 2009, changes in the company's statute were registered by the District Court for Kraków-Śródmieście, XI Economic Division of the National Court Register. The company announced details in current report no. 22/2009.

### 5.2 Operations on ComArch S.A Shares

#### 5.2.1. Conversion, Admittance, Introduction to Trading and Assimilation of 9,400 Series A Shares

Due to request of a shareholder and pursuant to resolution no. 1/21/2008 of ComArch S.A.'s Management Board passed on the 1<sup>st</sup> of December, 2008 as well as pursuant to resolution no. 700/08 of the National Deposit for Securities, rights attached to 9,400 series A shares have been changed.

- before conversion – registered shares preferential for vote so that 5 votes in the General Meeting corresponds with each share,  
- after conversion – ordinary bearer shares with no preferences. Total number of votes at the issuer's general meeting after conversion is 14,954,196 Management Board of the Warsaw Stock Exchange with the resolution no. 12/2009 dated the 8<sup>th</sup> of January, 2009, decided that pursuant to §19, sec. 1 and 2 of the Rules of the Warsaw Stock Exchange, 9,400 ordinary bearer series A ComArch S.A. shares of nominal value of 1 PLN each are admitted to trading. The Management Board of the Warsaw Stock Exchange decided that the shares mentioned above will be introduced to trading on the 16th of January, 2009, providing that on the 16th of January, 2009, they will be assimilated by the National Deposit for Securities with other ComArch S.A. shares already in trading. On 13<sup>th</sup> of January, 2009, the Management Board of the National Deposit for Securities has decided to assimilate 9,400 ComArch S.A. shares (marked with the code PLCOMAR00061) with 6,202,796 ComArch S.A. shares (marked with the code PLCOMAR00012). Assimilated shares were marked with the code PLCOMAR00012. The company announced details in current report no. 1/2009, 3/2009 and 4/2009.

#### **5.2.2. Purchase/Disposal Transactions on ComArch S.A. Shares Made by BZ WBK AIB Asset Management S.A. and BZ WBK AIB TFI S.A.**

##### **a) 23 April 2009**

On 29<sup>th</sup> of April, 2009, BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna, on behalf of Arka BZ WBK Shares Open Investment Fund, Arka BZ WBK Shares of Middle and Eastern Europe Closed Investment Fund, Arka BZ WBK Balanced Growth Open Investment Fund and Lukas Open Investment Fund (hereinafter referred to as the "Funds"), announced that, as a result of the purchasing of the shares settled on 23<sup>rd</sup> of April, 2009, the Funds increased by more than 2 % their share of the total number of votes at ComArch S.A.'s General Shareholders' Meeting. On 23<sup>rd</sup> of April, 2009, the Funds held 1,800,179 ComArch S.A. shares which constituted 22.61 % of the company's share capital. This gave 1,800,179 or a 12.04 % share of the total votes at ComArch S.A.'s General Shareholders' Meeting.

##### **b) 11 May 2009**

On 15th of May, 2009, BZ WBK AIB Asset Management Spółka Akcyjna with its registered seat in Poznań (the „company”) announced that, as a result of the purchasing of the shares on 11<sup>th</sup> of May, 2009, the company's customers increased by at least 2 % their share of the total number of votes at ComArch S.A.'s General Shareholders' Meeting. On 11<sup>th</sup> of May, 2009, the customers of BZ WBK AIB Asset Management Spółka Akcyjna held 2,756,060 ComArch S.A. shares which constituted 34.62 % of the company's share capital. This gave 2,756,060 or an 18.43 % share of the total votes at ComArch S.A.'s General Shareholders' Meeting. ComArch S.A. announced details in current report no. 11/2009.

#### **5.2.3. Other Transactions on the Company's Shares**

None present.

### **AFTER THE BALANCE SHEET DATE**

#### **5.2.4. Completion of Subscription for Series J2 Shares**

Due to completion of subscription, the ComArch S.A. Management Board announced details of this subscription in current report no. 4/2010, dated the 9<sup>th</sup> of March, 2010:

- 1) commencement/completion date of subscription: 17 February 2010/26 February 2010;
- 2) date of series J2 shares allocation: 5 March 2010;
- 3) number of shares taken up by subscription: 91,041;
- 4) reduction rate in particular portion of securities in case of number of allocated series J2 shares lower than number of series J2 shares, on which subscriptions were made (even if it happens only in one portion of securities):-;
- 5) number of series J2 shares, on which subscriptions were made: 91,041;
- 6) number of series J2 shares, which were allocated: 91,041;
- 7) acquisition price of series J2 shares: 1.00 PLN (in words: one zloty) each;
- 8) number of persons who subscribed for series J2 shares: 7;
- 9) number of persons to whom shares were allocated: 7;
- 10) the Company did not enter into agreement on subissue;



11) value of subscription, i.e. number of offered shares multiplied by issue price: 91,041 PLN (in words: ninety-one thousand and forty-one);

12) total issue costs, in particular:

a) costs of an offering: 16,650.00 PLN (in words: sixteen thousand six hundred and fifty);

b) remuneration of subissuers, separately for each of them: 0.00 PLN (in words: zero);

c) costs of prospectus, including consultancy: 0.00 PLN (in words: zero);

d) offering promotion: 0.00 PLN (in words: zero);

e) civil law activities tax: 446.00 PLN (in words: four hundred and forty-six);

Total: 17,096.00 PLN (in words: seventeen thousand and ninety-six).

Issue costs will be settled into finance costs.

13) average cost of subscription of series J2 shares per one share: 0.19 PLN.

### 5.2.5. Registration of Increase in ComArch S.A. Share Capital

On the 8<sup>th</sup> of April, 2010, ComArch S.A.'s Management Board announced that on the 31<sup>st</sup> of March, 2010, the District Court for Kraków-Śródmieście, XI Economic Division of the National Court Register registered increase in the company's share capital to the amount of 8,051,637 PLN. After this increase the company's share capital is divided into 8,051,637 shares. It corresponds to 15,045,237 votes at the company's AGM.

ComArch S.A.'s share capital consists of:

- 1) 864,800 series A registered preference shares,
- 2) 75,200 series A ordinary bearer shares,
- 3) 883,600 series B registered preference shares,
- 4) 56,400 series B ordinary bearer shares,
- 5) 3,008,000 series C ordinary bearer shares,
- 6) 1,200,000 series D ordinary bearer shares,
- 7) 638,600 series E ordinary bearer shares,
- 8) 125,787 series G ordinary bearer shares,
- 9) 102,708 series G3 ordinary bearer shares,
- 10) 563,675 series H ordinary bearer shares,
- 11) 441,826 series I2 ordinary bearer shares,
- 12) 91,041 series J2 ordinary bearer shares.

### 5.3 Managerial Option Program for Members of the Management Board and Other Key Employees for 2008-2010

On 28<sup>th</sup> of June, 2007, the Annual General Meeting of Shareholders passed Resolution no. 16 on the managerial options programme for company's Key Employees for 2008-2010. The objective of the programme is to additionally motivate members of the Management Board and Key Employees by options on Comarch shares (hereinafter referred to as the "Option") dependent on increases in the value of the company and increase in its capitalisation. The program will be executed through offers of newly-issued shares in the company in 2009, 2010 and 2011 to Key Employees. The value of the Option is to be at all times equivalent to the difference between the average closing price of the company's shares as of December of each year of the execution of the programme (beginning with 2008) and the issue price of shares offered to Key Employees. The basis for the calculation of the value of the Option shall be increases in company capitalisation, calculated as follows:

- For 2008 it will be the difference between the average capitalisation of the company in December, 2007 and the average capitalisation of the company in December 2008; this will be calculated using the average closing price of Comarch shares in December, 2004 as 69.53 PLN;
- For 2009 it will be the difference between the average capitalisation of the company in December, 2008 and its average capitalisation in December, 2009;
- For 2010 it will be the difference between the average capitalisation of the company in December, 2009 and its average capitalisation in December, 2010.

In the fourth quarter of the year that precedes the year of the Programme execution, the Supervisory Board of the company shall establish a list of Key Employees and single option factors. List of Key Employees and single option factors shall be established independently for each subsequent year. The total value of the all single option factors for each Key Employee in the given year shall amount to 3 % (in words: three percent) of increase in the company's capitalisation.

Pursuant to IFRS2, the company is obliged to calculate the value of the Option and classify it as a cost in the income statement in the Option period, i.e. from its issue date until its expiry date. The company will

recognise the value of the particular options beginning from the options' acquiring, i.e. an establishment by the Supervisory Board a list of Key Employees and single option factors for each subsequent year.

The company notes that despite the fact that the value of the Option decreases the net profit of the company and of the Group, this operation does not affect the value of cash flows. Moreover, the economic cost of the Option shall be classified in the income statement through its inclusion in the "diluted net profit" of newly issued shares for the participants of the programme. Despite the fact that the IFRS2 standard was officially adopted by the European Union to companies listed on the stock exchange in the preparation of consolidated statements, many experts point out its controversial nature – in their opinion, placing the cost of the Option in the income statement results in the double inclusion of the effect of the Option programme (once by result and second by dilution).

#### Execution of this programme for 2008

On 10<sup>th</sup> of December, 2007, with the resolution no. 3/12/2007, the Supervisory Board of ComArch S.A. established a list of Key Employees and single option factors for 2008. The total value of the all single option factors for each Key Employee in 2008 shall amount to 3 %.

Pursuant to IFRS2, the company has valued the Option with Black & Scholes model. Apart from the assumptions resulting from the nature of the Option program described above, the following additional assumptions were adopted for the needs of the valuation:

- 5.74 % risk-free rate (the interest rate on 52-week treasury bills);
- 0 % dividend rate (the dividend rate in the period forecast as at the date of the passage of the programme);
- 34.45 % anticipated volatility (anticipated volatility based on historical volatility from the last 200 quotations prior to the date of the passage of the program on the basis of the average price of shares from opening and closing prices).

The determined Option's value amounted to 5.94 million PLN and was recognised in the income statement for 2008.

The difference between the average capitalisation in December, 2008 and the average capitalisation in December, 2007 is negative, which means that the basic condition of the programme has not been met. As a result, shares for members of the Management Board and Key Employees were not issued in 2009.

#### Execution of this programme for 2009

On 8<sup>th</sup> of December, 2008, with the resolution no. 1/12/2008, the Supervisory Board of ComArch S.A. established a list of Key Employees and single option factors for 2009. The total value of the all single option factors for each Key Employee in 2009 shall amount to 3 %.

Pursuant to IFRS2, the company has valued the Option with Black & Scholes model. Apart from the assumptions resulting from the nature of the Option program described above, the following additional assumptions were adopted for the needs of the valuation:

- 5.792 % risk-free rate (the interest rate on 52-week treasury bills);
- 0 % dividend rate (the dividend rate in the period forecast as at the date of the passage of the programme);
- 38.62 % anticipated volatility (anticipated volatility based on historical volatility from the last 200 quotations prior to the date of the passage of the program on the basis of the average price of shares from opening and closing prices).

The determined Option's value amounted to 2.98 million PLN and was recognised in the income statement for 2009.

On the 15<sup>th</sup> of February, 2010, pursuant to Art. 431 § 1 and Art. 432 of the Commercial Companies' Code, and in relation to Art. 446 of the Commercial Companies' Code and Art. 9 sec. 3 of the company's Statute, as well in execution of Resolution no. 40 of the Ordinary Annual General Shareholders' Meeting dated 28<sup>th</sup> of June, 2007, regarding the managerial option program for key employees and according to Resolution no. 1/01/2010 of the Supervisory Board regarding execution of the managerial option program for 2009, the Management Board of ComArch S.A. passed the resolution regarding an increase in share capital by way of emission of 91,041 ordinary bearer series J2 shares, of a nominal value of 1 PLN and issue price of 1 PLN, excluding a stock right of the current company's shareholders, in addition to changes in the company's Statute within the abovementioned scope. Shares will be offered to the entitled persons according to the rules of the managerial option program for key employees, passed with Resolution no. 40 of the Ordinary Annual General Shareholders' Meeting dated 28<sup>th</sup> of June, 2007.

A subscription of 91,041 J2 shares took place between the 17<sup>th</sup> of February, 2010 and the 26<sup>th</sup> of February, 2010 (current report no. 4/2010 dated the 9<sup>th</sup> of March, 2010). They were allocated to 7 persons (current report no. 4/2010 dated the 9<sup>th</sup> of March, 2010).

On the 31<sup>st</sup> of March, 2010 the District Court for Kraków-Śródmieście, XI Economic Division of the National Court Register registered an increase in the ComArch S.A. share capital to the amount of 8,051,637 PLN. After this increase the company's share capital is divided into 8,051,637 shares. It corresponds to 15,045,237 votes at the company's AGM.

#### Execution of this programme for 2010

On 7<sup>th</sup> of December, 2009, with the resolution no. 1/12/2009, the Supervisory Board of ComArch S.A. established a list of Key Employees and single option factors for 2010. The total value of the all single option factors for each Key Employee in 2010 shall amount to 3 %.

Pursuant to IFRS2, the company has valued the Option with Black & Scholes model. Apart from the assumptions resulting from the nature of the Option program described above, the following additional assumptions were adopted for the needs of the valuation:

- 4.223 % risk-free rate (the interest rate on 52-week treasury bills);
- 0 % dividend rate (the dividend rate in the period forecast as at the date of the passage of the programme);
- 35.46 % anticipated volatility (anticipated volatility based on historical volatility from the last 200 quotations prior to the date of the passage of the program on the basis of the average price of shares from opening and closing prices).

The determined Option's value amounts to 2.64 million PLN and will be recognised in the income statement for 2010.

## **5.4 Transactions on Shares of Subsidiaries and Associates of ComArch S.A.**

### **5.4.1. Completion of a Mandatory Takeover Offer of Shares of SoftM Software und Beratung AG**

On the 2<sup>nd</sup> of February, 2009, a mandatory takeover offer of shares of SoftM Software und Beratung AG was completed. The acceptance period of the takeover offer began on the 22<sup>nd</sup> of December, 2008, and ended on the 2<sup>nd</sup> of February, 2009. As a result of this offer, ComArch Software AG purchased 1,991,777 shares of the company for 3.45 EUROS per share, i.e. for a total sum of 6,871,630.65 EUROS. As at the date of preparing the financial report, ComArch Software AG holds 5,241,777 shares of SoftM Software und Beratung AG, which constitutes 80.89 % of the company's share capital. This gives 5,241,777 or an 80.89 % share of the total votes at the company's annual general meeting. The company announced details in current report no. 6/2009.

### **5.4.2. Purchase of Significant Shares**

On the 31<sup>st</sup> of July, 2009, ComArch S.A. with its registered seat in Krakow, purchased 500 shares (nominal value of 100 PLN each) in SoftM Polska Sp. z o.o. (Limited liability Company) with its registered seat in Poznań, Poland for the total amount of 298,300.00 PLN.

The acquisition was carried out in relation to a contract concluded with SoftM Software und Beratung AG, with its registered seat in Munich. Purchase price of 1 share was 596.6 PLN. The total nominal value of purchased shares amounts to 50,000.00 PLN and they constitute 100 % of the company's share capital. They entitle the company to 500 votes at the company's general meeting. ComArch S.A. purchased the above-mentioned shares via internal means. This is a long-term investment of the issuer.

SoftM Polska Sp. z o.o. is an IT company operating within the scope of production and maintenance of ERP systems. It is planned for the company to continue its activities according to its profile. The company announced details in current report no. 18/2009.

## **AFTER THE BALANCE SHEET DATE**

### **5.4.3. Sale of Shares in an Associate**

On the 11<sup>th</sup> of February, 2010, SoftM Software und Beratung AG sold all its shares in an associate, KEK Anwendungssysteme GmbH.

#### **5.4.4. Purchase of Shares in ComArch Software S.A.R.L.**

On the 19<sup>th</sup> of March, 2010, ComArch S.A. purchased shares in ComArch Software SARL in Lille from ComArch AG for 15,000 EURO.

#### **5.4.5. Resolution on Increase in ComArch AG Share Capital**

On the 24<sup>th</sup> of March, 2010, the Annual General Meeting of ComArch AG shareholders passed a resolution on an increase of 2,441,620 Euro in share capital by way of emission of 2,441,620 shares of nominal and issue price of 1 Euro each. 1,441,620 shares were purchased by ComArch S.A. and 1,000,000 shares were purchased by the investment fund Vintage Investment Holding S.A. with its registered seat in Luxemburg.

### **5.5 Data Referring to the Agreement Signed with the Entity Entitled to Auditing Financial Statements**

#### **5.5.1. Resolution of the Supervisory Board of ComArch S.A.**

The Supervisory Board of ComArch S.A passed the resolution no. 1/8/2008 dated the 7<sup>th</sup> of August, 2008, and selected Deloitte Audyt Sp. z o. o. to audit and review the financial statements and the consolidated financial statements of ComArch S.A. Deloitte Audyt Sp. z o. o. having its registered seat in Warsaw at ul. Piękna 18, is registered at number 73 in the list of entities entitled to audit financial statements. ComArch S.A.'s Board of Supervisors selected auditor pursuant to art. 19 section 2 pt e) of the company's Statute and pursuant to the operative regulations and professional standards. Deloitte Audyt Sp. z o. o. offered its services to ComArch S.A. within the scope of reviewing the consolidated financial statement of ComArch S.A. for first 6 months of 2006, 2007, 2008 and 2009 as well as auditing the annual financial statement of ComArch S.A. and the annual consolidated financial statement of ComArch S.A for 12 months of 2006, 2007, 2008 and 2009.

#### **5.5.2. Contract Details**

Agreement with Deloitte Audyt Sp. z o. o. was concluded on 17<sup>th</sup> of July, 2009 for one-year period and applies to:

- a) audit of the annual financial statement of ComArch S.A. for 2009,
- b) audit of the annual consolidated financial statement of the company for 2009,
- c) review of the consolidated financial statement of ComArch S.A. for first 6 months of 2009,
- d) review of the condensed financial statement of ComArch S.A. for first 6 months of 2009,
- e) review of half-year SoftM Group financial statement review for h1 2009,
- f) review of half-year SoftM Group financial statement audit for 2009.

The total net remuneration due on account of reviewing the above-mentioned financial statements was 109,149.6 PLN (c, d and e) and 8,500 Euro (f). The total net remuneration due on account of auditing the above-mentioned financial statements was 113,400 PLN (a, b). The remuneration for review of half-year statements was paid in 2009; the remaining part of the remuneration will be paid in 2010.

The total net remuneration due on account of reviewing the financial statements for first six months of 2008 (consolidated and condensed) was 75,600 PLN. The total net remuneration due on account of auditing the annual financial statements was 113,400 PLN. The remuneration for review of half-year statement was paid in 2008; the remaining part of the remuneration was paid in 2009.

### **5.6 Other**

#### **5.6.1. Dates of Periodical Financial Reports in 2009**

Pursuant to § 100 sec. 1 of the Regulation issued by the Minister of Finance on 19th of October, 2005 concerning current and periodical information pertaining to companies traded on the stock exchange, with current report no. 5/2009, ComArch S.A.'s Management Board presented terms of periodical financial reports in 2009. Due to alteration in Regulation issued by the Minister of Finance concerning current and periodical information pertaining to companies traded on the stock Exchange, they were modified in current report no. 7/2009.

#### **5.6.2. The List of ComArch S.A. Current Reports and Financial Statements Made Public in 2008**

On 4<sup>th</sup> of May, 2009, Management Board of ComArch S.A. presented the list of ComArch S.A.'s current

reports and financial statements made public in 2008. The originals of these documents are located at the company's headquarters - al. Jana Pawla II 39a, Krakow, Poland. They are also available at <http://www.comarch.pl/en/investors/reports>

### 5.6.3. Initial Financial Data of SoftM Group for the First Half of 2009

On the 5<sup>th</sup> of August, 2009, a subsidiary - SoftM Software und Beratung AG - announced initial financial data for 01.01-30.06.2009. Revenue amounted to 19.8 million Euro, with the operating result at -6.3 million Euro and net result amounting to -5.4 million Euro. A decrease in revenue from sales of hardware and IT services had a significant influence on achieved results, whereas sales of licenses maintained a stable level. Currently, the company is conducting a restructuring programme called DASD. The Q2 2009 result was diminished by the amount of 3.2 million EURO resulting from the costs incurred for DASD as well as write-offs in goodwill. The company announced details in current report no. 19/2009.

### 5.6.4. The List of Shareholders Participating the Annual General Shareholders Meeting (2009)

Accordingly to the list of shareholders participating the Annual General Shareholders Meeting of ComArch S.A. on the 22<sup>nd</sup> of June, 2009, Elzbieta Filipiak and Janusz Filipiak as well as Arka BZ WBK Shares Open Investment Fund held at least 5 % of the total number of votes represented at this Meeting:

1. Janusz Filipiak - 893,000 registered preference shares which gave 4,465,000 votes at the AGM, which constituted 42.24 % of the all votes at this AGM and which constituted 29.86 % of the total number of votes;
2. Elzbieta Filipiak - 846,000 registered preference shares which gave 4,230,000 votes at the AGM, which constituted 40.02 % of the all votes at this AGM and which constituted 28.29 % of the total number of votes;
3. Arka BZ WBK Shares Open Investment Fund - 1,000,000 ordinary bearer shares which gave 1,000,000 votes at the AGM, which constituted 9.46 % of the all votes at this AGM and which constituted 6.69 % of the total number of votes.

The total number of votes from all emitted ComArch S.A. shares is 14,954,196. Shareholders participating the Annual General Shareholders Meeting of ComArch S.A. on the 22<sup>nd</sup> of June, 2009 held shares giving 10,570,855 votes.

## AFTER THE BALANCE SHEET DATE

### 5.6.5. Dates of Periodical Financial Reports in 2010

Pursuant to § 103 sec. 1 of the Regulation issued by the Minister of Finance on the 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange and on the conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state, in the current report no. 1/2010, ComArch S.A.'s Management Board set dates of periodical financial reports in 2010.

Consolidated quarterly reports which include condensed consolidated financial statements and condensed financial statements:

- 1) Q4 2009 - on 1<sup>st</sup> of March, 2010
- 2) Q1 2010 - on 14<sup>th</sup> of May, 2010
- 3) Q2 2010 - Pursuant to § 101 sec. 2 of the Regulation issued by the Minister of Finance on the 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange and on the conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state, ComArch S.A. will not publish quarterly report for the second quarter of 2010
- 4) Q3 2010 - on 12<sup>th</sup> of November, 2010

### ANNUAL AND HALF-YEAR REPORTS:

- 1) Consolidated half-year report which include condensed consolidated financial statement and condensed financial statement for the first half of 2010 - on 31<sup>st</sup> of August, 2010
- 2) Annual report for 2009 - on 30<sup>th</sup> of April, 2010
- 3) Consolidated annual report for 2009 - on 30<sup>th</sup> of April, 2010



### 5.6.6. Registration of Changes in ComArch S.A. Statute

On the 8<sup>th</sup> of April, 2010, ComArch S.A.'s Management Board announced that received notice, dated the 31<sup>st</sup> of March, 2010, concerning registration by the District Court for Kraków-Śródmieście, XI Economic Division of the National Court Register of changes in the company's Statute (current report no. 6/2010).

Pursuant to the above-said notice article 7 section 1 of the company's Statute is worded as follows:

"The Company's share capital comes to 8,051,637.00 PLN (in words: eight million fifty-one thousand six hundred thirty-seven PLN) and is divided into 8,051,637.00 (in words: eight million fifty-one thousand six hundred thirty-seven) shares, including: 1,748,400 (one million seven hundred forty-eight thousand four hundred) registered preference shares of nominal value of 1.00 PLN every share and 6,303,237 (six million three hundred and three thousand two hundred thirty-seven) ordinary bearer shares of nominal value of 1.00 PLN every share, including:

- 1) 864,800 series A registered preference shares,
- 2) 75,200 series A ordinary bearer shares,
- 3) 883,600 series B registered preference shares,
- 4) 56,400 series B ordinary bearer shares,
- 5) 3,008,000 series C ordinary bearer shares,
- 6) 1,200,000 series D ordinary bearer shares,
- 7) 638,600 series E ordinary bearer shares,
- 8) 125,787 series G ordinary bearer shares,
- 9) 102,708 series G3 ordinary bearer shares,
- 10) 563,675 series H ordinary bearer shares,
- 11) 441,826 series I2 ordinary bearer shares,
- 12) 91,041 series J2 ordinary bearer shares."

### 5.6.7. Credit Agreement with Bank DnB NORD SA

On the 28<sup>th</sup> of February, 2010, in current report no. 3/2010, in relation to current report no. 25/2009 dated the 10<sup>th</sup> of November, 2009 relating to the letter of intent with E-plus signed between a subsidiary, Comarch AG and E-Plus Mobilfunk GmbH&Co. KG, ComArch S.A.'s Management Board announced that due to ongoing negotiations, the planned contract signing date has been changed from the 28<sup>th</sup> of February, 2010 to the 18<sup>th</sup> of May, 2010.

### 5.6.8. Forward Contracts Concluded after the Balance Sheet Date

Between the 1<sup>st</sup> of January, 2010 and the 19<sup>th</sup> of April, 2010, ComArch S.A. concluded a forward contract for the sale of foreign currencies. The total net value of open forward contracts as of the 19<sup>th</sup> of April, 2010 amounted to 3.14 million EURO and 1.8 million USD. The open forward contracts as of the 19<sup>th</sup> of April, 2010 were valued at plus 0.887 million PLN. The contracts will be settled within thirteen months from the balance sheet date. All forward contracts have been concluded in order to limit the influence of currency exchange rates on the financial results related to the contracts carried out by ComArch S.A., in which the remuneration is set in a foreign currency.

Krakow, 30<sup>th</sup> of April, 2010

<b>Janusz Filipiak</b> President of the Management Board	<b>Piotr Piątosza</b> Vice-President of the Management Board	<b>Paweł Prokop</b> Vice-President of the Management Board
<b>Piotr Reichert</b> Vice-President of the Management Board	<b>Zbigniew Rymarczyk</b> Vice-President of the Management Board	<b>Konrad Tarański</b> Vice-President of the Management Board
<b>Marcin Warwas</b> Vice-President of the Management Board		



## 6. Amendment to the Report of the Management Board

### 6.1 Characteristics of Companies in the Group

Company: **ComArch Spółka Akcyjna (JSC) COMARCH**  
 Address: 31-864 Kraków, Aleja Jana Pawła II 39 a  
 Telephone: (12) 646 10 00  
 Fax: (12) 646 11 00  
 Regon: 350527377  
 NIP: 677-00-65-406

The dominant unit - shares of the company are admitted to trading in the Warsaw Stock Exchange and are held, according to the knowledge of the company as at the date of preparation of this report, by Janusz Filipiak (32.54 % of shares), Elżbieta Filipiak (10.51 % of shares), members of the Management Board (1.29 %), BZ WBK AIB Asset Management S.A. (JSC) (34.23 %) including shares of BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna (JSC) (22.36 %).

The company has branches in Krakow, Warsaw, Poznań, Gdańsk, Wrocław, Katowice, Bielsko-Biała, Łódź and Lublin.

Company: **ComArch AG COMARCH**  
 Address: Chemnitzer Str. 50, 01187 Dresden, Germany  
 Telephone: +49 351 3201 3200  
 Fax: +49 351 438 97 10  
 HRB: 23838

The company's share capital is 58,380.00 EURO. It consists of 11,676 registered shares of nominal value of 5 EURO each. ComArch S.A. holds 100 % of interest in the company's share capital and 100 % shares in votes at the AGM of the company. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, ComArch AG is ComArch S.A.'s subsidiary.


Company: **ComArch Software S.A.R.L. (Limited Liability Company) COMARCH**  
 Address: 12 place Saint Hubert  
 59000 Lille, France  
 Telephone: +33 3 59 56 06 84  
 Fax: +33 3 59 56 06 01  
 RCS: 500 252 606 RCS LILLE

ComArch AG holds 100 % of ComArch Software S.A.R.L. shares, that constitute 100 % of the share capital and 100 % of votes at the meeting of shareholders. The share capital of ComArch Software S.A.R.L. amounts to 150,000 Euro and consists of 1,500 shares of nominal value of 100 Euro each. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, ComArch Software S.A.R.L. is ComArch S.A.'s subsidiary (through ComArch AG).

Company: **ComArch R&D S.A.R.L. (Limited Liability Company) COMARCH**  
 Address: 100A, allée Saint Exupéry  
 38330 Montbonnot-Saint Martin, France  
 Telephone: +33 457 58 2300  
 RCS: 507 984 5S7 RCS Grenoble

ComArch AG holds 70 % of ComArch R&D S.A.R.L. shares, that constitute 70 % of the share capital and 70 % of votes at the meeting of shareholders. The share capital of ComArch R&D S.A.R.L. amounts to 7,500 Euro and consists of 750 shares of nominal value of 10 Euro each. ComArch AG purchased the above-mentioned shares with internal means for the total price of 5,250 Euro. The subject matter of activities of ComArch R&D S.A.R.L. is creation and implementation of IT systems, as well as advisement within the scope of IT systems. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994,

ComArch R&D S.A.R.L. is ComArch S.A.'s subsidiary (through ComArch AG).

Company:	<b>SoftM Software und Beratung AG (SoftM)</b>	
Address:	Messerschmittstr. 4, 80992 München, Germany	
Telephone:	+49 (89) 143 29 0	
Fax:	+49 (89) 143 29 1113	
HRB:	111531	

ComArch AG holds 5,241,777 shares of SoftM Software und Beratung AG, which constitute 80.89 % of the company's share capital. This gives 5,241,777 or an 80.89 % share of the total votes at the company's annual general meeting. SoftM Software und Beratung AG is listed on the German Stock Exchange, Deutsche Wertpapierbörse in Frankfurt in Prime Standard Segment. The SoftM Group includes: Comarch Solutions GmbH (Munich), Comarch Schilling GmbH, Comarch Systemintegration GmbH, Comarch Solutions GmbH (Vienna), SoftM France S.A.R.L. and Solitas Informatik AG. These companies are active on the IT market in Germany, Austria and Switzerland, offering their products and services to three business segments: ERP, finance and integration of systems for medium sized enterprises. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, SoftM Software und Beratung AG is ComArch S.A.'s subsidiary (through ComArch AG).

<b>Company</b>	<b>SoftM Polska Sp. z o.o. (Limited Liability Company) COMARCH</b>
Address:	02-001 Warszawa, Al. Jerozolimskie 81
Telephone:	12 646 10 00
Regon:	300075359
NIP:	2090000305

The company's share capital is 50,000 PLN and is divided into 500 shares of 100 PLN each. They entitle to 500 votes at the company's annual general meeting. ComArch S.A. holds 100% shares which entitle to 100 % votes at the company's annual general meeting. SoftM Polska Sp. z o.o. acquires and executes contracts related to SoftM software on Polish market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, SoftM Polska Sp. z o.o. is ComArch S.A.'s subsidiary.

Company:	<b>ComArch, Inc. COMARCH</b>
Address:	10 W. 35th St. Chicago, IL 60616
Telephone:	+1-312-469-1100
Fax:	+1-312-469-1101
Document No.:	P02000099861

It sells Comarch software and services in US market. The company's share capital is 40,000 USD. ComArch S.A. holds 100 % of interest in the company's share capital and 100 % shares in votes at the AGM of the company. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, ComArch, Inc. is ComArch S.A.'s subsidiary.

Company:	<b>ComArch Panama, Inc. COMARCH</b>
Address:	Ave. Samuel Lewis, Calle 55 PH. Plaza Globus 4 piso, Oficina No. 2, Bella Vista, Panamá
Telephone/fax:	+507 263 25 69
Register No.:	468218

The company's share capital is 360,000 USD and is divided into 360,000 shares of nominal value of 1 USD each. The company sells and produces IT systems in Central and Southern America market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, ComArch Panama, Inc. is ComArch S.A.'s subsidiary (through ComArch, Inc.).

**Company: ComArch Middle East FZ-LLC (Limited Liability Company) COMARCH**

Address: PO. Box 500398 Dubai, United Arab Emirates  
Dubai Internet City, Building 1, G15  
Telephone: +971 4 3913262  
Fax: +971 4 3918668  
Register No.: 19879

The company's share capital is 200,000 AED and is divided into 200 shares of 1,000 AED each (1 AED is worth circa 0.7869 PLN). ComArch S.A. purchased all the shares for cash at nominal value. The company sales Comarch products in the Near East and partially supports IT systems delivered to clients. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, ComArch Middle-East FZ-LLC is ComArch S.A.'s subsidiary.

**Company: ComArch LLC (Limited Liability Company) COMARCH**

Address: 18/7 Kutuzova Str., 01133 Kyiv, Ukraine  
Telephone: +(380) 44 492 28 42  
Fax: +(380) 44 492 28 43  
Register No.: 32918282

The company's share capital is 20,500 UAH (1 UAH is worth circa 0.4537 PLN). ComArch S.A. holds 100 % of the company's shares that entitle to 100% votes. The registered company is a one-person limited liability company. It sales Comarch products in Ukraine and partially support IT systems delivered to clients. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, ComArch LLC is ComArch S.A.'s subsidiary.

**Company: OOO ComArch (Limited Liability Company) COMARCH**

Address: Prechistensky Pereulok 14 building 1, 119034 Moscow, Russia  
Telephone: +7495 221 89 01  
Register No.: OKPO75603466

OOO ComArch is a subsidiary of ComArch S.A. The company's share capital is worth 1.2 million RUB and is divided into 1 share of nominal value of 1,200,000 RUB (1 RUB is worth circa 0.0957 PLN). The company's share capital was paid in total in cash. The company sells Comarch products in Russia and partially supports IT systems delivered to clients. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, OOO ComArch is ComArch S.A.'s subsidiary.

**Company: Comarch Software (Shanghai) Co. Ltd. COMARCH**

Address: 14/F, Cimid Tower, 800 Shang Cheng Lu, Shanghai  
Telephone: (+86) 58 358 169  
Licence No.: 310115400253349

The company's share capital is worth 200,000 USD and ComArch S.A. holds it in total. The company sells and implements Comarch products in China, as well as supporting clients in part. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Comarch Software (Shanghai) Co. Ltd. is ComArch S.A.'s subsidiary.

**Company: UAB ComArch COMARCH**

Address: Naugarduko 57, LT-03202 Vilnius, Lithuania  
Telephone: +370 52 33 02 31  
Fax: +370 52 33 79 95  
Register No.: 300150316

UAB „ComArch” is a limited liability company that is subsidiary of ComArch S.A. The company's share capital was covered with cash and is 70,000 LTL (1 LTL is worth circa 1.2084 PLN). The company's

share capital is divided into 700 shares of 100 LTL each. The total number of votes resulting from all shares is 700. The company sells and supports IT systems delivered to clients. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, UAB ComArch is ComArch S.A.'s subsidiary. UAB ComArch is under liquidation proceedings.

Company: **ComArch s.r.o. COMARCH**  
Address: Metodova 7, 851 02 Bratislava, Slovakia

The company's share capital is 4,500,000 SKK (1 SKK is worth circa 0.1364 PLN). Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, ComArch s.r.o. is ComArch S.A.'s subsidiary. Activities of ComArch s.r.o. are limited.

Company: **CA Services S.A. (Jsc) CA SERVICES** (currently CA Consulting S.A.)  
Address: 31-846 Kraków, Al. Jana Pawła II 41g  
Telephone: (12) 646 10 00  
Fax: (12) 646 11 00  
Regon: 356846563  
NIP: 678-29-24-039

The company's share capital is 1,050,000 PLN and is divided into 5,250 shares of nominal value of 200 PLN each that give 5,250 votes. ComArch S.A. holds 99.9 % CA Services S.A. shares entitling to 99.9 % votes at the AGM of the company. The company operates in telecommunication sector, delivers connections for own needs, other entities of the Group and for contracts executed by ComArch and also provides outsourcing services. Pursuant to the Act on Accounting dated 29<sup>th</sup> of September, 1994, CA Services S.A. is ComArch S.A.'s subsidiary.

Company: **ComArch Management Spółka z o. o. (Limited Liability Company) COMARCH**  
Address: 31-864 Kraków, Aleja Jana Pawła II 39 a  
Telephone: (12) 646 10 00  
Fax: (12) 646 11 00  
Regon: 120560832  
NIP: 675-13-76-192

The share capital of ComArch Management Sp. z o.o. amounts to 150,000.00 PLN and consists of 1,500 shares of nominal value of 100 PLN each. They entitle to 5,250 votes. ComArch S.A. holds 100 % of ComArch Management Sp. z o.o. shares entitling to 100 % of votes at the shareholders' meeting of the company. The subject matter of activities of ComArch Management Sp. z o.o. are activities related to IT. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, ComArch Management Sp. z o.o. is ComArch S.A.'s subsidiary.

Company: **ComArch Corporate Finance Fundusz Inwestycyjny Zamknięty (CCF FIZ) (Closed Investment Fund) COMARCH**  
Address: 31-038 Kraków, ul. Księcia Józefa 186  
Telephone/Fax: (12) 429 55 93  
Regon: 120576141  
NIP: 106-00-01-334

ComArch S.A. purchased four investment certificates of the Fund worth 250,000.00 PLN each. The total value of the purchased investment certificates amounted to 1,000,000.00 PLN. They constitute 100 % of investment certificates issued by the Fund and entitle to 100 % of votes at meeting of the Fund's investors. ComArch S.A. purchased the above-mentioned investment certificates with internal means. Purpose of the Fund is investment activity in the scope of new technologies and Internet services that are not ComArch S.A.'s basic activities.

Company: **ComArch Management Spółka z o. o. Spółka Komandytowo- Akcyjna  
(Limited Partnership and Joint-Stock Company) COMARCH**

Address: 31-864 Kraków, Aleja Jana Pawła II 39 a  
Telephone: (12) 646 10 00  
Fax: (12) 646 11 00  
Regon: 120578542  
NIP: 675-13-76-542

The share capital of ComArch Management Sp. z o. o. SK-A amounts to 364,301.00 PLN and consists of 364,301 shares of nominal value of 1.00 PLN each. They entitle to 364,301 votes at the annual general shareholders meeting. CCF FIZ holds 175,061 shares (48.05 %) entitling to 79.55 % of votes, ComArch S.A. holds 45,000 shares (12.35 %) entitling to 20.45 % votes, and 144,240 shares (39.6 %) were purchased by ComArch Management Sp. z o. o. SK-A to be redeemed. Shares purchased by ComArch Management Spółka z o. o. SK-A to be redeemed doesn't give any votes Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, ComArch Management Sp. z o.o. SK-A is ComArch S.A.'s subsidiary (through CCF FZ).

Company: **Bonus Management Sp. z o.o. Spółka Komandytowo-Akcyjna  
(Limited Partnership and Joint-Stock Company) COMARCH**


Address: 31-059 Kraków, ul. Bożego Ciała 7  
Regon: 120641766  
NIP: 676-23-69-528

The company's share capital is 4,100,000 PLN and is divided into 4,100,000 shares of nominal value of 1.0 PLN, entitling to 4,150,000 votes. CCF FIZ holds 98.78 % of the company's shares (4,050,000 shares) which give 97.59 % of votes (4,050,000 shares). The subject matter of activities of Bonus Management Sp. z o.o. SKA are investment activities related to IT. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Bonus Management Sp. z o.o. SK-A is ComArch S.A.'s subsidiary (through CCF FIZ).


Company: **Bonus Development Sp. z o.o. Spółka Komandytowo-Akcyjna  
(Limited Partnership and Joint-Stock Company) COMARCH**

Address: 31-059 Kraków, ul. Bożego Ciała 7  
Regon: 120637434  
NIP: 676-23-68-121


The company's share capital is 5,650,000 PLN and is divided into 5,650,000 shares of nominal value of 1 PLN. 50,000 preference series A shares entitle to 100,000 votes and 5,600,000 ordinary shares give 5,600,000 votes. CCF FIZ holds 99.12 % of the company's shares (5,600,000) entitling to 98.25 % votes. The subject matter of activities of Bonus Development Sp. z o.o. SK-A are activities related to real estates in Comarch. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Bonus Development Sp. z o. o. SK-A is ComArch S.A.'s subsidiary (through CCF FIZ).

Company: **iMed24 S.A. (Jsc)**   
Address: 31-864 Kraków, Aleja Jana Pawła II 39 a  
Telephone: (12) 646 10 00  
Fax: (12) 646 11 00  
Regon: 120652221  
NIP: 675-13-82-502


The company's share capital is 500,000 PLN and is divided into 5,000 shares of nominal value of 100.0 PLN, entitling to 5,000 votes. CCF FIZ holds 100.0 % of the company's shares (100.0 % votes). iMed24 S.A. conducts an IT project related to telemedicine (EHR - Electronic Health Record management). Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, iMed24 S.A. is ComArch S.A.'s subsidiary (through CCF FIZ).

Company: **iFIN24 S.A. (Jsc)**   
 Address: 31-864 Kraków, Aleja Jana Pawła II 39 a  
 Telephone: (12) 646 10 00  
 Fax: (12) 646 11 00  
 Regon: 120705696  
 NIP: 675-13-87-586


The company's share capital is 500,000 PLN and is divided into 5,000 shares of nominal value of 100.0 PLN, entitling to 5,000 votes. CCF FIZ holds 100.0 % of the company's shares (100.0 % votes). iFIN24 S.A. conducts an IT project related to financial services. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, iFIN24 S.A. is ComArch S.A.'s subsidiary (through CCF FIZ).

Company: **iReward24 S.A. (Jsc)**   
 Address: 31-864 Kraków, Aleja Jana Pawła II 39 a  
 Telephone: (12) 646 10 00  
 Fax: (12) 646 11 00  
 Regon: 120792583  
 NIP: 675-14-02-274

The company's share capital is 500,000 PLN and is divided into 5,000 shares of nominal value of 100.0 PLN, entitling to 5,000 votes. CCF FIZ holds 100.0 % of the company's shares (100.0 % votes). iReward24 S.A. produces and implements loyalty software for the customers in small and medium sized enterprises. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, iReward24 S.A. is ComArch S.A.'s subsidiary (through CCF FIZ).

Company: **Infrastruktura24 S.A. (Jsc)**   
 Address: 31-864 Kraków, Aleja Jana Pawła II 41 d  
 Telephone: (12) 684 80 00  
 Fax: (12) 684 81 00  
 Regon: 120807830  
 NIP: 675-14-03-084

The company's share capital is 500,000 PLN and is divided into 5,000 shares of nominal value of 100.0 PLN, entitling to 5,000 votes. CCF FIZ holds 100.0 % of the company's shares (100.0 % votes). Infrastruktura24 S.A. offers services related to Data Centre for the customers in small and medium sized enterprises. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Infrastruktura24 S.A. is ComArch S.A.'s subsidiary (through CCF FIZ).

Company: **iComarch24 S.A. (Jsc)**  (previously iCDN24 S.A.)  
 Address: 31-864 Kraków, Al. Jana Pawła II 41e  
 Telephone: (12) 646 10 00  
 Fax: (12) 646 11 00  
 Regon: 120871348  
 NIP: 6751410687

The company's share capital is 100,000 PLN and is divided into 1,000 shares of nominal value of 100.0 PLN, entitling to 1,000 votes. CCF FIZ holds 100.0 % of the company's shares (100.0 % votes). iComarch24 S.A. provides accounting services for domestic subsidiaries in Comarch Group. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, iComarch24 S.A. is ComArch S.A.'s subsidiary (through CCF FIZ).



Company: **CASA Management and Consulting Sp. z o.o. Spółka Komandytowo-Akcyjna (Limited Partnership and Joint-Stock Company) COMARCH**  
 Address: Szarskiego 18, 30-698 Kraków  
 Regon: 121040023  
 NIP: 6793020643

The company's share capital is 3,000,000 PLN and is divided into 30,000 shares of nominal value of 100.0 PLN, entitling to 30,000 votes. CCF FIZ holds 100.0 % of the company's shares (100.0 % votes). CASA Management and Consulting Sp. z o.o. SK-A conducts investment activity on capital market. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, CASA Management and Consulting Sp. z o.o. SK-A is ComArch S.A.'s subsidiary (through CCF FIZ).

Company: **Miejski Klub Sportowy Cracovia Sportowa Spółka Akcyjna**



Address: 30-111 Kraków, ul. Kałuży 1  
 Telephone: (12) 292 91 00  
 Fax: (12) 292 91 03  
 Regon: 351553230  
 NIP: 677-20-79-476

The share capital of MKS Cracovia SSA is 14,557,000 PLN and is divided into 145,570 shares. ComArch S.A. holds 71,550 shares or votes at the AGM of MKS Cracovia SSA that constitute 49.15 % of the company's share capital. According to article 3, point 37 d) of the Act on Accounting and due to the fact that most of members of the Supervisory Board of MKS Cracovia SSA is chosen by ComArch S.A., MKS Cracovia SSA is ComArch S.A.'s subsidiary.

Company: **SolInteractive Sp. z o.o. (Limited Liability Company)**



Address: 30-303 Kraków, ul. Madalińskiego 17/8  
 Telephone: (12) 378 45 57  
 Fax: (12) 378 45 59  
 Regon: 120629191  
 NIP: 676-23-66-843

The company's share capital is 651,000 PLN and is divided into 6,510 shares of nominal value of 100.0 PLN, entitling to 2,520 votes. CCF FIZ holds 30.72 % of the company's shares (2,000 shares) which give 30,72 % of votes (2,000 shares). Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, SolInteractive Sp. z o.o. is ComArch S.A.'s associate.

#### **Fideltronik-ComArch Spółka z ograniczoną odpowiedzialnością (Limited Liability Company)**

The company's share capital is 4,000.00 PLN and is divided into 40 equal and undivided shares of 100 PLN each. ComArch S.A. holds 20 shares of total nominal value of 2,000.00 PLN that constitute 50 % of share capital and 50 % of votes at the General Meeting. Pursuant to the Act on Accounting dated the 29<sup>th</sup> of September, 1994, Fideltronik-ComArch Sp. z o.o. is an associate of ComArch S.A. The company did not start to operate.

## **6.2 Changes in the Organisational Structure in 2009**

On the 31<sup>st</sup> of July, 2009, ComArch S.A. purchased 500 shares in SoftM Polska Sp. z o.o. (Limited liability company) with its registered seat in Poznań, Poland for the total amount of 298,300.00 PLN. The acquisition was carried out in relation to a contract concluded with SoftM Software und Beratung AG, with its registered seat in Munich.

In the second quarter of 2009, the following subsidiary of Comarch Corporate Finance FIZ was registered: iCDN24 SA. It conducts an IT project related to financial and accountancy services. In the third quarter of 2009, the District Court for Kraków-Śródmieście, XI Economic Division of the National Court Register registered a name change for iCDN24 S.A. to iComarch24 S.A.

Due to the ongoing recession in 2009 on the IT market within the DACH region, in combination with the negative results of SoftM Software und Beratung AG in the first half of 2009, the Management Board of SoftM has been executing a restructuring programme in the second half of 2009 named DASD (Decentralisation of organisation, lean Administration, Sales driven organisation, Development increase). The programme comprises adjusting the SoftM's cost structure to the current level of revenue, simplification of the organisational structure and an increase in the responsibility of business units and the continuation of investment in the development of new software.

On the 17<sup>th</sup> of September, 2009, the District Court for Munich (Handelsregister B des Amtsgerichts Munchen-Registergericht) registered a name change for SoftM Systemintegration GmbH to Comarch Systemintegration GmbH.

On the 21<sup>st</sup> of September, 2009, the District Court for Munich (Handelsregister B des Amtsgerichts Munchen-Registergericht) registered a name change for SoftM Solutions GmbH to Comarch Solutions GmbH.

On the 23<sup>rd</sup> of September, 2009, the District Court for Bremen (Handelsregister B des Amtsgerichts Bremen) registered a name change for Schilling Software GmbH with its registered seat in Bremen to Comarch Schilling GmbH.

On the 25<sup>th</sup> of September, 2009, the Commercial Court for Vienna (Handelsgericht Wien) registered a name change for SoftM Software und Beratung GmbH with its registered seat in Vienna to Comarch Solutions GmbH. SoftM Software und Beratung GmbH, with its registered seat in Vienna, is a result of a merger by acquisition of SoftM Solutions GmbH, with its registered seat in Kirchbichl, by SoftM Software und Beratung GmbH, with its registered seat in Vienna. This was registered on the 11<sup>th</sup> of August, 2009 by the Commercial Court for Vienna (Handelsgericht Wien).

In the third quarter of 2009, there was a merger of SoftM Software und Beratung Schweiz AG with its registered seat in Buchs in Switzerland and Solitas Informatik AG with its registered seat in Buchs in Switzerland as well as a merger of SoftM Software und Beratung Münster GmbH with its registered seat in Münster in Germany, SoftM Semiramis GmbH & Co. KG with its registered seat in Hanover in Germany and SoftM Software und Beratung AG with its registered seat in Munich.

In the third quarter of 2009, SoftM Software und Beratung AG sold shares (100.0 %) in a subsidiary, SoftM Czech Republic s.r.o. with its registered seat in Pilsen in Czech Republic and in an associate, d.velop (Schweiz) AG (49.0 %) with its registered seat in Buchs in Switzerland.

With the notice dated the 9<sup>th</sup> of September, 2009, the State Enterprise Centre of Registers with its registered seat in Vilnius, Lithuania (Valstybes Imones Registru Centro Vilniaus Filialo Juridiniu Asmenu Registravimo Skyrius - Vilnius Branch Legal Persons Registration Department) opened liquidation proceedings in UAB ComArch with its registered seat in Vilnius, Lithuania (current report no. 21/2009). According to the shareholders' decision, Ms. Asta Macijauskiene became the liquidator of the company. The decision to liquidate is part of a restructuring process related to foreign activity of the Comarch Group.

In the third quarter of 2009, Comarch Software (Shanghai) Co. Ltd. was registered.

In the third quarter of 2009, ComArch Management Spółka z o. o. Spółka Komandytowo-Akcyjna with its registered seat in Krakow purchased 139,005 own shares from ComArch Corporate Finance Fundusz Inwestycyjny Zamknięty to be redeemed.

In the third quarter of 2009, ComArch S.A. acquired shares in CASA Management and Consulting Sp. z o.o. SKA. On the 12<sup>th</sup> of October, 2009, the District Court for Kraków-Śródmieście, XI Economic Division of the National Court Register registered a company, CASA Management and Consulting Sp. z o.o. SKA.

On the 8<sup>th</sup> of October, 2009, District Court for Dresden (Handelsregister B des Amtsgerichts Dresden) registered a name change for ComArch Software AG to ComArch AG.

On the 17<sup>th</sup> of November, 2009 a name change for Sodigital Sp. z o.o. to SolInteractive Sp. z o.o. was registered.

In the fourth quarter of 2009, ComArch Management Spółka z o. o. Spółka Komandytowo-Akcyjna with its registered seat in Krakow purchased 1,545 own shares from CCF FIZ to be redeemed.

### **6.3 Changes in Organisational Structure after the Balance Sheet Date**

#### **COMARCH VIETNAM COMPANY LIMITED (COMARCH CO., LTD)**

On the 5<sup>th</sup> of January, 2010, a company, COMARCH VIETNAM COMPANY LIMITED (COMARCH CO., LTD) with its registered seat in Ho Chi Minh City in Vietnam. The company's share capital is worth 250,000 USD and ComArch S.A. holds it in total. The company sells and implements Comarch products in Vietnam, as well as supporting clients in part. Pursuant to the Act on Accounting dated 29<sup>th</sup> of September, 1994, Comarch Vietnam Co. Ltd. is ComArch S.A.'s subsidiary.

On the 11<sup>th</sup> of February, 2010, SoftM Software und Beratung AG sold all its shares in an associate, KEK Anwendungssysteme GmbH.

On the 19<sup>th</sup> of March, 2010, ComArch S.A. purchased shares in ComArch Software SARL in Lille from ComArch AG for 15,000 EURO.

On the 24<sup>th</sup> of March, 2010, the Annual General Meeting of ComArch AG shareholders passed a resolution on an increase of 2,441,620 Euro in share capital by way of emission of 2,441,620 shares of nominal and issue price of 1 Euro each. 1,441,620 shares were purchased by ComArch S.A. and 1,000,000 shares were purchased by the investment fund Vintage Investment Holding S.A. with its registered seat in Luxemburg.

On the 20<sup>th</sup> of April, 2010, the District Court for Kraków-Śródmieście, XI Economic Division of the National Court Register registered name and seat changes from CA Services S.A. with its registered seat in Krakow to CA Consulting S.A. with its registered seat in Warsaw.

**6.4 Methods of Calculation of Financial Ratios****Debt Ratios**

$$\text{Debt Ratio} = \frac{\text{Credits and Loans}}{\text{Total Assets}}$$

$$\text{Debt/Equity Ratio} = \frac{\text{Credits and Loans}}{\text{Equity attributable to Shareholders}}$$

**Profitability Ratios**

$$\text{Return on Equity} = \frac{\text{Net Profit attributable to Shareholders}}{\text{Equity attributable to Shareholders}}$$

$$\text{Return on Sales} = \frac{\text{Gross Profit}}{\text{Revenue}}$$

$$\text{EBIT Margin} = \frac{\text{Operating profit}}{\text{Revenue}}$$

$$\text{Gross Margin} = \frac{\text{Profit before Income Tax}}{\text{Revenue}}$$

$$\begin{array}{l} \text{Return on Sales} \\ \text{(profit attributable to shareholders)} \end{array} = \frac{\text{Net Profit attributable to Shareholders}}{\text{Revenue}}$$

**Liquidity Ratios**

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

$$\text{Quick Ratio} = \frac{\text{Trade and Other Receivables+} \\ \text{+Cash and Cash Equivalents+} \\ \text{+Available-for-Sale Assets}}{\text{Current Liabilities}}$$

$$\text{Cash to Current Liabilities Ratio} = \frac{\text{Cash and Cash Equivalents}}{\text{Current Liabilities}}$$

**Turnover Analysis**

Current Assets Turnover Ratio	= $\frac{\text{Revenue}}{\text{Current Assets}}$
Receivables Turnover Ratio	= $\frac{(\text{Trade and Other Receivables}) * 360}{\text{Revenue}}$
Inventories Turnover Ratio (days)	= $\frac{\text{Inventories} * 360}{\text{Costs of Sold Goods and Materials}}$
Liabilities Turnover Ratio(days)	= $\frac{(\text{Liabilities} + \text{Liabilities due to Long-term Contracts}) * 360}{\text{Sales and Marketing Costs} + \text{Administrative Expenses} + \text{Other Operating Expenses} + \text{Costs of Sold Products, Services, Goods and Materials}}$
Liabilities Turnover Ratio excluding Liabilities due to Bonds and Investment Credit (days)	= $\frac{(\text{Liabilities} + \text{Liabilities due to Convertible Bonds} + \text{Credits and Loans}) * 360}{\text{Sales and Marketing Costs} + \text{Administrative Expenses} + \text{Other Operating Expenses} + \text{Costs of Sold Products, Services, Goods and Materials}}$