

COMARCH

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

KRAKOW, 30TH OF APRIL 2010

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1. General Information about the Company

Name of the company: ComArch Spółka Akcyjna
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1.1. 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 31st 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 Board	67,348	0.85	104,948	0.70
Customers of BZ WBK AIB Asset Management S.A.,	2,756,060	34.62	2,756,060	18.43
<i>including shares held by BZ WBK TFI S.A.</i>	<i>1,800,179</i>	<i>22.61</i>	<i>1,800,179</i>	<i>12.04</i>
Other shareholders	1,725,805	21.68	1,725,805	11.54
Total	7,960,596*	100.00	14,954,196	100.00

*) On the 31st 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.

1.2. ComArch S.A.'s Board of Supervisors and Management Board**1.2.1 Members of ComArch S.A.'s Board of Supervisors as at 31st of December, 2009:**

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

1.2.2 Members of ComArch S.A.'s Management Board as at 31st 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 31st 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

1.2.3 Contracts that May Result in Future Changes in Holdings of Shareholders or Bondholders

On 28th 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 11.5 of this report.

1.2.4 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.

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

Information is included in note 40 of the financial statement.

1.2.6 Loans Granted to Members of the Management Board and Members of the Supervisory Board

As at 31st 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.

2. Basic Economics and Financial Values

2.1. Selected Financial Data

	2009	2008	2007	2006	2005
Revenues from sales	495,512	615,379	530,326	461,808	425,223
Operating profit	59,253	35,448	34,322	41,653	34,565
Net profit	51,351	39,144	25,823	42,463	29,088
Profit per share	6.45	4.92	3.24	5.74	4.21
Assets	772,192	732,520	506,314	427,236	328,188
Book value	494,119	456,784	264,948	238,691	157,774
Book value per share	62.07	57.38	33.28	31.75	22.68

Over 2009, revenues from sales were 495.5 million PLN (a decrease of 119.9 million PLN, i.e. 19.5 % compared to 2008). Operating profit reached 59.3 million PLN and increased by 23.8 million PLN compared to operating profit in 2008. EBIT margin was 12 % in 2009 and was higher than the margin in 2008 (5.8 %). Net profit amounted to 51.4 million PLN, i.e. an increase of 31.2 % compared to the previous year. As a result, the net margin increased from the level of 6.4 % in 2008 to 10.4 %.

2.2. Employment and Production Capacity of the Group

As at 31st of December, 2009, in ComArch S.A. there were 2,533 employees compared to 2,666 persons as at 31st of December, 2008.

Average employment ComArch S.A. in 2009 and 2008 is presented in tables below:

	2009	2008
Number of employees:		
- full-time	2,096	2,174
- co-workers	449	523
Total	2,545	2,697

	2009	2008
Employees:		
- production employees and technical consultants	2,020	2,137
- marketing and sales	268	294
- management and administrative employees	257	266
Total	2,545	2,697

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.

2.3. ComArch S.A. Stock Price Performance

Period	The highest	The lowest
I quarter of 2009	62,5	41,2
II quarter of 2009	72,0	58,0
III quarter of 2009	79,4	54,1
IV quarter of 2009	95,0	68,6

On the 31st 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 previous closing rate of ComArch S.A. shares in 2008 which was 61 PLN.

3. Products and Services Offered by Comarch in 2009

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.

3.1. 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

3.1.1. 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).

3.1.2. 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 NGSAs 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.

3.1.3. 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.

3.1.4. 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.

3.1.5. 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.

3.2. Solutions for the Finance and Banking Sector

3.2.1. 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.

3.2.2. 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.

3.2.3. 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.

3.2.4. 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).

3.2.5. 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, TFI 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 affectivity 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.

3.2.6. 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.

3.2.7. 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.

3.2.8. 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.

3.3. 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 iFaktury24** 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

3.4. 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

3.4.1. 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.

3.4.2. 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.

3.4.3. 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.

3.4.4. 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.

3.4.5. 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.

3.4.6. 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.

3.5. 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:

3.5.1. 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.

3.5.2. 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.

3.5.3. 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.

3.5.4. 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.

3.5.5. 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.

4. 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 S.A.'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 S.A. proceeds on sale.

5. Sales Structure

5.1. Revenues from Sales- Geographical Structure (in thousands of PLN)

	2009	%	2008	%	2007	%
Domestic	405,659	81.9%	542,532	88.2%	453,176	85.5%
Export	89,853	18.1%	72,847	11.8%	77,150	14.5%
Total	495,512	100.0%	615,379	100.0%	530,326	100.0%

In 2009, revenues from the company's sales decreased by 19.5 %, which is related to a decrease of 25.2 % in domestic sales compared to the previous year. Export sales increased by 23.3 %, especially due the acquisition of new foreign recipients, because most of the contracts were executed by Comarch's subsidiaries, and as a result of maintaining rates of exchange for the majority of the year. The geographical sales structure has remained at the same level throughout the year.

5.2. Revenues from Sales – Market Structure (in thousands of PLN)

	2009	%	2008	%
Telecommunication, Media, IT	109,498	22.1%	93,451	15.2%
Finance and Banking	110,624	22.3%	140,598	22.8%
Trade and Services	49,073	9.9%	60,763	9.9%
Industry & Utilities	104,957	21.2%	62,395	10.1%
Public Sector	58,341	11.8%	201,532	32.8%
Small and Medium Enterprises	58,165	11.7%	54,532	8.9%
Others	4,854	1.0%	2,108	0.3%
Total	495,512	100.0%	615,379	100.0%

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 16.0 million PLN, which was up 17.2 % as compared with 2008. Their share in total sales increased from 15.2 % in 2008 to 22.1 % in 2009. There was also a significant increase in sales to customers in the industry and utilities sector of 42.6 million PLN – up 68.2 % year on year. Their share in total sales also grew from 10.1 % to 21.2 %. This was the result of the increased sales of third party software to customers in this sector. Sales in the public sector fell by 143.2 million PLN, i.e. 71.1 % and their share in total sales fell from 32.8 % to 11.8 % in 2009. This is a consequence of a lack of significant deliveries of computer hardware and third party software to customers in this sector. The decrease in sales to customers in the public sector resulted in 19.5 % year on year decrease of the total company's sales in 2009. Sales to the trade and services sector over the year fell by 11.7 million PLN and were down 19.2 % over 2008, while sales to the finance and banking sector fell by 30 million PLN with a 21.3 % decrease year on year. Sales to customers in small and medium sized enterprises grew by 3.6 million PLN with a 6.7 % 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.

5.3. Revenues from Sales – Products Structure (in thousands of PLN)

	2009	%	2008	%
Services	324,322	65.5%	308,037	50.1%
Proprietary Software	60,075	12.1%	74,688	12.1%
Third party Software	88,586	17.9%	131,774	21.4%
Hardware	18,482	3.7%	96,567	15.7%
Others	4,047	0.8%	4,313	0.7%
Total	495,512	100.0%	615,379	100.0%

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 16.3 million PLN and 5.3 %. Yet the share of proprietary services in overall sales for the year constituted 65.5 %. Sales of proprietary software decreased by 14.6 million PLN and 19.6 % and sales of third-party software fell by 43.2 million PLN and 32.8 %. 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 78.1 million PLN and 80.9 % 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.

6. Factors Essential for Development of the Issuer

6.1. 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 level 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).

6.2. 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.

7. Other Significant Factors, including Risks and Threats

The company is exposed to the following main types of financial risk:

7.1. Financial Risk

7.1.1. Credit Risk

The company 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.

7.1.2. 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.

7.1.3. 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.

7.1.4. 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.

8. Perspectives of Development in the Company

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 S.A. strategy largely depends on macroeconomic conditions, beyond the company, 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.

9. Financial Analysis

	2009	%	2008	%	2009/2008	%
I. Non-current assets	462,706	59.9%	477,645	65.2%	-14,939	-3.1%
1. Intangible assets	1,817	0.2%	2,895	0.4%	-1,078	-37.2%
2. Property, plant and equipment	212,068	27.5%	215,399	29.4%	-3,331	-1.5%
3. Long-term investment	247,914	32.1%	256,510	35.0%	-8,596	-3.4%
4. Non-current prepayments	907	0.1%	2,841	0.4%	-1,934	-68.1%
II. Current assets	309,486	40.1%	254,875	34.8%	54,611	21.4%
1. Inventories	29,088	3.8%	28,494	3.9%	594	2.1%
2. Current receivables	201,060	26.0%	167,594	22.9%	33,466	20.0%
3. Short-term investment	66,281	8.6%	42,421	5.8%	23,860	56.2%
4. Current prepayments	13,057	1.7%	16,366	2.2%	-3,309	-20.2%
Total assets	772,192	100.0%	732,520	100.0%	39,672	5.4%

As at the end of 2009, the value of the company's assets increased by 5.4 % compared to 2008 from a level of 732.5 million PLN to 772.2 million PLN. This mostly results from an increase in the value of current assets (an increase of 21.4 %). The increase of 54.6 million PLN in current assets is mostly the result of an increase from 42.4 million PLN in 2008 to 66.3 million PLN in 2009 in short-term investment (an increase in share from 5.8 % to 8.6 %). This is also a consequence of an increase in the value of current receivables (an increase of 20 %) from 167.6 million PLN to 201.1 million PLN. The share of other items of current assets in the total structure of assets has remained at a similar level. Non-current assets decreased by 14.9 million PLN compared to the previous year (a decrease of 3.1 %) mainly due to a decrease of 256.5 million PLN in non-current investment from 256.5 million PLN to 247.9 million PLN. This is mostly a consequence of a revaluation of participation units in CCF FIZ in 2009. The share of items of non-current assets in the total structure of assets items has remained at a similar level.

	2009	%	2008	%	2009/2008	%
I. Equity	494,119	64.0%	456,784	62.4%	37,335	8.2%
1. Share capital	7,960	1.0%	7,960	1.1%	-	0.0%
2. Capital from merger	-	0.0%	-	0.0%	-	0.0%
3. Supplementary capital	295,211	38.2%	256,067	35.0%	39,144	15.3%
4. Revaluation reserve	138,676	18.0%	152,692	20.8%	-14,016	-9.2%
5. Other reserve capitals	745	0.1%	745	0.1%	-	0.0%
6. Previous years' profit (loss)	176	0.0%	176	0.0%	-	0.0%
7. Net profit (loss)	51,351	6.7%	39,144	5.3%	12,207	31.2%
II. Liabilities and provisions for liabilities	278,073	36.0%	275,736	37.6%	2,337	0.8%
1. Provisions for liabilities	35,595	4.6%	39,444	5.4%	-3,849	-9.8%
2. Non-current liabilities	83,054	10.8%	89,407	12.2%	-6,353	-7.1%
3. Current liabilities	110,521	14.3%	92,628	12.6%	17,893	19.3%
4. Accruals	48,903	6.3%	54,257	7.4%	-5,354	-9.9%
Total equity and liabilities	772,192	100.0%	732,520	100.0%	39,672	5.4%

The total equity and liabilities structure has not changed significantly over 2009. Equity increased by 8.2 %, mostly as a result of the net profit generated in 2008. The share of equity in the total equity and liabilities structure maintained a comparable level to that of 2008 (64.0 %, against 62.4 % in 2008). Liabilities and provisions for liabilities constituted 36 % of total equity and liabilities, compared to 37.6 % in the previous year. An increase of 17.9 million PLN in current liabilities can be seen in 2009 and results mostly from an increase in trade liabilities. Other liabilities and provisions for liabilities diminished over 2009.

	2009	%	2008	%	2009/2008	%
I. Net revenues from sales of products, finished goods and materials	495,512	100.0%	615,379	100.0%	-119,867	-19.5%
II. Cost of products, finished goods and materials sold	345,713	69.8%	455,500	74.0%	-109,787	-24.1%
III. Gross profit (loss) from sales (I-II)	149,799	30.2%	159,879	26.0%	-10,080	-6.3%
IV. Costs of sales	46,395	9.4%	46,599	7.6%	-204	-0.4%
V. Administrative costs	32,454	6.5%	38,769	6.3%	-6,315	-16.3%
VI. Profit (loss) on sales (III-IV-V)	70,950	14.3%	74,511	12.1%	-3,561	-4.8%
VII. Other operating revenues	2,402	0.5%	547	0.1%	1,855	339.1%
VIII. Other operating costs	14,099	2.8%	39,610	6.4%	-25,511	-64.4%
IX. Profit (loss) on operating activities (VI+VII-VIII)	59,253	12.0%	35,448	5.8%	23,805	67.2%
X. Financial revenues	4,224	0.9%	14,568	2.4%	-10,344	-71.0%
XI. Finance costs	6,413	1.3%	4,379	0.7%	2,034	46.4%
XII. Profit (loss) on business activities (IX+X-XI)	57,064	11.5%	45,637	7.4%	11,427	25.0%
XIII. Gross profit (loss) (XII)	57,064	11.5%	45,637	7.4%	11,427	25.0%
XIV. Income tax	5,713	1.2%	6,493	1.1%	-780	-12.0%
XV. Net profit (loss) (XIII-XIV)	51,351	10.4%	39,144	6.4%	12,207	31.2%

In 2009, revenues from sales decreased by 119.9 million PLN, i.e. 19.5 % compared to the previous year. Operating profit amounted to 59.3 million PLN and increased by 67.2 % compared to 2008. Net profit increased by 31.2 % compared to 2008. As a consequence, EBIT margin increased from 5.8 % to 12.0 % and net margin increased from 6.4 % to 10.4 %.

Liquidity analysis:	2009	2008	2007	2006	2005
Current ratio	1.94	1.74	1.74	1.79	1.66
Quick ratio	1.68	1.43	1.38	1.45	1.21
Cash to current liabilities ratio	0.42	0.29	0.32	0.38	0.38

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

Turnover analysis:	2009	2008	2007	2006	2005
Current assets turnover ratio	1.60	2.41	1.91	1.90	2.25
Receivables turnover ratio (days)	146	98	115	113	80
Inventories turnover ratio (days)	25	19	25	17	24
Liabilities turnover ratio (days)	164	121	143	129	122
Liabilities turnover excluding liabilities due to non-current credits ratio (days)	94	62	83	83	70

Turnover ratios confirm the effective use of the company's funds. In 2009, the receivables turnover ratio, as well as the inventory turnover ratio, increased in comparison to the previous year; however, the liabilities turnover ratio, the liabilities turnover excluding liabilities due to non-current credits ratio, also increased. A decrease in the current assets turnover ratio is a consequence of an increase in trade receivables as of the balance sheet date (relatively high revenue in December 2009) in conjunction with a decrease in revenue in 2009.

Debt analysis:	2009	2008	2007	2006	2005
Debt ratio	36.0%	37.6%	47.7%	44.1%	51.9%
Debt ratio due to non-current credits	10.8%	12.2%	15.4%	12.2%	17.32%
Debt/equity ratio	56.3%	60.4%	91.1%	79.0%	108.0%

In 2009, debt ratios significantly improved due to a significant increase in equity, and a slight increase in indebtedness. 64.0 % of the company's funds comes from internal financing and 36.0 % comes from outside financing.

Profitability Analysis:	2009	2008	2007	2006	2005
Margin on sales	30.2%	26.0%	24.5%	25.9%	21.6%
EBIT margin	12.0%	5.8%	6.5%	9.0%	8.1%
Gross margin	11.5%	7.4%	5.2%	10.0%	7.1%
Net margin	10.4%	6.4%	4.9%	9.2%	6.8%
Return on assets	6.7%	5.3%	5.1%	9.9%	9.7%
Return on equity	11.6%	9.4%	10.8%	21.6%	22.6%

Profitability analysis in 2009 indicates the best results since 2005. The margin on sales grew from 26 % to 30.2 %. The EBIT margin in 2009 increased significantly and achieved a record level of 12 %. Net margin in 2009 increased from 6.4 % to 10.4 %. ROE increased from 9.4 % to 11.6 % as a result of a significant increase in the amount of equity in 2008.

10. Credits, Loans, Suretyships, Bank Guarantees

10.1. Bank Guarantees

On the 31st 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 31st 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.

10.2. Suretyships

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

10.3. Credits

As at the 31st 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 5th 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 31st 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 31st 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 30th of September, 2008. A promissory note, the mortgage on land and the building insurance policy are security for this credit. As at 31st 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 31st of December, 2009, the value of the credit to be repaid amounted to 15.1 million PLN.

10.4. Loans

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

As at 31st 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

11. The Most Important Events in 2009 and after the Balance-Sheet Date

11.1. Contracts the most Significant for Issuers' Activities

The most important contracts signed in 2009 are:

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

On 7th 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 29th 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.

11.1.2. Contract with JetBlue

On the 3rd 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.

11.1.3. Letter of Intent with E-Plus

On the 10th 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 28th 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.

11.1.4. Contract with Łęgprzem Sp. z o.o. for the Fourth Stage of Investment in the Special economic Zone (SEZ) in Krakow

On the 16th of November, 2009 (current report no. 26/2009) ComArch S.A. signed a contract with Łęgprzem 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 30th of April, 2011.

AFTER THE BALANCE SHEET DATE**11.1.5. Update of the Information dated 10th of November, 2009 relating to the Letter of Intent with E-Plus**

On the 28th of February, 2010, in current report no. 3/2010, in relation to current report no. 25/2009 dated the 10th 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 28th of February, 2010 to the 18th of May, 2010.

11.1.6. Credit Agreement with Bank DnB NORD SA

On 28th 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 30th 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.

11.2. 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**11.2.1. 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 22nd 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 2nd 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 10th 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 31st of December, 2010.

On 10th 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. SKA. is security for this credit. The crediting period may last until the 31st of December, 2010.

On 28th 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 28th of January, 2011.

On 21st 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 21st of January, 2011.

11.2.2. 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 9th of February, 2009, ComArch S.A. received a permit to use the building and it came into force on the 24th of February, 2009. The total value of incurred expenditures amounts to 68.07 million PLN. The credit described in pt 10.3 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 16th 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 30th of April, 2011. As at 31st of December, 2009, investment expenditures related to this building amounted to 1.45 million PLN.

11.3. Resolutions of the AGM and the Board of Supervisors

11.3.1. 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 25th of June, 2008, 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 22nd of June, 2008, 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.

11.3.2. Content of the Resolutions Passed at the AGM

On the 28th 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 22nd 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 8th of June, 2009 in the current report no. 13/2009.

On the 22nd 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 23rd of June, 2009, in the current report no. 16/2009. On 7th 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.

Accordingly to the list of shareholders participating the Annual General Shareholders Meeting of ComArch S.A. on the 22nd of June, 2009, Elżbieta 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. Elżbieta 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 22nd of June, 2009 held shares giving 10,570,855 votes.

11.4. Operations on ComArch S.A. Shares

11.4.1. 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 1st 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 8th 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 13th 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.

11.4.2. 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 29th 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 23rd 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 23rd 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 11th 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 11th 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.

11.4.3. Other Transactions on the Company's Shares

None present.

AFTER THE BALANCE SHEET DATE

11.4.4. 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 9th 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.

11.4.5. Registration of Increase in ComArch S.A. Share Capital

On the 8th of April, 2010, ComArch S.A.'s Management Board announced that on the 31st 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.

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

On 28th 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 10th 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 8th 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 15th 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 28th 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 28th of June, 2007.

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

On the 31st 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 7th 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.

11.6. Transactions on Shares of Subsidiaries and Associates of ComArch S.A.

11.6.1. Completion of a Mandatory Takeover Offer of Shares of SoftM Software und Beratung AG

On the 2nd 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 22nd of December, 2008, and ended on the 2nd 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.

11.6.2. Purchase of Significant Shares

On the 31st 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

11.6.3. Sale of Shares in an Associate

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

11.6.4. Purchase of Shares in ComArch Software S.A.R.L.

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

11.6.5. Resolution on Increase in ComArch AG Share Capital

On the 24th 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.

11.7. Other**11.7.1. Terms 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.

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

On 4th 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>

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

On the 5th 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.

AFTER THE BALANCE SHEET DATE**11.7.4. Dates of Periodical Financial Reports in 2010**

Pursuant to § 103 sec. 1 of the Regulation issued by the Minister of Finance on the 19th 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 1st of March, 2010
- 2) Q1 2010 - on 14th of May, 2010
- 3) Q2 2010 - Pursuant to § 101 sec. 2 of the Regulation issued by the Minister of Finance on the 19th 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 12th 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 31st of August, 2010
- 2) Annual report for 2009 - on 30th of April, 2010
- 3) Consolidated annual report for 2009 - on 30th of April, 2010

11.7.5. Registration of Changes in ComArch S.A. Statute

On the 8th of April, 2010, ComArch S.A.'s Management Board announced that received notice, dated the 31st 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."

11.7.6. Forward Contracts Concluded after the Balance Sheet Date

Between the 1st of January, 2010 and the 19th 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 19th of April, 2010 amounted to 3.14 million EURO and 1.8 million USD. The open forward contracts as of the 19th 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.

12. 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 group and 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 30th 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.

13. Capital Affiliations

13.1. Organisational Structure of Comarch Group

On 31st of December, 2009, the following entities formed the Comarch Group (in parentheses, the share of votes held by ComArch S.A. unless otherwise indicated):

- ComArch Spółka Akcyjna with its registered seat in Krakow,
- ComArch AG with its registered seat in Dresden (100.00 %),
 - ComArch Software S.A.R.L. with its registered seat in Lille in France (100.00 % subsidiary of ComArch AG),
 - ComArch R&D S.A.R.L. with its registered seat in Montbonnot-Saint-Martin in France (70.00 % votes held by ComArch AG),
 - SoftM Software und Beratung AG with its registered seat in Munich in Germany (80.89 % subsidiary of ComArch Software AG),
 - Comarch Solutions GmbH with its registered seat in Munich in Germany (100.00 % subsidiary of SoftM Software und Beratung AG),
 - Comarch Schilling GmbH with its registered seat in Bremen in Germany (100.00 % subsidiary of SoftM Software und Beratung AG),
 - Comarch Systemintegration GmbH with its registered seat in Munich in Germany (100.00 % subsidiary of SoftM Software und Beratung AG),
 - Comarch Solutions GmbH with its registered seat in Vienna in Austria (100.00 % subsidiary of SoftM Software und Beratung AG),
 - SoftM France S.A.R.L. with its registered seat in Oberhausbergen in France (100.00 % subsidiary of SoftM Software und Beratung AG),
 - Solitas Informatik AG with its registered seat in Buchs in Switzerland (100.00 % subsidiary of SoftM Software und Beratung AG),
- SoftM Polska Sp. z o.o. with its registered seat in Poznań in Poland (100.00 %),
- ComArch, Inc. with its registered seat in Chicago in United States of America (100.00 %),
 - ComArch Panama, Inc. with its registered seat in Bella Vista-Panama in Panama (100.00 % subsidiary of ComArch, Inc.),
- ComArch Middle East FZ-LLC with its registered seat in Dubai in United Arab Emirates (100.00 %),

- ComArch LLC with its registered seat in Kiev in Ukraine (100.00 %),
- OOO ComArch with its registered seat in Moscow in Russia (100.00 %),
- Comarch Software (Shanghai) Co. Ltd. with its registered seat in Shanghai in China (100.00 %),
- UAB ComArch with its registered seat in Vilnius in Lithuania (100.00 %),
- ComArch s.r.o. with its registered seat in Bratislava in Slovakia (100.00 %),
- CA Services S.A. with its registered seat in Krakow in Poland (99.90 %),
- ComArch Management Spółka z o. o. (limited liability company) with its registered seat in Krakow in Poland (100.00 %),
- ComArch Corporate Finance Fundusz Inwestycyjny Zamknięty (closed investment fund) (“CCF FIZ”) with its registered seat in Krakow in Poland (ComArch S.A. holds 100.00 % of issued investment certificates),
 - ComArch Management Spółka z o. o. Spółka Komandytowo-Akcyjna (limited partnership and joint-stock company) with its registered seat in Krakow in Poland (79.55 % votes held by CCF FIZ; 20.45 % votes held by ComArch S.A.; shares purchased by ComArch Management Spółka z o. o. SK-A to be redeemed doesn't give any votes),
 - Bonus Management Sp. z o.o. Spółka Komandytowo-Akcyjna (limited partnership and joint-stock company) with its registered seat in Krakow in Poland (97.59 % votes held by CCF FIZ),
 - Bonus Development Sp. z o.o. Spółka Komandytowo-Akcyjna (limited partnership and joint-stock company) with its registered seat in Krakow in Poland (98.25 % votes held by CCF FIZ),
 - iMed24 S.A. with its registered seat in Krakow in Poland (100.00 % votes held by CCF FIZ),
 - iFIN24 S.A. with its registered seat in Krakow in Poland (100.00 % votes held by CCF FIZ),
 - iReward24 S.A. with its registered seat in Krakow in Poland (100.00 % votes held by CCF FIZ),
 - Infrastruktura24 S.A. with its registered seat in Krakow in Poland (100.00 % votes held by CCF FIZ),
 - iComarch24 S.A. with its registered seat in Krakow in Poland (100.00 % votes held by CCF FIZ),
 - CASA Management and Consulting Sp. z o.o. SK-A with its registered seat in Krakow in Poland (100.00 % votes held by CCF FIZ),
- MKS Cracovia SSA with its registered seat in Krakow in Poland (49.15 %).

Associates of the dominant unit are:

- through SoftM Software und Beratung AG:
 - KEK Anwendungssysteme GmbH with its registered seat in Munich in Germany (30.00 % votes held by SoftM Software und Beratung AG),
- through ComArch Corporate Finance Fundusz Inwestycyjny Zamknięty:
 - SolInteractive Sp. z o.o. with its registered seat in Krakow in Poland (30.72 % votes held by CCF FIZ).

The associated companies are not consolidated. Shares are valued with equity method.

ComArch AG (Jsc)

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 29th of September, 1994, ComArch AG is ComArch S.A.'s subsidiary.

ComArch Software S.A.R.L. (Limited Liability Company)

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 29th of September, 1994, ComArch Software S.A.R.L. is ComArch S.A.'s subsidiary (through ComArch AG).

ComArch R&D S.A.R.L. (Limited Liability Company)

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 29th of September, 1994, ComArch R&D S.A.R.L. is ComArch S.A.'s subsidiary (through ComArch AG).

SoftM Software und Beratung AG (SoftM) (Jsc)

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 29th of September, 1994, SoftM Software und Beratung AG is ComArch S.A.'s subsidiary (through ComArch AG).

SoftM Polska Sp. z o.o. (Limited Liability Company)

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 29th of September, 1994, SoftM Polska Sp. z o.o. is ComArch S.A.'s subsidiary.

ComArch, Inc.

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 29th of September, 1994, ComArch, Inc. is ComArch S.A.'s subsidiary.

ComArch Panama, Inc.

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 29th of September, 1994, ComArch Panama, Inc. is ComArch S.A.'s subsidiary (through ComArch, Inc.).

ComArch Middle-East FZ-LLC

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 29th of September, 1994, ComArch Middle-East FZ-LCC is ComArch S.A.'s subsidiary.

ComArch LLC (Limited Liability Company)

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 29th of September, 1994, ComArch Sp. z o.o. is ComArch S.A.'s subsidiary.

OOO ComArch (Limited Liability Company)

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 29th of September, 1994, OOO ComArch is ComArch S.A.'s subsidiary.

Comarch Software (Shanghai) Co. Ltd.

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 29th of September, 1994, Comarch Software (Shanghai) Co. Ltd. is ComArch S.A.'s subsidiary.

UAB „ComArch” (Limited Liability Company)

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 29th of September, 1994, UAB ComArch is ComArch S.A.'s subsidiary. UAB ComArch is under liquidation proceedings.

ComArch s.r.o.

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 29th of September, 1994, ComArch s.r.o. is ComArch S.A.'s subsidiary. Activities of ComArch s.r.o. are limited.

CA Services S.A. (currently CA Consulting S.A.) (Jsc)

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 the 29th of September, 1994, CA Services S.A. is ComArch S.A.'s subsidiary.

ComArch Management Sp. z o. o. (Limited Liability Company)

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 29th of September, 1994, ComArch Management Sp. z o.o. is ComArch S.A.'s subsidiary.

ComArch Corporate Finance Fundusz Inwestycyjny Zamknięty (CCF FIZ) (Closed Investment Fund)

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.

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

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 29th of September, 1994, ComArch Management Sp. z o.o. SK-A is ComArch S.A.'s subsidiary (through CCF FZ).

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

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 29th of September, 1994, Bonus Management Sp. z o.o. SK-A is ComArch S.A.'s subsidiary (through CCF FIZ).

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

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 29th of September, 1994, Bonus Development Sp. z o. o. SK-A is ComArch S.A.'s subsidiary (through CCF FIZ).

iMed24 S.A. (Jsc)

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 29th of September, 1994, iMed24 S.A. is ComArch S.A.'s subsidiary (through CCF FIZ).

iFin24 S.A. (Jsc)

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 29th of September, 1994, iFIN24 S.A. is ComArch S.A.'s subsidiary (through CCF FIZ).

iReward24 S.A. (Jsc)

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 29th of September, 1994, iReward24 S.A. is ComArch S.A.'s subsidiary (through CCF FIZ).

Infrastruktura24 S.A. (Jsc)

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. offer services related to Data Centre for the customers in small and medium sized enterprises. Pursuant to the Act on Accounting dated the 29th of September, 1994, Infrastruktura24 S.A. is ComArch S.A.'s subsidiary (through CCF FIZ).

iComarch24 S.A. (Jsc)

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 29th of September, 1994, iComarch24 S.A. is ComArch S.A.'s subsidiary (through CCF FIZ).

CASA Management and Consulting Sp. z o.o. SK-A

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 29th of September, 1994, CASA Management and Consulting Sp. z o.o. SK-A. is ComArch S.A.'s subsidiary (through CCF FIZ).

MKS Cracovia SSA

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.

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

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 29th 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 29th of September, 1994, Fideltronik-ComArch Sp. z o.o. is an associate of ComArch S.A. The company did not start to operate.

13.2. Changes in Organisational Structure in 2009

On the 31st 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 third quarter 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 17th 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 21st 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 23rd 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 25th 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 11th 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 9th 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 12th 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 8th 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 17th 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.

13.3. Changes in Organisational Structure after the Balance Sheet Date

COMARCH VIETNAM COMPANY LIMITED (COMARCH CO., LTD)

On the 5th 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 the 29th of September, 1994, Comarch Vietnam Co. Ltd. is ComArch S.A.'s subsidiary.

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

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

On the 24th 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 20th of April, 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.

14. Branches of ComArch S.A.

As at 31st of December, 2009, ComArch S.A. had branches in the following cities:

- Bielsko-Biała
- Gdańsk
- Katowice
- Kraków
- Lublin
- Łódź
- Poznań
- Warszawa
- Wrocław

Activities conducted in branches are related to the basic activities of the company.

15. Transactions Concluded by the Issuer or its Subsidiary with Related Parties on Terms Different from Market Conditions

None present.

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

The company has not published the results forecast for 2009.

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

None present.

18. 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 third quarter 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 9th 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.

19. Data Referring to the Agreement Signed with the Entity Entitled to Audit Financial Statements

19.1. 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 7th 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.

19.2. Contract Details

Agreement with Deloitte Audyt Sp. z o. o. was concluded on 17th 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.

20. Systems that Control Employees Shares Programmes

None present.

21. Significant Legal, Arbitration or Administrative Proceedings

21.1. Proceedings Related to Liabilities or Receivables of the Issuer or a Subsidiary, which Value Constitutes at least 10 % of Equities

None present.

21.2. 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.

Krakow, 30th of April, 2010

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