All amounts are expressed in thousands of PLN unless otherwise indicated

I. Consolidated Balance Sheet

	Note	31 December 2013	31 December 2012
ASSETS			
Non-current assets			
Property, plant and equipment	3.3	360,825	357,715
Goodwill	3.4	44,061	44,061
Other intangible assets	3.5	79,720	96,401
Non-current prepayments	3.6	904	904
Investments in associates	3.7	49	244
Other investments		106	48
Deferred income tax assets	3.21	28,985	27,791
Other non-current receivables		1,639	1,844
		516,289	**529,008**
Current assets			
Inventories	3.8	53,687	62,307
Trade and other receivables	3.12	362,404	399,840
Current income tax receivables		1,527	408
Long-term contracts receivables	3.17	32,264	10,165
Available-for-sale financial assets	3.10	6,685	1,616
Other financial assets at fair value – derivative financial instruments	3.11	1,644	1,059
Interest and shares		112	22
Cash and cash equivalents	3.13	167,689	142,318
		626,012	**617,735**
TOTAL ASSETS		**1,142,301**	**1,146,743**
Share capital	3.14	8,051	8,051
Other capitals	3.15	145,205	142,332
Exchange differences	3.29	2,670	3,090
Net profit for the current period		25,077	40,660
Retained earnings		445,340	427,490
		626,343	**621,623**
Minority interest	3.15	11,368	3,319
Total equity		**637,711**	**624,942**
LIABILITIES			
Non-current liabilities			
Credit and loans	3.18	110,751	94,892
Other liabilities		599	-
Provision for deferred income tax	3.21	40,545	41,575
Provisions for other liabilities and charges	3.22	-	-
		151,895	**136,467**
Current liabilities			
Trade and other payables	3.16	194,042	232,316
Current income tax liabilities		11,237	7,323
Long-term contracts liabilities	3.17	33,416	17,045
Credit and loans	3.18	20,700	36,325
Financial liabilities	3.11	-	180
Provisions for other liabilities and charges	3.22	93,300	92,145
		352,695	**385,334**
Total liabilities		**504,590**	**521,801**
TOTAL EQUITY AND LIABILITIES		**1,142,301**	**1,146,743**

All amounts are expressed in thousands of PLN unless otherwise indicated

II. Consolidated Income Statement

	Note	12 months ended 31 December 2013	12 months ended 31 December 2012
Revenue	3.23	**938,976**	**883,876**
Cost of sales	3.24	(729,103)	(688,379)
Gross profit		**209,873**	**195,497**
Other operating income	3.25	11,710	16,299
Sales and marketing costs		(98,932)	(85,396)
Administrative expenses		(72,083)	(73,295)
Other operating expenses	3.26	(16,122)	(22,338)
Operating profit		**34,446**	**30,767**
Finance revenue/(costs)-net	3.27	2,316	8,993
Share of profit/(loss) of associates	3.7	(38)	(23)
Profit before income tax		**36,724**	**39,737**
Income tax expense	3.28	(13,470)	(2,485)
Net profit for the period		**23,254**	**37,252**
Attributable to:			
Equity holders of the company		**25,077**	**40,660**
Minority interest	3.15	(1,823)	(3,408)
		23,254	**37,252**
Earnings per share for profit attributable to the equity holders of the company during the period (expressed in PLN per share)			
– basic	3.30	3.11	5.05
– diluted		3.09	5.05

III. Total Income Consolidated Statement

	12 months ended 31 December 2013	12 months ended 31 December 2012
Net profit (loss) for the period	**23,254**	**37,252**
Other total income		
Currency translation differences from currency translation in related parties	(424)	(3,557)
Other total income	**(424)**	**(3,557)**
Sum of total income for the period	**22,830**	**33,695**
Attributable to the company's shareholders	24,657	37,155
Attributable to the minority	(1,827)	(3,460)

Other total income comprises items, which may be transferred to income statement in the following years.

All amounts are expressed in thousands of PLN unless otherwise indicated

IV. Consolidated Statement of Changes in Shareholders' Equity

	Attributable to the shareholders of the parent company					Capitals attributable to interests not entitled to control Exchange differences	Total equity Share capital
	Share capital	**Other capitals**	**Exchange differences**	**Share capital**	**Other capitals**		
Balance at 1 January 2012	**8,051**	**142,007**	**6,595**	**36,257**	**407,444**	**9,497**	**609,851**
Transferring result for 2011	-	-	-	(36,257)	36,257	-	-
Dividend paid	-	-	-	-	(14,760)	-	(14,760)
Changes in ownership structures in MKS Cracovia SSA, CA Consulting S.A. and Comarch R&D S.à r.l.	-	-	-	-	1,679	(1,679)	-
Equity from taking over shares not giving control	-	-	-	-	(3,130)	(1,039)	(4,169)
Capital from valuation of the managerial option	-	325	-	-	-	-	325
Currency translation differences[1]	-	-	*(3,505)*	-	-	*(52)*	*(3,557)*
Profit for the period[2]	-	-	-	*40,660*	-	*(3,408)*	*37,252*
Total income recognised in equity (1+2)	-	-	(3,505)	40,660	-	(3,460)	33,695
Balance at 31 December 2012	**8,051**	**142,332**	**3,090**	**40,660**	**427,490**	**3,319**	**624,942**
Balance at 1 January 2013	**8,051**	**142,332**	**3,090**	**40,660**	**427,490**	**3,319**	**624,942**
Transferring result for 2012	-	-	-	(40,660)	40,660	-	-
Dividend paid	-	-	-	-	(13,103)	-	(13,103)
Capital from acquisition of shares	-	-	-	-	-	169	169
Changes in shareholding structure	-	-	-	-	(9,707)	9,707	-
Capital from valuation of the managerial option	-	2,873	-	-	-	-	2,873
Currency translation differences[1]	-	-	*(420)*	-	-	*(4)*	*(424)*
Profit for the period[2]	-	-	-	*25,077*	-	*(1,823)*	*23,254*
Total income recognised in equity (1+2)	-	-	(420)	25,077	-	(1,827)	22,830
Balance at 31 December 2013	**8,051**	**145,205**	**2,670**	**25,077**	**445,340**	**11,368**	**637,711**

Dividend in total amount of 13.1 million PLN includes dividend in the amount of 12.08 million PLN paid by parent company to its shareholders on originally scheduled day, i.e. on the 19th of August, 2013, and dividend in the amount of 0.29 million PLN paid by CASA Management and Consulting sp. z o.o. SK-A on the 11th of July, 2013, and other dividends in the amount of 0.74 million PLN paid on the 23rd of August, 2013 by subsidiaries to general partners outside Group.

All amounts are expressed in thousands of PLN unless otherwise indicated

V. Consolidated Cash Flow Statement

	12 months 2013	12 months 2012
Cash flows from operating activities		
Net profit (loss)	23,254	37,252
Total adjustments	91,670	37,813
Share in net (gains) losses of related parties valued using the equity method of accounting	38	23
Depreciation	64,495	53,326
Exchange gains (losses)	(2,240)	(2,379)
Interest and profit-sharing (dividends)	2,255	(3,308)
(Profit) loss on investing activities	682	(1,384)
Change in inventories	9,837	(14,412)
Change in receivables	20,579	(41,848)
Change in liabilities and provisions excluding credits and loans	(5,366)	45,334
Other adjustments	1,390	2,461
Net profit less total adjustments	114,924	75,065
Income tax paid	(10,476)	(7,918)
Net cash from operating activities	**104,448**	**67,147**
Cash flows from investing activities		
Purchases of property, plant and equipment	(40,018)	(67,836)
Proceeds from sale of property, plant and equipment	1,340	-
Purchases of intangible assets	(14,797)	(28,727)
Proceeds from disposal of investment in real estates and intangible assets	26	183
Expenses for purchase of financial assets	(6,523)	(24,919)
Proceeds from sales of available-for-sale financial assets	-	803
Granted non-current loans	(9,013)	(1,112)
Paid non-current loans	2,498	909
Interest	1,962	3,313
Other proceeds from financial assets	1,530	1,629
Expenses for investment in real estates	(19)	(22)
Other investment proceeds	563	421
Other investment expenses	(1,021)	(175)
Net cash used in investing activities	**(63,472)**	**(115,533)**
Cash flows from financing activities		
Payment in relation to shares issue	-	-
Proceeds from credits and loans	75,955	33,442
Repayments of credits and loans	(72,688)	(13,102)
Interest	(3,998)	(3,997)
Dividends and other payments to owners	(12,077)	(12,077)
Expenses due to profit sharing but other than those to owners	(1,026)	(2,603)
Payments of liabilities in relation to finance lease agreements	(139)	-
Other financial proceeds	215	4
Other financial expenses	(180)	(436)
Net change in cash, cash equivalents and bank overdrafts	**(13,938)**	**1,231**
Cash, cash equivalents and bank overdrafts at beginning of the period	**27,038**	**(47,155)**
Positive (negative) exchange differences in cash and bank overdrafts	142,269	192,896
Cash, cash equivalents and bank overdrafts at end of the period	(1,667)	(3,472)
- including limited disposal	**167,640**	**142,269**
Net change in cash, cash equivalents and bank overdrafts	*2,041*	*969*

VI. Supplementary Information

1. Information about Group Structure and Activities

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

1.1 Organisational Structure of Comarch Group

On 31st of December, 2013, 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 office in Krakow,
- Comarch AG with its registered office in Dresden in Germany (100%),
  - Comarch Software und Beratung AG with its registered office in Munich in Germany (100% subsidiary of Comarch AG*),
    - Comarch Solutions GmbH with its registered office in Innsbruck in Austria (100% subsidiary of Comarch Software und Beratung AG),
    - SoftM France S.à r.l. with its registered office in Oberhausbergen in France (100% subsidiary of Comarch Software und Beratung AG),
- Comarch S.A.S. with its registered office in Lezennes in France (100%),
    - Comarch R&D S.à r.l. with its registered office in Montbonnot-Saint-Martin in France (70% votes held by Comarch SAS, 30% votes held by Comarch S.A.),
- Comarch Luxembourg S.à r.l. with its registered office in Luxembourg in Luxembourg (100%),
- Comarch, Inc. with its registered office in Rosemont in United States of America (100%),
  - Comarch Panama, Inc. with its registered office in Panama in Panama (100% subsidiary of Comarch, Inc.),
- Comarch Canada, Corp. with its registered office in New Brunswick in Canada (100%),
- Comarch Middle East FZ-LLC with its registered office in Dubai in United Arab Emirates (100%),
- Comarch LLC with its registered office in Kiev in Ukraine (100%),
- OOO Comarch with its registered office in Moscow in Russia (100%),
- Comarch Software (Shanghai) Co. Ltd. with its registered office in Shanghai in China (100%),
- Comarch Vietnam Company Ltd. (Comarch Co., Ltd.) with its registered office in Ho Chi Minh City in Vietnam (100%),
- Comarch Oy with its registered office in Espoo in Finland (100%),
- Comarch UK Ltd. with its registered office in London in United Kingdom (100%),
- Comarch Chile SpA with its registered office in Santiago in Chile (100%),
- Comarch s.r.o. with its registered office in Bratislava in Slovakia (100%),
- SouthForge sp. z o.o. with its registered office in Krakow in Poland (100%),
- CA Consulting S.A. with its registered office in Warsaw in Poland (100%),
- Comarch Management sp. z o.o. with its registered office in Krakow in Poland (100%),
- Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty with its registered office in Krakow in Poland („CCF FIZ") (Comarch S.A. holds 100% of issued investment certificates),
      - Comarch Management sp. z o.o. SK-A with its registered office in Krakow in Poland (38.57% votes held by CCF FIZ; 61.43% votes held by Comarch S.A.; shares purchased by Comarch Management sp. z o.o. SK-A to be redeemed don't give any votes),
      - Bonus Management sp. z o.o. SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),

- Bonus Development sp. z o.o. SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- Bonus Management sp. z o.o. II Activia SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- Bonus Development sp. z o.o. II Koncept SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- iMed24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- Comarch Polska S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- iReward24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- Infrastruktura24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- iComarch24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- CASA Management and Consulting sp. z o.o. SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
    - ESAProjekt sp. z o.o. with its registered office in Chorzow in Poland (100% held by CASA Management and Consulting sp. z o.o. SK-A.),
    - Comarch Swiss AG with its registered office in Luzern in Switzerland (100% subsidiary of CASA Management and Consulting sp. z o.o. SK-A),
    - CAMS AG with its registered office in Luzern in Switzerland (51% subsidiary of CASA Management and Consulting sp. z o.o. SK-A),

➢ Opso sp. z o.o. with its registered office in Krakow in Poland (100%),
➢ MKS Cracovia SSA with its registered office in Krakow in Poland (66.11%).

(*) including 2.68% CSuB AG shares borrowed from an entity outside the Comarch Group

On 31st of December, 2013, an associate of the parent company is:
➢ through Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty: SoInteractive S.A. with its registered office in Krakow in Poland (18.52% votes held by CCF FIZ).

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

1.2 Changes in Ownership and Organisational Structure in 2013

On the 21st of January, 2013, CAMS AG with its registered office in Luzern in Switzerland was registered. CASA Management and Consulting Sp. z o.o. SK-A holds 51% of shares, other shares are held by natural persons. The company's share capital amounts to 0.1 million CHF and it was paid in total in the first half of 2013.

On the 25th of January, 2013, a share increase in Bonus Management Sp. z o.o. II Activia SK-A was registered. On the 25th of June, 2013, Annual General Meeting of Bonus Management Sp. z o.o. II Activia SK-A passed a resolution on an increase in the company's share capital to the amount of PLN 1,542,700.00 through issue of 19,700 shares of nominal value of PLN 1.00 each.

On the 12th of February, 2013, an increase in iMed24 SA's share capital from 1.6 million PLN to 1.75 million PLN was registered pursuant to a notice from the District Court for Krakow-Śródmieście, The Eleventh Economic Division of the National Court Register.
On the 29th of May, 2013, an increase in iMed24 SA's share capital from 1.75 million PLN to 2.05 million PLN was registered pursuant to a notice from the District Court for Krakow-Śródmieście, The Eleventh Economic Division of the National Court Register. On the 18th of July, 2013, an increase in iMed24 SA's share capital from 2.05 million PLN to 2.45 million PLN was registered pursuant to a notice from the District Court for Krakow-Śródmieście, The Eleventh Economic Division of the National Court Register. On the 3rd of September, 2013, Extraordinary Annual General Meeting of iMed24 S.A. passed a resolution on an increase in the company's share capital to PLN 2,850,000.00.

On the 20th of February, 2013, an agreement was signed between Comarch S.A. and MKS Cracovia SSA on the purchase of MKS Cracovia SSA series F shares. MKS Cracovia SSA invited Comarch S.A. to purchase 11,400 series F shares of nominal value of PLN 100. MKS Cracovia SSA invited Comarch S.A. to purchase the afore-mentioned shares for a total issue price of PLN 4,695,774, i.e. for issue price of PLN 411.91 for one series F share. The issue price of the afore-mentioned shares was paid in cash contribution in the amount of PLN 4,695,774 which was made by Comarch S.A. on the 20th of February, 2013. As a result of the registration of the increase in MKS Cracovia SSA's share capital (a notice from the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, dated the 6th of March, 2013; current report no. 6/2013 dated the 14th of March, 2013), Comarch S.A. held 62.16% of votes at the company's general meeting.
On the 11th of December, 2013, an agreement was signed between Comarch S.A. and MKS Cracovia SSA on the purchase of MKS Cracovia SSA series G shares (current report no. 27/2013 dated the 11th of December, 2013). The capital was paid in total on the 11th of December, 2013. After the registration, Comarch S.A. will hold 66.11% votes at the company's AGM. The formal registration of the increase was on the 7th of January, 2014, however due to the fact that the increased capital was paid in total in 2013, and having in mind that there were only several days delay after the balance sheet date, caused by technical issues, in formal registration, as well as there were no basis for payment of dividend, economic effects of the increase were included in the financial statement as at the 31st of December, 2013.

On the 26th of March, 2013, a merger between A-MEA Informatik AG and Comarch Swiss AG, and transferring Comarch Swiss AG's office to Luzern in Switzerland were registered. The company's share capital amounts to 0.3 million CHF and was paid in total in the first half of 2013.

On the 26th of March, 2013, an agreement between CCF FIZ and Comarch Management Sp. z o.o. SK-A was concluded, on sales of 14,746 shares to be redeemed, for price of PLN 237.35 per share. Total sales price amounted to PLN 3,499,963.10 and was paid. On the 28th of May, 2013, an agreement between CCF FIZ and Comarch Management Sp. z o.o. SK-A was concluded, on purchase of own shares to be redeemed. Under this agreement, Comarch Management Sp. z o.o. SK-A purchased 16,852 shares for total price of PLN 3,999,822.2 (paid on the 10th of June, 2013). As a result of this transaction, CCF FIZ held 50.06% votes and Comarch S.A. held 49.94% votes at the company's general meeting. Shares purchased to be redeemed don't give any votes. On the 30th of August, 2013, Annual General Meeting of Comarch Management Sp. z o.o. SK-A passed resolutions on, among others, a decrease in the company's share capital from PLN 168,868 to PLN 90,110 and a redemption of 78,758 own shares held by the company. They were registered on the 20th of December, 2013, pursuant to a decision of the District Court for Krakow-Śródmieście, the Eleventh Economic Division of the National Court Register. On the 2nd of September, 2013, an agreement for purchase of own shares by Comarch Management sp. z o.o. SK-A from CCF FIZ to be redeemed was signed. Comarch Management sp. z o.o. SK-A purchased 16,852 shares for total price of PLN 3,999,822.20. After the transaction, CCF FIZ holds 38.57% of votes and Comarch S.A. holds 61.43% of votes at the company's general meeting. Shares purchased to be redeemed don't give any voting rights.

On the 9th of April, 2013, an increase up to 15 million euro in the share capital of Comarch AG was registered.

On the 15th of April, 2013, a sole shareholder of Comarch SAS acting through general meeting decided to increase the company's share capital from EUR 1,800,000 to EUR 2,800,000 by issuance of 1,000,000 new shares. The increase was performed on the 22nd of April, 2013, and confirmed by CEO of Comarch SAS by their decision approving this increase in the company's share capital.

On the 2nd of May, 2013, liquidation of UAB Comarch company with its registered office in Vilnius in Lithuania was registered.

On the 23rd of May, 2013, Comarch Chile SpA was registered in Santiago in Chile. The company's share capital amounts to 24 million CLP.

On the 25th of June, 2013, Annual General Meeting of Bonus Development Sp. z o.o. II Koncept SK-A passed a resolution on an increase in the company's share capital to the amount of PLN 91,863.00 through issue of 5,600 shares of nominal value of PLN 1.00 each. On the 1st of October, 2013, it was registered.

On the 1st of July, 2013, Extraordinary General Meeting of CASA Management and Consulting sp. z o.o. SK-A passed a resolution on an increase in the company's share capital to the amount of PLN 3,114,000. On the 6th of September, 2013, pursuant to a decision of the District Court for Krakow-Śródmieście, the Eleventh Economic Division of the National Court Register the increase was registered.

On the 25th of October, 2013, Extraordinary Annual General Meeting of Comarch Management sp. z o.o. passed a resolution on an increase in the company's share capital to PLN 250,000.00. On the 2nd of December, 2013, pursuant to a decision of the District Court for Krakow-Śródmieście, the Eleventh Economic Division of the National Court Register, the increase was registered.

On the 18th of November, 2013, Comarch S.A.'s Management Board announced that the bankruptcy proceedings of SoftM France S.à r.l. was completed (current report no. 24/2013 dated the 18th of November, 2013).

On the 17th of December, 2013, an agreement for purchase of shares by Bonus Management sp. z o.o. Activia SK-A in the increased share capital of SoInteractive S.A. After registration of the increase in share capital of SoInteractive S.A., Bonus Management sp. z o.o. Activia SK-A will hold 11.27% and CCF FIZ 16.10% of votes at the company's AGM. The increased share capital was paid in total on the 17th of December, 2013. The registration was registered in the first quarter of 2014.

1.3 Changes in Ownership and Organisational Structure in Comarch Group after the Balance Sheet Date

On the 7th of January, 2014, pursuant to a decision of the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, an increase in share capital of MKS Cracovia SSA from PLN 19,560,100.00 to PLN 21,840,100.00 was registered. As a consequence, Comarch S.A. holds 66.11% of shares in the share capital of MKS Cracovia SSA which entitle to 66.11% of votes at the company's general meeting (current report no. 4/2014 dated the 28th of January, 2014).

On the 24th of January, 2014, pursuant to a decision of the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, an increase in share capital of iMed24 S.A. from PLN 2,450,000.00 to PLN 2,850,000.00 was registered. On the 17th of February, 2014, Extraordinary General Meeting of iMed24 S.A. passed the resolution on an increase in share capital to the amount of PLN 3,250,000.

With the notarial deed of the 6th of February, 2014, Capital Advisors S.A., a joint stock company was established. Comarch S.A. holds 21.43% of the share capital (15.79% of votes at the company's AGM) and CAMS AG holds 42.86% of the share capital (31.58% of votes at the company's AGM The company was registered with the decision of the District Court for Krakow-Śródmieście, the Eleventh Economic Division of the National Court Register dated the 19th of March, 2014.

As of the 17th of February, 2014, an agreement for purchase of 15,943 own shares by Comarch Management sp. z o.o. SK-A from CCF FIZ to be redeemed was signed.

With the notarial deed of the 25th of March, 2014, „Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością" Cracovia Park spółka komandytowo-akcyjna, a limited joint-stock partnership, was established. Bonus Management spółka z ograniczoną odpowiedzialnością SK-A holds 50% of the share capital (66.67% of votes at the company's AGM) and MKS Cracovia SSA holds 50% of the share capital (33.33% of votes at the company's AGM).

1.4 Activities Structure in the Comarch Group

The structure of activities of the Comarch Group is as follows:
- The parent company Comarch S.A. acquires the majority of contracts and in large part executes them;
- Comarch AG, Comarch S.A.S., Comarch R&D S.à r.l., Comarch Luxembourg S.à r.l., Comarch, Inc., Comarch Panama, Inc., Comarch Canada, Corp., Comarch Middle East FZ-LLC, Comarch LLC, OOO Comarch, Comarch Co. Ltd (Vietnam), Comarch Oy and Comarch UK acquire IT contracts in foreign markets and execute them in their entirety or in part;
- SouthForge Sp. z o.o. and Comarch Polska S.A. acquire IT contracts in domestic and foreign markets and execute them in their entirety or in part;
- CA Consulting S.A. specialises in data communications relating to the provision of connections for the own needs of the Comarch Group, as well as the provision of IT and consulting services for the own needs of the Comarch S.A. and for Comarch's contractor;
- Comarch Software und Beratung AG is an important provider of ERP and an integrator of IT solutions in Germany. Activities of Comarch Solutions GmbH are identical as activities of Comarch Software und Beratung AG;
- Comarch Swiss AG sells and implements Comarch solutions (especially in the areas of ERP and ECM) on the Swiss market;
- ESAProjekt Sp. z o.o. is a leading Polish producer and IT solution provider for medicine sector;
- Purpose of the Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty is investment activity, through its subsidiaries, in the scope of new technologies and services, as well as investment activities on capital market;
- Comarch Management Sp. z o.o., Comarch Management Sp. z o.o. SK-A, CASA Management and Consulting Sp. z o.o. SK-A, CAMS AG, Bonus Management Sp. z o.o. SK-A and Bonus Management Sp. z o.o. II Activia SK-A conduct investment activities on capital market and activities related to IT;
- The subject matter of activities of Bonus Development Sp. z o.o. SK-A and Bonus Development Sp. z o.o. II Koncept SK-A are activities related to real estates;
- iMed24 S.A. produces and sells IT software related to medicine, provides medical and diagnostic services;
- iReward24 S.A. produces and implements loyalty software for the customers in small and medium sized enterprises;
- Infrastruktura24 S.A. offers services related to Data Centre and IT services outsourcing,
- iComarch24 S.A. conducts IT projects related to e-accounting and e-trading, as well as provides accounting services for domestic subsidiaries in the Comarch Group;
- MKS Cracovia SSA is a sport joint stock company;
- Opso Sp. z o.o. provides catering services;
- Comarch Co. Ltd (Vietnam) is under liquidation proceedings. Comarch s.r.o. and Comarch Software (Shanghai) Co. Ltd. are currently not operating.

2. Description of the Applied Accounting Principles

This consolidated financial statement for the 12 months ended the 31^{st} of December, 2013 was prepared pursuant to the International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and interpretations published by the Committee for Interpretation of International Financial Reporting, as approved by the European Union.
This financial statement was prepared pursuant to the historical cost principle with the exception of those items that are appraised in another way pursuant to these principles.

Preparation of the statement pursuant to IFRS requires a number of estimates to be done and the application of individual judgement. Note 2.3.2 presents those areas of the financial statement, which require significant estimates or for which significant judgement is required.

The financial statement was prepared with the assumption of the continuation of commercial activities by the Comarch Group in the foreseeable future. According to company management, there are no circumstances suggesting any threat to the continuation of activities.

The Comarch Group prepares its income statement in the calculation version, whereas the cash flow statement is prepared according to the indirect method.

All amounts are expressed in thousands of PLN unless otherwise indicated

The consolidated financial statement of the Comarch Group for the 12 months ended the 31st of December, 2013 comprises the financial statements of the following companies:

	Relationship	Consolidation method	% held by Comarch S.A. in a subsidiary's share capital
Comarch S.A.	parent company	full	
Comarch AG	subsidiary	full	100.00%
Comarch Software und Beratung AG	subsidiary	full	100,00% held by Comarch AG *)
Comarch Solutions GmbH	subsidiary	full	100.00% held by Comarch Software und Beratung AG
SoftM France S.à r.l.	subsidiary	full	100.00%, held by Comarch Software und Beratung AG
Comarch S.A.S.	subsidiary	full	100.00%
Comarch R&D S.à r.l.	subsidiary	full	30.00%, 70.00% held by Comarch SAS
Comarch Luxembourg S.à r.l.	subsidiary	full	100.00%
Comarch Inc.	subsidiary	full	100.00%
Comarch Panama Inc.	subsidiary	full	100.00% held by Comarch Inc.
Comarch Canada, Corp.	subsidiary	full	100.00%
Comarch Middle East FZ-LLC	subsidiary	full	100.00%
Comarch LLC	subsidiary	full	100.00%
OOO Comarch	subsidiary	full	100.00%
Comarch Software (Shanghai) Co. Ltd.	subsidiary	full	100.00%
Comarch Co., Ltd. (Vietnam)	subsidiary	full	100.00%
Comarch Oy	subsidiary	full	100.00%
Comarch UK Ltd.	subsidiary	full	100.00%
Comarch Chile SpA	subsidiary	full	100.00%
Comarch s.r.o.	subsidiary	full	100.00%
SouthForge sp. z o.o.	subsidiary	full	100.00%
CA Consulting S.A.	subsidiary	full	100.00%
Comarch Management sp. z o.o.	subsidiary	full	100.00%
Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty	subsidiary	full	100.00% in total number of investment certificates

All amounts are expressed in thousands of PLN unless otherwise indicated

Comarch Management sp. z o.o. SK-A	subsidiary	full	31.36% held by CCF FIZ, 49.94% held by Comarch S.A., 18.70% purchased by Comarch Management sp. z o.o. SK-A to be redeemed
Bonus Management sp. z o.o. SK-A	subsidiary	full	100.00% held by CCF FIZ
Bonus Development sp. z o.o. SK-A	subsidiary	full	100.00% held by CCF FIZ
Bonus Management sp. z o.o. II Activia SK-A	subsidiary	full	100.00% held by CCF FIZ
Bonus Development sp. z o.o. II Koncept SK-A	subsidiary	full	100.00% held by CCF FIZ
iMed24 S.A.	subsidiary	full	100.00% held by CCF FIZ
Comarch Polska S.A.	subsidiary	full	100.00% held by CCF FIZ
iReward24 S.A.	subsidiary	full	100.00% held by CCF FIZ
Infrastruktura24 S.A.	subsidiary	full	100.00% held by CCF FIZ
iComarch24 S.A.	subsidiary	full	100.00% held by CCF FIZ
CASA Management and Consulting sp. z o.o. SK-A	subsidiary	full	100.00% held by CCF FIZ
ESAProjekt sp. z o.o.	subsidiary	full	100.00% held by CASA Management and Consulting Sp. z o.o. SK-A
Comarch Swiss AG	subsidiary	full	100.00% held by CASA Management and Consulting Sp. z o.o. SK-A
CAMS AG	subsidiary	full	51% held by CASA Management and Consulting Sp. z o.o. SK-A
Opso sp. z o.o.	subsidiary	full	100.00%
MKS Cracovia SSA	subsidiary	full	66.11%

(*) including 2.68% CSuB AG shares borrowed from an entity outside the Comarch Group

2.1 Methods of Valuation of Assets and Liabilities and the Determination of Financial Results

2.1.1 Segment Information

The Comarch Capital Group conducts reporting based on segments according to IFRS 8 "Operating Segments". Operating segments were specified based on internal reports related to components of an entity whose operating results are reviewed regularly by the entity's chief operating decision maker in order to make decisions about resources to be allocated to the segment and to assess its performance.

In the Comarch Group, the business segments are basic type of operating segments, and geographical segments are the supplementary type of operating segments. The operations of Comarch's subsidiary units comprise the following types of activities:

- the sale of IT systems and services, as well as sales of IT hardware (hereinafter referred to as the "IT segment"),
- professional sports (hereinafter referred to as the "Sport segment"; MKS Cracovia SSA),
- investment activity on capital market and activity in relation with real estates investment, (hereinafter referred to as the "Investment segment"),
- activity in relation to medical services and software production for medicine sector (hereinafter referred to as the "Medical segment").

IT segment has a dominant share in sales revenues, profits and assets. IT segment is divided into the DACH (Germany, Austria and Switzerland) market, Polish market and other markets according to the specific character of the activity in the segment.

Over 2013, Comarch revenue structure was as follows: 20% of annual sales were achieved in the first quarter, 22% in the second quarter, 25% in the third quarter and 33% in the fourth quarter. This revenue structure is consistent with tendency observed in IT branch.
In the company's opinion, over 2014, Group's revenue structure will be similar to that observed in the previous year.

2.1.2 Consolidation

a) Subsidiaries

Subsidiaries are all entities (including special purpose entities), over which Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired this difference is recognised directly in the income statement. Transactions, settlements and unrealised gains on transactions among the Group's entities are eliminated. Unrealised losses are also eliminated, unless the transactions provide evidence for a loss in the value of a provided asset. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Acquisitions of companies and the individual parts of the activity are accounted for with the purchase method. The cost of merging companies is evaluated in the aggregated fair value of the assets transferred, born or acquired and capital instruments issued by the Group in return for taking control over the acquired entity. Acquisition-related costs are recognised in profit or loss as incurred.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. All other changes are recognised in accordance with the respective IFRS regulations. Changes in the fair value of the contingent consideration that qualify as equity transactions are not recognised.

Identifiable assets, liabilities and contingent liabilities of the acquiree meeting the requirements of recognition in accordance with the IFRS 3 “Merging economic entities” is recognized at fair value as at the day of acquisition, except exclusions in accordance with the IFRS 3.
Where a business combination is achieved in stages, the Group’s previously held equity interest in the acquire is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss.

Goodwill arising on an acquisition of a business is recognised in assets and initially carried at cost, assumed exceed the Group’s interest in the net fair value of identifiable assets, liabilities and contingent liabilities. If, after reassessment, the share of the Group in net of the acquisition-date amounts of the identifiable assets, liabilities and contingent liabilities of the acquiree, assumed exceeds the sum of the consideration transferred, the excess is recognised immediately in profit or loss.

Transactions, settlements and unrealised gains on transactions between parties in the Group are eliminated. Unrealised gains are also eliminated, unless a transaction gives evidence for impairment of assets. Accounting principles applied by subsidiaries have been changed everywhere it has been necessary to ensure compliance with accounting principles applied by the Group.

b) Associates

Associates are all entities over which the Group has significant influence but not control; this generally accompanies a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised as costs. The Group’s investment in associates includes goodwill identified on acquisition.

The Group’s share of the post-acquisition profits or losses of its associates is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in reserves. Cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

c) Principles for the Presentation of the Comarch SuB Group within the Financial Statement

Comarch Software und Beratung AG is the parent company for the companies of the Comarch SuB Group and from 2013 has not prepared independently the consolidated financial statement, including data from Comarch Software und Beratung AG and its subsidiaries. Comarch S.A. is the parent company of the Comarch Group and prepares directly the consolidated financial statement, including data from Comarch S.A. and all other subsidiaries (including Comarch SuB and its subsidiaries).

2.1.3 Foreign Currency Translation

a) Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Polish zlotys (PLN), which is the parent company's functional and presentation currency.

b) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items, such as equities held at fair value through profit and loss, are reported as part of their fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale assets, are included in the available-for-sale reserve in equity.

c) Group Companies

The results and financial position of all group entities (none of which operates in a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
(i) assets and liabilities for each balance sheet presented are translated at the closing rate of the date of the balance sheet;
(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expense are translated at the dates of the transactions); and all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of credits and loans and other currency instruments designated as hedges of such investments, are included in shareholder equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

EURO rates used to financial data:
NBP average exchange rates as at 31.12.2013: 4.1472,
NBP average exchange rates as at 31.12.2012: 4.0882,
NBP arithmetic average exchange rates as at the end of every month for the period 1.01 - 31.12.2013: 4.2110,
NBP arithmetic average exchange rates as at the end of every month for the period 1.01 - 31.12.2012: 4.1736.

2.1.4 Investment

a) Financial Assets and Liabilities at Fair Value through Profit or Loss

This category comprises two subcategories: financial assets held for trading, and those designated at fair value through profit and loss at inception. A financial asset is classified in this category if acquired principally for the purpose of sale in the short term or if so designated by management. Derivatives are also classified as held for trading unless they are designated as hedges. This type of derivative is classified separately in 'Derivative financial instruments' in the balance sheet. Assets in this category are classified as current if they are either held for trading or are expected to be realised within 12 months from the balance sheet.

b) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and with no intention of trading. These arise when the Group gives cash, goods or services directly to the debtor, without the intention of introducing its receivables into trading. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the balance sheet.

c) Held-to-Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

d) Available-for-Sale Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months from the balance sheet date.

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are no longer recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets available-for-sale and financial assets carried at fair value, through profit or loss are initially recognised at fair value. Loans, receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other (losses)/gains – net, in the period in which they arise. Unrealised gains or losses arising from changes in the fair value of the non-monetary securities classified as 'available-for-sale' are recognised in equity. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (or if a security is unlisted), the Group establishes fair value by using valuation techniques. These comprise the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis and models (commonly regarded as correct) of the valuation of derivative instruments based on input data from the active market.

The Group assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired at each balance sheet date. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

2.1.5 Non-Current Assets

a) Intangible Assets

Intangible assets are recorded at their acquisition prices less the current redemption as well as possible write-offs due to permanent loss in value. The Group carries out depreciation write-offs using the straight-line method. The following depreciation rates have been adopted:

- computer software 30%
- licences 30%
- copyrights 30%
- other rights 10-20%

Adopted depreciation rates are related to the estimated useful life of intangible assets, excluding the players' cards (MKS Cracovia SSA), which are depreciated within the period of the agreement signed with a given player.
In the case of intangible assets that were acquired for a particular project, the depreciation period is established as the duration of the project.
The right of perpetual usufruct of land relating to MKS Cracovia SSA is classified as an intangible asset with an undefined useful life, therefore it is not depreciated. Lands that MKS Cracovia SSA holds in perpetual usufruct are not depreciated, because of an undefined useful life, since the company expects that the perpetual usufruct rights will be renewed without any major costs, as it is not obliged to meet any conditions, upon which the extension of these rights depends.

In Poland, perpetual usufruct is considered synonymous to ownership, as opposed to a lease after which a user releases land. The company does not expect to incur any major costs for the renewal of perpetual usufruct rights as the co-owner of MKS Cracovia SSA is the City of Krakow. The city supports sports activities, including those of MKS Cracovia SSA through initiatives that include:

- refinancing sports infrastructure
- redeeming real estate taxes
- providing fees for perpetual usufruct

The right of perpetual usufruct of land relating to the parent company is depreciated for a defined useful life, which depends on the time of acquisition and amounts from 84 till 99 years. The average depreciation rate equals 1.2%.

Intangible assets purchased as a result of the acquisition of the Comarch SuB Group are comprised of property rights for the software: SoftM Semiramis, SoftM SharkNex, SoftM Suite ERP, SoftM Suite Financials, Schilling, DKS and Infostore. The above-mentioned intangible assets were presented in fair value in the Comarch Group's balance sheet. The Group performs by way of the linear method depreciation write-offs of intangible assets purchased as a result of the acquisition of the Comarch SuB Group. It was assumed the depreciation period is equal to the predicted period of economic benefit from the software sales, i.e. 60 months.

Intangible assets purchased as a result of the acquisition of the Comarch SuB Group are comprised of the value of the company's relationships with customers. These assets were presented in fair value in the Comarch Group's balance sheet. The Group performs by way of the linear method depreciation write-offs of intangible assets purchased as a result of the acquisition of the A-MEA Informatik AG. It was assumed the depreciation period is equal to the predicted period of economic benefit from the company's relationships with customers, i.e. 60 months.

Intangible assets purchased as a result of the acquisition of the Comarch SuB Group are comprised of property rights for the software: Optimed, OptiNFZKom, BaKS, Carber, SDK, Repos. These assets were presented in fair value in the Comarch Group's balance sheet. The Group performs by way of the linear method depreciation write-offs of intangible assets purchased as a result of the acquisition of the ESAProjekt sp. o.o. It was assumed the depreciation period is equal to the predicted period of economic benefit from the software sales, i.e. 60 months.

b) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill recognised separately is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carriage of an amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

c) Property, Plant and Equipment

Property, Plant and Equipment in Use
Property, plant and equipment in use were valuated according to acquisition prices or production costs less current redemption and possible write-offs due to losses in value. The adopted depreciation rates correspond to the economic utility of property, plant and equipment in use.

The following detailed principles of depreciation of property, plant and equipment in use have been adopted by the company: assets are depreciated with the straight-line method with application of depreciation rates corresponding with periods of their economic utility. In most cases, depreciation rates are: 2.5% (for buildings), 30% (for machines and devices) and 20% (for furniture, equipment and other assets). In case of property, plant and equipment in use acquired in order to be used in a specific project, the depreciation period is set as equal to the project duration.

Property, Plant and Equipment under Construction
Property, plant and equipment under construction are valuated according to the acquisition price less any possible write-offs due to permanent loss in value. The company applies the rule that interests on investment credit, in the period when the investment is realised, are recognised as property, plant and equipment under construction. Interests on investment credit decrease the annual result within finance costs, after non-current asset, financed by credit, was brought to use.

Improvements in Third Party Property, Plant and Equipment Assets
Improvements in third party property, plant and equipment are valuated according to the acquisition price less any current redemptions and possible write-offs due to loss in value.

d) Leases

The Group uses leased vehicles and computer hardware. As, according to the agreements made, practically all risks and benefits resulting from the title of ownership of the subject matter leased have been transferred, these are classified as finance leases. They have been classified as assets and liabilities in the amounts equal to the minimum leasing fees set forth as at the date of lease initiation. Leasing fees are divided into finance costs and reductions of the unpaid balance of liabilities. The interest part of finance costs is charged to the income statement throughout the lease term so as to obtain a constant periodic interest rate on the remaining balance of the liability for each period. The means used on lease principles are subject to depreciation within a shorter period of time of either the asset's useful life or the lease term.

e) Non-Current Prepayments

Non-current prepayments refer to the nun-current part of prepayments costs.

f) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the amount carried may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less sales costs and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

2.1.6 Current Assets

a) Inventories, Products in Progress and Finished Goods

Production in progress given in the statement refers to software produced by the Group and allocated for multiple sales. Production in progress is valuated according to direct technical production costs.
Application software produced by the Group and allocated for multiple sales is valuated in the period when it benefits, no longer than 36 months from an initial sale, in the amount of surplus of software production costs over net revenues obtained from sales of these products within the following 36 months. Software production costs, not written off after this period of time, increase other operational costs.

Depending on the nature of the produced software and the assessment of its possible sales, expenditures incurred for software production, in the amount of 50% to 100% of the invoiced sale in the above time period of sales, are written off into its own costs, provided that the 50% rate is the basic rate. If the company is aware of limits to sales capacity at an earlier point, it immediately performs a write-off revaluating production in progress in the amount of expenses in reference to which there is a probability that they will not be recovered, or does a one-time write-off of the entirety of unsettled expenses (depending on the degree of risk valuation) into its own cost of sales.

The register of materials and finished goods is managed at current purchase prices. Expenses are appraised according to the FIFO principle. Finished goods are appraised according to actual purchase prices, no higher than net selling prices.

b) Receivables

Receivables are recognised initially at fair value and subsequently according to adjusted acquisition prices (at amortised cost).
Receivables are recognised as current or non-current receivables depending on maturity (depending on whether this is less than or over 12 months from the balance sheet date).

In order to make their value real, receivables are decreased by write-offs revaluating bad debts. Write-offs due to loss in value correspond with the difference between balance sheet value and the current value of actual cash flows from the given item of assets. Due to the specific nature of activities (limited scope of receivables from mass contractors), appropriate updating of write-offs is carried out by way of a detailed identification of receivables and an assessment of risk of the inflow of funds resulting from contractual and business conditions.

c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash at banks, bank deposit payable on demand, liquid current securities and other current investment with high liquidity.

d) Settlement of Long-Term Contracts

Costs related to long-term contracts are given when they occur. The result in contracts is determined according to the progress of work if a reliable determination of such is possible. If it is not possible to determine the results in contracts, revenues are recognised uniquely up to the amount of a contract's costs incurred, which are probable to recover. The progress of work is measured based on the value of costs incurred by the balance sheet date divided by the total estimated costs due to contracts, expressed as a percentage. If it is probable that the total costs due to an agreement exceed total revenues, the anticipated loss is recognised immediately.

In assets, the Group presents 'Long-term contracts receivables' for cases where there is a surplus in incurred costs and recognised profits due to long-term contracts over the value of invoiced sales for contractors. Otherwise, when there is a surplus of the invoiced sales to contractors over the value of incurred costs and recognised profits due to long-term contracts, the Group presents an item in the liabilities called 'Long-term contracts liabilities'. The above surpluses are determined for each contract separately and are presented separately without balancing particular items.

e) Assets Designated for Sales

Assets and groups for disposal are classified as designated for sales if their balance sheet values will be recovered more as a result of sales transactions than in the result of their further usage. This condition is considered to be met only when a sale transaction is very probable to perform and an assets' item or a group for disposal are available for immediate sales in their present shape. An assets' item may be classified as designated for sales when the company's management is going to make a transaction within one year from change of classification.
Assets and groups for disposal classified as designated for sales are evaluated at lower of two values: initial balance sheet value or fair value less transaction costs.

2.1.7 Equity

Equity includes:
a) the share capital of the parent company presented at nominal value,
b) other capitals established:
- from profit-sharing,
- from surpluses of shares sold above their nominal value (premium share)
- from the valuation of managerial options,

c) retained profit resulting from adjustments resulting from changes to accounting principles and from the results achieved by the entities of the Group, which were not transferred to other capitals,
d) currency exchange differences.

2.1.8 Employee Benefits

a) Share-Based Plans

The Group has a share-based reward scheme. The fair value of employee services received in exchange for every grant of options increases costs. The total amount to be spent over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity. The proceeds received when the option is exercised, i.e. proceeds from comprising shares (less transaction costs related directly to option exercising) are credited to share capital (nominal value) and the share premium is credited to supplementary capital.

2.1.9 Liabilities and Provisions for Liabilities

a) Trade Liabilities and Other Liabilities

Initially trade and other liabilities are recognised at their fair value and at the balance sheet date they are recognised at adjusted acquisition prices (depreciated cost). Liabilities, depending on maturity (up to or over 12 months from the balance sheet date) are recorded as current or non-current items.

b) Financial Liabilities

At the time of initial recognition, financial liabilities are valuated at fair value, increased (in case of an item of liabilities not qualified as valuated at fair value by the financial result) by transaction costs. After the initial recognition, the unit appraises financial liabilities according to depreciated costs using the effective interest method, with the exception of derivative instruments, which are valuated at fair value. Financial liabilities set as items being hedged are subject to appraisal pursuant to hedge accounting principles.

c) Provisions for Liabilities

Provisions for restructuring costs, guarantee repairs, legal claims and for other events (especially for leaves and rewards), which result in the Group's current obligation from past events, are recognised if:

- The Group has current legal or customary liabilities resulting from past events;
- There is a high probability that expending Group funds may be necessary to settle these liabilities, and
- Their value has been reliably assessed.

Restructuring provisions mostly comprise employee severance payments. These provisions are not recognised in reference to future operational losses.

If there are a number of similar liabilities, the probability of the necessity for expending funds for settlement is assessed for the whole group of similar liabilities. The provision is recognised even if the probability of expending funds in reference to one item within the group of liabilities is small.

The provisions are appraised at the current value of costs assessed according to the best knowledge of company management. Incurring such costs is necessary in order to settle the current liability at the balance sheet date. The discount rate applied for determining current value reflects the current market assessment of the time value of money and impairments relating to a given liability.

2.1.10 Deferred Income Tax

The general principle, pursuant to IAS12, is applied. It states that due to temporary differences between the presented value of assets and liabilities as well as their tax value and tax loss it will possible to deduct in the future, a provision is established and deferred income tax assets are defined.
Deferred income tax assets are defined in the amount that it is anticipated will have to be deducted from income tax in the future in reference to negative temporary differences and due to income tax relief in connection with activities in Special Economic Zone, which shall result in the future in reducing the amount of the basis of taxation and the deductible tax loss defined using the precautionary principle. In relation to the above-mentioned principle, assets are recognised only for one year with the assumption that the basis for their recognition is average income acquired from activities in the special economic zone over three years (including the year for which the financial statement is prepared).

Deferred income tax liabilities are established in the amount of income tax payable in the future in reference to positive temporary differences, which would result in increasing the basis of taxation in the future.

Deferred income tax is established using fiscal rates (and regulations) which are legally binding at the balance sheet date, which according to expectations shall be in force at the moment of realisation of relevant deferred income tax assets or settlement of deferred income tax liability.

The difference between deferred income tax liabilities and deferred income tax assets at the end and at the beginning of the reporting period affects the financial results. In addition, liabilities and assets due to deferred income tax related to operations settled with equity are referred into shareholders' equity.

2.2 Recognition of Revenues and Costs

The Comarch Group's operations mostly consist of producing software for multiple sales and implementing IT integration contracts. As part of its integration contracts, Comarch offers the implementation of IT turnkey systems consisting of (own and third party) software and/or computer hardware and/or services such as:

- implementation services,
- installation services,
- guarantee and post-guarantee services,
- technical assistance services,
- software customisation services,

- other IT and non-IT services necessary for system implementation.

In determining the total revenues from contracts, the following items are taken into account:
- revenues from proprietary software (irrespective of form, i.e. licences, property rights, etc.), revenues from services specified in the previous point.

Unit managers may decide to include estimated revenues that are highly probable to be realised into the total revenues from a contract (e.g. during the implementation of the contract, project modifications are carried out for technical reasons and it is justified to assume with some probability that the ordering party will accept the modifications and that there will be revenues flowing from them).

When integration contracts under which software is allocated for multiple sales are Comarch property, the revenues and costs related to this software and the revenues and costs related to the other part of the integration contract are recognised separately.

Several integration contracts are combined and recognised as one contract, if:
- the agreements are executed at the same time or sequentially one after another and the precise separation of the costs of their execution is impossible, or
- the agreements are so closely inter-related that they are actually parts of a single project and share a single profit margin for the entire project.

Revenues from other services (e.g. technical services, technical assistance) are recognised equally during the term of an agreement/service provision. Revenues from hardware sales and the sale of other finished goods are recognised in accordance with agreed delivery terms.

Revenues from sales of other services, products, finished goods and property items comprise sums of fair values from due invoiced revenues taking into account discounts and rebates without commodity and services taxes.

Sales costs include marketing costs and the costs of order acquisition by sales centres (departments) in the Comarch Group.

General costs consist of the costs of the Comarch Group functioning as a whole and include administrative expenses and the costs of departments that operate for the general needs of the Group.

Exchange rate differences related to receivables are presented in ‘Revenues from sales’ and those related to liabilities are presented in ‘Cost of sales.’

Subsidies
The Groups receives subsidies for the financing of R&D projects within the framework of European Union aid programmes. These subsidies are systematically recognised as revenue in particular periods so as to ensure that they are adequate to incurred costs, which should be compensated by subsidies respectively to the reason of their settlement. These subsidies diminish the respective direct costs, which are presented in the cost of sales just after they are compensated with subsidies.

a) Other Operational Revenues and Costs

Other operational revenues and costs comprise revenues and costs not directly related to the regular activities of the units and mostly include: the result of the sale of property, plant and equipment and intangibles, subsidies, established provisions and the consequences of asset revaluation.

b) Financial Revenues and Costs

Financial revenues and costs mostly include: revenues and costs due to interest, those from the result achieved due to exchange rate differences in financial activities, those from disposal of financial assets and those arising as the consequences of the investment revaluation.
Interest charges due to investment credit are recognised in finance costs beginning from the moment when asset finance with the credit was completed for use.

2.3 Financial Risk Management

2.3.1 Credit Risk

The Group 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.

2.3.2 Risk of Change in Interest Rates

The company is exposed to the risk of changes in interest rates related to cash and cash equivalents and 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 parent 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.

An analysis of the sensitivity of the Group's financial results to interest rate risk carried out in accordance with IFRS 7 principles indicates that if, on the balance sheet date, the interest rates had been 50 base points higher/lower, net profit for 2013 would have been 0.181 million PLN higher/lower given that the other variables remained constant. This would largely have been the result of higher/lower revenue arising from interest received on cash and cash equivalents. Conducting an analogous analysis as at the 31st of December, 2012 indicates that if interest rates had been 50 base points higher/lower net profit for 2012 would have been 0.056 million PLN higher/lower, given that the other variables remained constant. An analysis of the sensitivity of the Group's financial results to interest rate risk was carried out using a simplified method that assumes that the rates' increases and decreases close at the same amount.

2.3.3 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 parent company's costs is also expressed in or related to exchange rates for foreign currencies. In individual cases, the company hedges future payments with forward contracts, and it tries to use natural hedging through adjusting structures of assets, liabilities and equity denominated in foreign currencies (for example through a change in currency investment loans).
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. These values were presented in note 3.9.

An analysis of the Group's sensitivity to exchange rate fluctuation risk conducted in accordance with IFRS 7 indicated that if the actual exchange rate in relation to the balance sheet exchange rate valuation for the EURO and USD had risen/fallen by 5% with all other variables remaining constant, the Group's net result for the 12 months ended 31st of December, 2013 would have been 2.292 million PLN higher/lower. This is made up of an increase/decrease of 1.565 million PLN from financial assets and liabilities expressed in EURO, and an increase/decrease of 0.727 million PLN from financial assets and liabilities expressed in USD. Assets and financial liabilities expressed in foreign currencies have only a slight share in currency structure of assets and liabilities.

If the exchange rate in relation to the balance sheet exchange date for the EURO and USD had risen/fallen by 10% with all other variables remaining constant, the Group's net result resulting from long-term contracts for the 12 months ended 31st of December, 2013 would have been 3.978 million PLN higher / 3.932 million PLN lower. The assessment above of the effect of exchange rate risk on the financial result was calculated using a symmetrical method that assumes that the rates' increases and decreases close at the same amount.

2.3.4 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 analysing the maturity profiles of financial assets and liabilities.
Information on dates of contractual maturity of financial liabilities is presented in note 3.9.

2.4 Accounting for Derivative Financial Instruments and Hedging Activities

Derivative financial instruments designated as ‘hedging instruments’ according to IAS 39, qualified as fair value hedging, are recognised at fair value and changes in their valuation refer to the results of financial operations.

Derivative financial instruments designated as ‘hedging instruments’ according to IAS 39, qualified as cash flow hedging are recognised at fair value and change to their valuation refers to:
a) capital from the revaluation of prices (in the part constituting effective hedging),
b) the results of financial operations (in the part not constituting effective hedging).

Derivative financial instruments designated as ‘non-hedging instruments’ according to IAS 39 are valuated at fair value and changes in their valuation refers to the results of financial operations.

2.5 Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including anticipations of future events that are believed to be reasonable under given circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

2.5.1 Estimation of the total costs of the execution of projects related to the appraisal of long-term contracts, pursuant to IAS 11

Pursuant to the accounting principles adopted by the company, the company determines the degree of progress for long-term contracts by way of determining the ratio of currently incurred costs for a given project to the total estimated project costs. Due to the long-term nature of projects under way and their complex structure, as well as the possibility of unexpected difficulties related to their execution it may happen that the actual total costs for project execution differ from the estimates made for specific balance sheet dates. Changes in estimates of total project execution costs could result in the definition of project progress at the balance sheet date and consequently recognised revenues, in different amounts.

2.5.2 Estimation related to the determination and recognition of deferred income tax assets, pursuant to IAS 12

As the company operates in the Special Economic Zone and enjoys investment allowances as a result, the parent company determines the value of deferred income tax assets on the basis of forecasts relating to the shape of the tax-exempt income and the period, in which such income may be noted. Due to high business fluctuations in the IT industry (in which the parent company is active) it is possible that the actual results and tax-exempt income may differ from the parent company’s anticipations. In relation to the above-mentioned principle, assets are recognised only for one year with the assumption that the basis for their recognition is average income acquired from activities in the special economic zone over three years (including the year for which the financial statement is prepared).

2.5.3 Estimation of possible costs related to current court proceedings against the company, pursuant to IAS 37

At the balance sheet date, the Group is the plaintiff and the defendant in a number of court proceedings. Preparing the financial statement, the Group always assesses the opportunities and risks related to court proceedings and, in accordance with the results of such analyses, establishes provisions for potential losses. However, there is always a risk that the courts will pronounce verdicts different from the expectations of the companies and the established provisions will be insufficient or excessive in comparison with the actual results of the proceedings.

2.5.4 Estimation due to carrying out yearly test on loss in the goodwill according to IFRS3 and IAS 36

At the end of every fiscal year the Group carries out tests on losses in the goodwill according to accounting rules contained in note 3.4. The Group considers IT Segment as a cash generating unit thereby doesn't allocate the goodwill to particular companies of the Group. The recoverable amount of cash generating unit was determined on the basis of calculations of its fair value. These calculations require to the use of estimates related to cash flow in the IT segment in the following financial year and an anticipated development of the IT market in Poland and regions where the Group is active in the following years. Due to a high fluctuation in the economic situation of the IT branch, where the Group operates, it is possible that real cash flow will differ from the one estimated by the Group.

2.5.5 Fair value assessment of intangible assets purchased as a result of the acquisitions

As at the acquisition date Comarch SuB Group, ESAProjekt sp. z o.o. and Amea Informatik AG the assessment of the fair value of assets held by these companies, was done based on the useful value valuation model with the discounted cash flow method (DCF). The discount rate applied in the assessment of the current value of the predicted cash flow is based on a weighted average capital cost (WACC). Particular items of WACC were estimated on a basis of market data on risk-free interest rate (profitability of treasury bills), beta factor, data on the structure of debt/capital and the expected value of premium for risk.

2.6 New Standards and IFRIC Interpretations

This consolidated financial statement was prepared in accordance with the International Financial Reporting Standards (IFRS), as approved by the European Union.

Accounting principles (policy) applied when preparing the consolidated financial statement for 2013 are coherent with the principles applied when preparing the consolidated financial statement for 2012, providing changes described below. The same rules were adopted for the current and comparable periods, unless a standard or an interpretation assumed only prospective application.

Standards and interpretations applied in 2013 for the first time

The following amended standards issued by the International Accounting Standards Board and approved by the European Union ("EU") were effective in 2013:

- **IFRS 13 "Fair Value Measurement"**-they were approved by the EU on 11th of December, 2012 (effective for annual periods beginning on or after 1st of January, 2013),

- **Amendments to IFRS 1 "First-time Adoption of IFRS" -** Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters. They were approved by the EU on the 11th of December, 2012 (effective for annual periods beginning on or after 1st of January, 2013),

- **Amendments to IFRS 1 "First-time Adoption of IFRS"** – Government Loans. They were approved by the EU on 4th of March, 2013 (effective for annual periods beginning on or after 1st of January, 2013),

- **Amendments to IFRS 7 "Financial Instruments - Disclosures"** – offsetting financial assets and financial liabilities. They were approved by the EU on the 13th of December, 2012 (effective for annual periods beginning on or after 1st of January, 2013),

- **Amendments to IAS 1 "Presentation of Financial Statements"**-sets out items in total income. They were approved by the EU on 5th of June, 2012 (effective for annual periods beginning on or after 1st of July, 2012),

- **Amendments to IAS 12 "Income Tax"** - Income Deferred Tax: Recovery of Underlying Assets. They were approved by the EU on the 11th of December, 2012 (effective for annual periods beginning on or after 1st of January, 2013),

- **Amendments to IAS 19 "Employee Benefits"** - Improvements to the Accounting for Post-employment Benefits. They were approved by the EU on 5th of June, 2012 (effective for annual periods beginning on or after 1st of January, 2013).

- **Amendments to various standards "Annual Improvements (2012)"** - adopted within the frame of annual improvements process, and issued on the 17th of May, 2012 (IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34). The purpose of these annual improvements is to clarify guidance or wording. They were approved by the EU on 27th of March, 2013. They are mostly applicable for reporting periods beginning on or after 1st of January, 2013.

- **IFRIC 20 Interpretation "Stripping Costs of the Production Phase in a Surface Mine"** they were approved by the EU on 11th of December, 2012 (effective for annual periods beginning on or after 1st of January, 2013).

According to Comarch Group estimates the changes to standards presented above did not affect the company's accounting policy.

Standards and interpretations issued and approved by the European Union but not yet effective as at the balance sheet date

As at the balance sheet date, the Comarch Group has not applied the following standards, changes to standards and the interpretations issued and approved by the European Union but not yet effective:

- **IFRS 10 "Consolidated Financial Statements"**- they were approved by the EU on 11th of December, 2012 (effective for annual periods beginning on or after 1st of January, 2014),

- **IFRS 11 "Joint Arrangements"-** they were approved by the EU on 11th of December, 2012 (effective for annual periods beginning on or after 1st of January, 2014),

- **IFRS 12 "Disclosure of Interests in Other Entities"**-they were approved by the EU on 11th of December, 2012 (effective for annual periods beginning on or after 1st of January, 2014),

- **IAS 27 (amended in 2011) "Separate Financial Statements"**-they were approved by the EU on 11th of December, 2012 (effective for annual periods beginning on or after 1st of January, 2014),

- **IAS 28 (amended in 2011) "Investments in Associates and Joint Ventures"**- they were approved by the EU on 11th of December, 2012 (effective for annual periods beginning on or after 1st of January, 2014),

- **Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 „Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities"** –commentaries related to temporary regulations. They were approved by the EU on 4th of April, 2013 (effective for annual periods beginning on or after 1st of January, 2014),

- **Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 „Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities" and IFRS 12**

"Separate Financial Statements" – Investment Entities, they were approved by the EU on 20th of November, 2013 (effective for annual periods beginning on or after 1st of January, 2014),

- **Amendments to IAS 32 "Financial Instruments: Presentation" - Offsetting Financial Assets** and Financial Liabilities. They were approved by the EU on 13th of December, 2012 (effective for annual periods beginning on or after 1st of January, 2014),

- **Amendments to IAS „Impairment of Assets"** – Recoverable Amount Disclosures for Non-Financial Assets, they were approved by the EU on 19th of December, 2013 (effective for annual periods beginning on or after 1st of January, 2014),

- **Amendments to IAS 39: "Financial Instruments: Recognition and Measurement"** – Novation of Derivatives and Continuation of Hedge Accounting, they were approved by the EU on 19th of December, 2013 (effective for annual periods beginning on or after 1st of January, 2014).

Standards and Interpretations adopted by IASB but not yet approved by the EU

The scope of the IFRS approved by the European Union does not differ significantly from the regulations of the International Accounting Standards Board, excluding the below-mentioned standards, changes to standards and the interpretations which were not applied as at the publication date (the following dates of entry into force apply to full version of standards):

- **IFRS 9 "Financial Instruments" and later amendments** (the date of entry into the force has not yet been determined),

- **IFRS 14 „Regulatory Deferral Accounts"** (effective for annual periods beginning on or after 1st of January, 2016),

- **Amendments to IAS 19 „Employee Benefits"** – Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1st of January, 2014),

- **Amendments to various standards "Annual Improvements (period 2010-2012)"** – adopted within the frame of annual improvements process to IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38 The purpose of these annual improvements is to clarify guidance or wording (effective for annual periods beginning on or after 1st of July, 2014),

- **Amendments to various standards "Annual Improvements (period 2011-2013)"** – adopted within the frame of annual improvements process to IFRS (IFRS 1, IFRS 3, IFRS 13 and IAS 40) The purpose of these annual improvements is to clarify guidance or wording (effective for annual periods beginning on or after 1st of July, 2014),

- **Interpretation IFRIC 21 „Levies"** (effective for annual periods beginning on or after 1st of July, 2014).

According to the parent company's calculations, the accounting standards mentioned above and the interpretations and changes to standards would not have any significant impact on the financial statement if applied on the balance sheet date.

At the same time, hedge accounting regarding the portfolio of financial assets and liabilities have not been adopted by the EU.

According to the entity's estimates, application of hedge accounting for the portfolio of financial assets or liabilities pursuant to **IAS 39: "Financial Instruments: Recognition and Measurement"**, would not significantly impact the financial statements, if applied as at the balance sheet date.

3. Notes to the Consolidated Financial Statement

3.1 Approving the Financial Statement for 2012

On the 26th of June 2013, the consolidated financial statement for the financial year of 2012 was approved at the General Shareholders' Meeting. On the1st of July, 2013, in compliance with the law, it was delivered to the National Court Register.

3.2 Segment Information

In the Comarch Group, the business segments are basic type of operating segments, and geographical segments are the supplementary type of operating segments. The operations of Comarch's subsidiary units comprise the following types of activities:

- the sale of IT systems and services, as well as sales of IT hardware (hereinafter referred to as the "IT segment"),
- professional sports (hereinafter referred to as the "Sport segment"; MKS Cracovia SSA),
- investment activity on capital market and activity in relation with real estates investment, (hereinafter referred to as the "Investment segment"),
- activity in relation to medical services and software production for medicine sector (hereinafter referred to as the "Medical segment").

IT segment has a dominant share in sales revenues, profits and assets. IT segment is divided into the DACH (Germany, Austria and Switzerland) market, Polish market and other markets according to the specific character of the activity in the segment.

In 2013, the share of none of the customer exceeded 10% of the sale in the Comarch Group sales, and no supplier provided products and merchandise at the value exceeding 10% of the Comarch Group proceeds on sale.

Over 2013, Comarch revenue structure was as follows: 20% of annual sales were achieved in the first quarter, 22% in the second quarter, 25% in the third quarter and 33% in the fourth quarter. This revenue structure is consistent with tendency observed in IT branch.
In the company's opinion, over 2014, Group's revenue structure will be similar to that observed in the previous year.

Detailed data related to the segments are presented below.

All amounts are expressed in thousands of PLN unless otherwise indicated

12 months ended 31 December 2012	**IT Segment**			**Investment Segment**	**Sport Segment**	**Medicine Segment**	**Elimination**	**Total**
	Poland	**DACH**	**Other**					
Revenues per segment- sales to external clients	584,990	223,524	76,120	3,157	12,205	9,172	-	909,168
including:								
revenues from sales	*568,124*	*221,009*	*75,065*	*342*	*11,342*	*7,994*	-	*883,876*
To customers in Telecommunication, Media, IT sector	*79,698*	*91,154*	*31,479*	-	-	-	-	*202,331*
To customers in Finance and Banking sector	*211,606*	*3,223*	*14,610*	-	-	-	-	*229,439*
To customers in Trade and services sector	*37,302*	*8,604*	*25,709*	-	-	-	-	*71,615*
To customers in Industry&Utilities	*64,218*	*3,252*	*2,719*	-	-	-	-	*70,189*
To customers in Public sector	*101,175*	*95*	*492*	-	-	-	-	*101,762*
To customers in small and medium enterprises sector	*74,049*	*114,681*	-	-	-	-	-	*188,730*
To other customers	*76*	-	*56*	*342*	*11,342*	*7,994*	-	*19,810*
other operating revenue	*10,575*	*2,714*	*914*	*55*	*863*	*1,178*	-	*16,299*
finance revenue	*6,291*	*(199)*	*141*	*2,760*	-	-	-	*8,993*
Revenues per segment - sales to other segments	153,318	13,551	21,995	2,139	8,473	2,843	(202,319)	-
Revenues per segment - total*	738,308	237,075	98,115	5,296	20,678	12,015	(202,319)	909,168
Costs per segment relating to sales to external clients	535,191	220,228	71,476	(563)	20,737	22,339	-	869,408
Costs per segment relating to sales to other segments	153,318	13,551	21,995	2,139	8,473	2,843	(202,319)	-
Costs per segment - total*	688,509	233,779	93,471	1,576	29,210	25,182	(202,319)	869,408
Current taxes	(5,977)	(3,224)	(2,685)	-	-	(73)	-	(11,959)
Assets for the tax due to investment allowances and other tax relief	6,495	2,687	-	-	276	16	-	9,474
Share of segment in the result of parties valuated using the equity method of accounting	(23)	-	-	-	-	-	-	(23)
Net result	50,294	2,759	1,959	3720	(8,256)	(13,224)	-	(37,252)
including:								
result attributable to shareholders of the parent company	*50,294*	*2,849*	*1,959*	*3,720*	*(4,938)*	*(13,224)*	-	*40,660*
result attributable to minority interest	-	*(90)*	-	-	*(3,318)*	-	-	*(3,408)*

**) Items comprise revenues and costs of all types, which can be directly allocated to particular segments*

All amounts are expressed in thousands of PLN unless otherwise indicated

Share of business segments in Assets and Liabilities and Investment Expenditures

The following table presents the assets and liabilities of particular segments as at the 31st of December, 2012 as well as investment expenditures and depreciation for 12 months ended 31st of December, 2012 are as follows:

	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH	Other				
Assets	698 100	186 875	46 633	125 915	47 584	41 636	1 146 743
Liabilities	431 500	44 983	10 090	222	14 145	20 861	521 801
Investment expenditures	37 609	57 951	1 229	22 517	1 544	1 941	122 791
Depreciation	24 788	19 765	923	837	2 610	4 403	53 326

All amounts are expressed in thousands of PLN unless otherwise indicated

12 months ended 31 December 2013	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Elimination	Total
	Poland	DACH	Other					
Revenues per segment- sales to external clients	626,392	197,961	99,767	3,359	13,507	12,016	-	953,002
including:								
revenues from sales	621,422	195,022	98,504	218	12,743	11,067	-	938,976
To customers in Telecommunication, Media, IT sector	*94,734*	*77,241*	*46,293*	-	-	-	-	*218,268*
To customers in Finance and Banking sector	*124,305*	*4,960*	*12,903*	-	-	-	-	*142,168*
To customers in Trade and services sector	*59,383*	*6,683*	*36,311*	-	-	-	-	*102,377*
To customers in Industry&Utilities	*86,318*	*5,196*	*2,492*	-	-	-	-	*94,006*
To customers in Public sector	*157,255*	*38*	*493*	-	-	-	-	*157,786*
To customers in small and medium enterprises sector	*84,294*	*100,904*	-	-	-	-	-	*185,198*
To other customers	*15,133*	-	*12*	*21,*	*12,743*	*11,067*	-	*39,173*
other operating revenue	6,552	2,521	846	78	764	949	-	11,710
finance revenue	(1,342)	418	177	3,063	-	-	-	2,316
Revenues per segment - sales to other segments	177,692	20,586	25,102	2,728	8,594	6,094	(240,796)	-
Revenues per segment - total*	804,084	218,547	124,869	6,087	22,101	18,110	(240,796)	953,002
Costs per segment relating to sales to external clients	574,165	205,278	87,330	2,887	20,240	26,340	-	916,240
Costs per segment relating to sales to other segments	177,692	20,586	25,102	2,727	8,595	6,094	(240,796)	-
Costs per segment - total*	751,857	225,864	112,432	5,614	28,835	32,434	(240,796)	916,240
Current taxes	(5,363)	(5,240)	(5,039)	-	-	-	-	(15,642)
Assets for the tax due to investment allowances and other tax relief	(233)	3,996	(22)	(1,638)	87	(18)	-	2,172
Share of segment in the result of parties valuated using the equity method of accounting	(38)	-	-	-	-	-	-	(38)
Net result	46,593	(8,561)	7,376	(1,165)	(6,647)	(14,342)	-	23,254
including:								
result attributable to shareholders of the parent company	*46,593*	*(8,408)*	*7,376*	*(1,165)*	*(4,977)*	*(14,342)*	-	*25,077*
result attributable to minority interest	-	*(153)*	-	-	*(1,670)*	-	-	*(1,823)*

**) Items comprise revenues and costs of all types, which can be directly allocated to particular segments,*

All amounts are expressed in thousands of PLN unless otherwise indicated

Share of business segments in Assets and Liabilities and Investment Expenditures

The following table presents the assets and liabilities of particular segments as at the 31st of December, 2013 as well as investment expenditures and depreciation for 12 months ended 31st of December, 2013 are as follows:

	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH	Other				
Assets	689,136	182,842	65,556	121,482	46,369	36,916	1,142,301
Liabilities	361,650	91,692	12,960	1,884	16,507	19,897	504,590
Investment expenditures	27,054	20,536	1,330	18,595	780	3,096	71,391
Depreciation	30,013	24,908	856	1,014	2,005	5,699	64,495

Due to the geographical distribution of its activities, the Comarch Group has defined the following market segments: Poland, DACH (Germany, Austria and Switzerland), Europe- other countries, the Americas, and other countries. The Sport segment, the Investment segment and the Medicine segment operate solely within the territory of Poland. Due to the fact that only the IT segment operates abroad and at the same time the costs incurred in the IT segment are largely common for export and domestic sales, defining separate results for export and domestic activities is futile.

Revenues from basic sales - activities location

	12 months ended 31 December 2013	%	12 months ended 31 December 2012	%
Poland	645,452	68.7%	587,801	66.5%
DACH	195,021	20.8%	221,010	25.0%
Europe - others	51,850	5.5%	42,613	4.8%
The Americas	46,231	4.9%	29,636	3.4%
Other countries	422	0.1%	2,816	0.3%
TOTAL	**938,976**	**100.0%**	**883,876**	**100.0%**

The above-mentioned label presents a geographical structure of revenues by the Comarch Group clients' offices.

Assets – activities location

	12 months ended 31 December 2013	%	12 months ended 31 December 2012	%
Poland	905,387	79.3%	915,260	79.8%
DACH	182,842	16.0%	186,875	16.3%
Europe - others	31,937	2.8%	26,663	2.3%
The Americas	20,983	1.8%	17,016	1.5%
Other countries	1,152	0.1%	929	0.1%
TOTAL	**1,142,301**	**100.0%**	**1,146,743**	**100.0%**

Investments expenditures - activities location

	12 months ended 31 December 2013	12 months ended 31 December 2012
Poland	49,526	63,340
DACH	20,536	57,951
Europe - others	641	976
The Americas	688	524
Other countries	-	-
TOTAL	**71,391**	**122,791**

All amounts are expressed in thousands of PLN unless otherwise indicated

3.3 Property, Plant and Equipment

	Lands and buildings	Means of transport and machinery	Furniture, fittings and equipment	Total
At 1 January 2012				
Cost or valuation	279,530	197,747	20,249	497,526
Accumulated depreciation	(28,744)	(125,153)	(15,658)	(169,555)
Net book amount	250,786	72,594	4,591	327,971
Year ended 31 December 2012				
Opening net book amount	250,786	72,594	4,591	327,971
Additions	44,358	25,044	20,681	90,083
Disposals	(12,783)	(20,437)	(183)	(33,403)
Depreciation charge	(5,782)	(17,051)	(4,103)	(26,936)
Closing net book amount	276,579	60,150	20,986	357,715
At 31 December 2012				
Cost or valuation	311,105	202,354	40,747	554,206
Accumulated depreciation	(34,526)	(142,204)	(19,761)	(196,491)
Net book amount	276,579	60,150	20,986	357,715
Year ended 31 December 2013				
Opening net book amount	276,579	60,150	20,986	357,715
Additions	26,224	36,221	4,257	66,702
Disposals	(28,467)	(1,133)	(178)	(29,778)
Depreciation charge	(6,613)	(22,257)	(4,944)	(33,814)
Closing net book amount	267,723	72,981	20,121	360,825
At 31 December 2013				
Cost or valuation	308,862	237,318	44,826	591,006
Accumulated depreciation	(41,139)	(164,337)	(24,705)	(230,181)
Net book amount	267,723	72,981	20,121	360,825

Property, plant and equipment comprise mostly real estate and machinery owned by Group. As at the 31st of December, 2013, propriety of Group are six office buildings in Krakow, including five in the Special Economic Zone in Krakow ("SEZ") at 45,051 square metres of the total space, two office buildings in Warsaw at 2,582 square metres of the total space and office buildings in Łódź, one office and storage building in Lille and office buildings and data centre in Dresden. Group owns also lands in the Special Economic Zone in Krakow at 3.5 ha of the total space. As at the 31st of December, 2013, property, plant and equipment under construction comprise mostly expenditures for the investments and the modernisation works of buildings used by Group.

On the 3rd of October, 2013, Comarch S.A. signed an agreement with consortium of Łęgprzem sp. z o.o., ZSK sp. z o.o. and Graphbud sp. z o.o, for the realisation of the fifth construction stage of the investment in the Special Economic Zone in Krakow (SSE6 building). The subject of the contract is the construction of a production and office building, altogether with data centre, including traffic and technical infrastructure. Total space of the building will be 11,708.87 m2. The value of this agreement amounts to 62,268 thousand PLN (current report no. 21/2013 of 4th of October, 2013). In the fourth quarter of 2013, Comarch S.A. began construction works. The planned completion date of this investment is the second quarter of 2015.

In the first quarter of 2012, iMed24 S.A., a subsidiary of Comarch S.A., commenced diagnostic and medical activity (Centrum Medyczne iMed24- medical centre) using diagnostic and medical equipment purchased in 2011. As at the 31st of December, 2013, book value of this equipment amounts to 13.96 million PLN.

In Łódź, design works are performed and related to a new office building. Their completion is planned for Q1 2014. This investment is planned for 2014-2015.

All amounts are expressed in thousands of PLN unless otherwise indicated

The office building that was purchased by Comarch SAS in Lille is the new office of the company. The storage building will be transformed into the Comarch Data Centre of an approximately total space of 1,700 square metres. The estimated value of this investment amounts to approximately 6 million EUR. Preparation works will last till the end of the second quarter of 2014, decision on commencing of the investment depends on the current business situation.

Bank borrowings are secured on land and buildings for the value of 184.71 million PLN (ordinary mortgages, real estate mortgages in BNP Paribas Bank Polska S.A. (formerly: Fortis Bank Polska S.A.), BZ WBK S.A. (formerly: Kredyt Bank S.A.), Pekao S.A. and PKO BP S.A.) and other property, plant and equipment in use in the amount of 19.97 million PLN. The balance sheet value of property, plant and equipment in use, on which financial liabilities are secured, amounts to 188.44 million PLN.

	2013	**2012**
Amount of interest on credits capitalised on investments in non-current assets	140	19

Investment expenditures on property, plant and equipment under construction are recognised in the net balance sheet value of property, plant and equipment:

	31 December 2013	**31 December 2012**
Buildings	11,709	46,629
Equipment	775	552
Other	0	19
Total	**12,484**	**47,200**

Depreciation write-offs were presented in the income statement. They increase the costs of sold products, goods and materials in the amount of 28.94 million PLN (23.89 million PLN in 2012), costs of sales in the amount of 2.55 million PLN (1.18 million PLN in 2012), administrative expenses in the amount of 2.16 million PLN (1.67 million PLN in 2012) and social activities expenses in the amount of 0.2 million PLN (0.2 million PLN in 2012).

Assets in finance leasing

As at the 31st of December, 2013, the Group had no liabilities due to a finance lease.

Net equity	936
Interest	72

The Group has no due liabilities due leasing fees.

Interest	0
Net equity	0

3.4 Goodwill

Goodwill comprises company's value established at purchases of shares in the following companies:

	31 December 2013	**31 December 2012**
Comarch Kraków	99	99
CDN Comarch	1 227	1 227
Comarch AG	1 900	1 900
Comarch, Inc.	58	58
Comarch Software und Beratung AG	29 038	33 871
A-MEA Informatik AG*	8 413	3 580
ESAProjekt sp. z o.o.	3 326	3 326
Total	**44 061**	**44 061**

**) On the 26th of March, 2013, a merger between A-MEA Informatik AG and Comarch Swiss AG was registered.*

All amounts are expressed in thousands of PLN unless otherwise indicated

3.4.1 Acquisition of Subsidiaries

	Core Activities	Acquisition Date	(%) of Purchased Shares (%)	Acquisition Cost PLN'000
2008				
Comarch Software und Beratung AG	IT	2008-11-18	50.15%	44,685
2009				
Comarch Software und Beratung AG	IT	2009-02-09	30.74%	31,901
2012				
Comarch Software und Beratung AG	IT	2012-10-19	5%	3,777
A-MEA Informatik AG	IT	2012-01-30	100%	5,717
A-MEA Informatik AG	IT	2012-02-27	-	2,578
ESAProjekt Sp. z o.o.	IT	2012-04-27	100%	12,200

3.4.2 Test for Goodwill Impairment

In 2009, the Comarch AG purchased Comarch Software und Beratung AG shares that constituted 80.89% of all Comarch Software und Beratung AG shares; as a result, an amount of goodwill worth 39.41 million PLN was generated. This value was updated as a result of a test for loss in value in reference to the goodwill ran as of 30th of June, 2010, and amounts to 33.87 million PLN. As of 31st of December, it still amounts to 33.87 million PLN, however as a result of sales of Comarch Swiss AG shares by Comarch AG, in the first half of 2013, Group transferred in part a goodwill from acquisition of Comarch Software und Beratung AG to a goodwill from acquisition of Comarch Swiss AG, in proportion to equities of both companies as at 31st of December, 2012 (allocation amount: 4.83 million PLN).
The above-mentioned amount constitutes surpluses of acquisition costs above fair value of the Comarch Group share in identified net assets of acquired units creating the Comarch Software und Beratung Group (they comprise purchased assets and liabilities that can be identified, as well as contingent liabilities acquired within the consolidation). Acquisition costs are comprised of premiums related to taking charge over the Comarch Software und Beratung Group as well as amounts related to the benefits resulting from predicted synergies, increases in revenues, future market development, increases in product portfolio and the addition of highly qualified employees in the Comarch Software und Beratung Group. These benefits were not presented separately from goodwill, because it was not possible to make reliable assessments resulting from future economic benefits. Within the scope of the described transaction, Group also acquired customers and relationships with customers in the Comarch Software und Beratung Group. These assets weren't presented separately from goodwill, because it was not possible to make a reliable assessment of their value.
As at the acquisition date, the assessment of the fair value of assets held by the Comarch Software und Beratung Group was done based on the useful value valuation model with the discounted cash flow method (DCF). The estimated fair value of software owned by the Comarch Software und Beratung Group amounted to 15.02 million EUR. Software is depreciated for a period of 5 years and its current value as of the 31st of December, 2013 amounts to 0 PLN.

In the first quarter of 2012, CASA Management and Consulting Sp. z o.o. SK-A purchased 100% of A-MEA Informatik AG shares; as a result, an amount of goodwill worth 3.58 million PLN was generated. The above-mentioned amount constitutes surpluses of acquisition costs above fair value of the Comarch Group share in identified net assets of acquired units creating A-MEA Informatik AG (they comprise purchased assets and liabilities that can be identified, as well as contingent liabilities acquired within the consolidation Acquisition costs are comprised of premiums related to taking charge over A-MEA Informatik

All amounts are expressed in thousands of PLN unless otherwise indicated

AG as well as amounts related to the benefits resulting from predicted synergies, increases in revenues from sales of Comarch products on Swiss market, future Swiss IT market development and the addition of highly qualified employees in A-MEA Informatik AG. These benefits were not presented separately from goodwill, because it was not possible to make reliable assessments resulting from future economic benefits. Within the scope of the described transaction, Group also acquired customers and relationships with customers in A-MEA Informatik AG. These assets were presented separately from goodwill as intangible assets depreciated for a period of 5 years. Their fair value as of the acquisition date amounted to 3.01 million PLN and the balance sheet date value as at 31st of December, 2013 was 1.85 million PLN.
Goodwill and asset related to relationships with customers were acquired by Comarch Swiss AG, which merged with A-MEA Informatik AG in March, 2013.

In the second quarter of 2012, CASA Management and Consulting Sp. z o.o. SK-A purchased 100% of ESAProjekt Sp. z o.o. („ESAProjekt") shares; as a result, an amount of goodwill worth 3.33 million PLN was generated. The above-mentioned amount constitutes surpluses of acquisition costs above fair value of the Comarch Group share in identified net assets of acquired units creating ESAProjekt (they comprise purchased assets and liabilities that can be identified, as well as contingent liabilities acquired within the consolidation). Acquisition costs are comprised of premiums related to taking charge over ESAProjekt as well as amounts related to the benefits resulting from predicted synergies, increases in revenues from sales of Comarch products on medical IT market and the addition of highly qualified employees in ESAProjekt. These benefits were not presented separately from goodwill, because it was not possible to make reliable assessments resulting from future economic benefits. Within the scope of the described transaction, as at the acquisition date, the assessment of the fair value of assets held by ESAProjekt was done based on the useful value valuation model with the discounted cash flow method (DCF). The estimated fair value of software owned by the ESAProjekt amounted to 10.89 million EUR. The software will be depreciated for a period of 5 years and its balance sheet date value as at the 31st of December, 2012 was 7.06 million PLN.

	A-MEA Informatik AG	**ESAProjekt sp. z o.o.**
A: Assets valuated through fair value	**5,493**	**10,886**
including relationships with customers	3,005	-
including value of software	2,488	10,886
B: Liabilities valuated through fair value	**525**	**2,012**
including provision for deferred tax related to disclosed assets	525	2,012
C: Performed payment	**8,548**	**12,200**
Difference (C-A+B)	**3,580**	**3,326**

On the 31st of December, 2012, the Comarch Group ran a test for loss in value regarding goodwill in relation to acquisition of Comarch Software und Beratung AG and it did not show any loss in value. The assessment of the fair value of a cash generating unit was done based on the useful value valuation model with the discounted cash flow method (DCF). The predicted cash flow for particular Comarch SuB product lines are based on sales results in 2013, the Comarch SuB Group budget for 2014, and the forecast for 2014-2018, development estimates of the German market within the upcoming years and growth rate of 0.5% remaining constant beginning from 2019. The discount rate applied in the assessment of the current value of the predicted cash flow is based on a weighted average capital cost (WACC). Particular items of WACC were estimated on a basis of market data on risk-free interest rate (profitability of treasury bills), beta factor, data on the structure of debt/capital and the expected value of premium for risk. The weighted average capital cost applied in the model amounted to 9.32%.

On the 31st of December, 2013, the Comarch Group ran also tests for loss in value regarding goodwill in relation to acquisitions of A-MEA Informatik AG and ESAProjekt Sp. z o.o., and they did not show any loss in value. Methodology applied to run these tests is similar to that described above.

The Group considers IT Segment, comprising companies in the Comarch Group before acquisition of the Comarch SuB Group, as a cash generating unit thereby doesn't allocate the goodwill, that was worth 3.28 million PLN and recognised in relation to purchases of shares in Comarch Kraków S.A., CDN Comarch S.A., Comarch Inc. and Comarch AG, to particular companies of the Group. A test for loss in value in reference to the goodwill that was run on the 31st of December, 2013, did not show any loss in value. The recoverable amount of cash generating unit was determined on the basis of calculations of its fair value. The Management Board of the parent company ran also the analysis of the P/E index for companies in the IT sector registered with the Warsaw Stock Exchange and assessed on this basis the estimated market value of the IT Segment in the Comarch Group as at the 31st of December, 2013. P/E index for IT sector companies listed on the Warsaw Stock Exchange, conducting business activities similar to Comarch S.A., was taken for analysis and amounted to 27.82. It was not adjusted to the needs of the test. The above analyses did not show any loss in value in reference to the goodwill.

All amounts are expressed in thousands of PLN unless otherwise indicated

3.5 Other Intangible Assets

	Cost of completed development works	Right of perpetual usufruct	Trademarks, licences and software	Other	Total
At 31 December 2011					
Cost (gross)	2,057	39,940	102,767	13,406	158,170
Accumulated amortisation and impairment	(2,057)	(719)	(66,758)	(8,226)	(77,760)
Net book value	-	39,221	36,009	5,180	80,410
Year ended 31 December 2012					
Opening net book amount	-	39,221	36,009	5,180	80,410
Additions	1,484	-	27,992	14,199	43,675
Disposals	(279)	-	(285)	(730)	(1,294)
Amortisation charge	(38)	(93)	(21,995)	(4,264)	(26,390)
Closing net book amount	1,167	39,128	41,721	14,385	96,401
At 31 December 2012					
Cost (gross)	3,262	39,940	130,474	26,875	200,551
Accumulated amortisation and impairment	(2,095)	(812)	(88,753)	(12,490)	(104,150)
Net book value	1,167	39,128	41,721	14,385	96,401
Year ended 31 December 2013					
Opening net book amount	1,167	39,128	41,721	14,385	96,401
Additions	1,308	-	12,623	718	14,649
Disposals	-	-	(102)	(547)	(649)
Amortisation charge	(57)	(93)	(26,081)	(4,450)	(30,681)
Closing net book amount	2,418	39,035	28,161	10,106	79,720
At 31 December 2013					
Cost (gross)	4,570	39,940	143,723	27,045	215,278
Accumulated amortisation and impairment	(2,152)	(905)	(115,562)	(16,939)	(135,558)
Net book value	2,418	39,035	28,161	10,106	79,720

The Group presented expenses for research and development works directly in costs, with no previous activation, in the amount of 11.30 million PLN.

I. Other intangibles include, in particular, valuation of ESAProjekt Sp. z o.o. goodwill in the amount of 7.06 million PLN, value of relationship with A-MEA Informatik AG customers in the amount of 1.85 million PLN, and the right to use the players' cards in the amount of 1.02 million PLN. All other items of the intangible assets were disposed.
The general amount of depreciation is given in the income statement, whereas 27.32 million PLN is given in the generation costs and the remaining part is presented in the administrative expenses (1.71 million PLN) and sales costs (1.65 million PLN).

The perpetual usufruct right for land related to MKS Cracovia SSA that is worth 31.65 million PLN is considered the intangible asset with unspecified period of use and is not depreciated. Land of the company of MKS Cracovia SSA in perpetual usufruct is not subject to depreciation, as it is of unspecified period of use due to the fact that the company expects renewal of perpetual usufruct right which will occur without incurring any major costs, as the company is not obliged to meet any conditions, which would decide about extension of this right.
The company does not expect incurring major costs in renewal of perpetual usufruct right in the context of the previous activities of the co-owner of the Club that is the City of Krakow. The city supports sport activities, including MKS Cracovia SSA, by way of, among others:
– additional financing of sport infrastructure
– accumulated depreciation of real estate tax

All amounts are expressed in thousands of PLN unless otherwise indicated

– contributing fees for perpetual usufruct in non-cash contribution
The right of perpetual usufruct of land relating to the parent company is depreciated for a defined useful life, which depends on the time of acquisition and amounts from 84 till 99 years. The average depreciation rate equals 1.2%.

II. Impairment test for the right of perpetual usufruct as at 31st of December, 2013

As at the 31st of December, 2013, analysis was performed on changes in prices of real estate properties in Krakow in 2013, based on reports published in Research & Forecast Report for 2012" and „Real Estate Market Review: Summary of 2013" by Colliers International (www.colliers.com), and articles published by trade portals, from which it follows that in 2013 an average price of land in Krakow did not change. It was determined that no loss occurred in the value of perpetual usufruct right to land owned by the Comarch Group in 2013.

III. Intangible assets purchased as a result of the acquisition of the Comarch Software und Beratung Group are comprised of property rights for the software: Semiramis, SharkNex, SoftM Suite ERP, SoftM Suite Financials, Schilling, DKS and Infostore. The above-mentioned intangible assets were presented in fair value in the Comarch Group's balance sheet. The assessment of the fair value was done as of the date of acquisition based on a useful value valuation model with the discounted cash flow method.

The estimated values of particular types of software are:

	Fair value as at the acquisition date	Fair value as at 31 December 2013	Book value as at 31 December 2013
Intangible assets acquired as a result of acquisition of CSuB Group	62,237	15,236	0

The Group performs by way of the linear method depreciation write-offs of intangible assets purchased as a result of the acquisition of the Comarch Software Group. It was assumed the depreciation period is equal to the predicted period of economic benefit from the software sales, i.e. 60 months. The depreciation period ended up in November 2013.

3.6 Non-Current Prepayments

	12 months ended 31 December 2013	12 months ended 31 December 2012
Opening balance	904	61
Changes due to:		
- non-current prepayments of costs	-	843
Closing balance	**904**	**904**

3.7 Investment in Associates

As at 31st of December, 2013, the Group had shares in associates.

At 1 January 2012	**28**
Share in profit for 2012	216
At 31 December 2012	**244**
At 1 January 2013	**244**
Share in profit for 2013	(216)
Loans granting	141
Loans repayment	(120)
At 31 December 2013	**49**

All amounts are expressed in thousands of PLN unless otherwise indicated

	Country of incorporation	Assets	Liabilities	% shares held
At 31 December 2012				
SoInteractive S.A.	Poland	2,789	2,760	30.72
At 31 December 2013				
SoInteractive S.A.	Poland	2,969	1,470	30.72

	Country of incorporation	Revenue	Profit /(Loss)	% shares held
12 months ended 31 December 2012				
SoInteractive S.A.	Poland	5,069	(123)	30.72
12 months ended 31 December 2013				
SoInteractive S.A.	Poland	7,276	69	30.72

As at 31st of December, 2013, investment in associates include shares in SoInteractive S.A. acquired in September, 2008 by CCF FIZ. CCF FIZ holds 30.72% of shares in SoInteractive S.A., which amounts to 0.028 million PLN and granted by parent company long-term loan for SoInteractive S.A. amounted to 0,021 million PLN.

3.8 Inventories

	31 December 2013	31 December 2012
Raw materials	701	264
Work in progress	33,716	30,709
Finished goods	18,777	31,286
Advance due to finished goods	493	48
	53,687	**62,307**

The cost of inventories included in ‘Costs of products, goods and materials sold’ amounted to 539.77 million PLN (12 months ended the 31st of December, 2013) and 482.36 million PLN (12 months ended the 31st of December, 2012).
Due to impairment, write-offs revaluating inventories were recognised in the amount of 0.127 million PLN, at the same time write-offs were dissolved in the amount of 0.848 million PLN. The total effect of the all above-mentioned operations on the result of 2013 was 0.721 million PLN (an increase in result).

No hedging was performed in inventories owned by the Group.

On the basis of current continuous tendency within the scope of settling the production under construction, the Group estimates that after 12 months from the balance sheet date approximately 11.3 million PLN will have to be settled. Other inventories will be settled in total within 12 months.

All amounts are expressed in thousands of PLN unless otherwise indicated

3.9 Categories and Classes of Financial Instruments

Assets and financial liabilities are presented by categories (according to IAS 39) as follows:

	31 December 2013	31 December 2012
Financial assets		
At fair value through the income statement (note 3.11)	1,644	1,059
Derivative instruments in hedging relations	-	-
Investment held to maturity	-	-
Own receivables (including cash and cash equivalents)	531,732	544,000
Available-for sale financial assets (note 3.10)	6,685	1,616
Total	**540,061**	**546,675**
Financial liabilities		
At fair value through the income statement	-	-
Liabilities due to e-financing	-	180
Derivative instruments in hedging relations	-	-
Financial liabilities	326,092,	363,533
Financial guarantees contracts	-	-
Total	**326,092**	**363,713**

The following classes of financial instruments are presented within particular categories of instruments:

Own receivables and cash and cash equivalents	**31 December 2013**	**31 December 2012**
Receivables from related parties (note 3.12)	47	94
Receivables from related parties - non-current	-	-
Receivables from other entities - current (note 3.12)	362,357	399,746
Receivables from other entities - non-current	1,639	1,842
Cash and cash equivalents (note 3.13)	167,689	142,318
Total	**531,732**	**544,000**

Financial liabilities	**31 December 2013**	**31 December 2012**
Liabilities due to credits (note 3.18)	131,451	131,217
Liabilities to related parties (note 3.16)	467	1,120
Liabilities to other entities - current (note 3.16)	193,166	231,196
Liabilities to other entities – non-current	-	-
Derivative financial instruments (note 3.11)	-	-
Liabilities due to e-financing	-	180
Liabilities due to finance lease (note 3.16)	1,008	-
Total	**326,092**	**363,713**

All amounts are expressed in thousands of PLN unless otherwise indicated

Currency structure of financial liabilities and assets are presented as follows:

	Financial assets		Financial liabilities	
	31 December 2013	**31 December 2012**	**31 December 2013**	**31 December 2012**
Currency - PLN	308,728	351,587	163,083	156,152
Currency - EURO	177,571	160,164	146,259	190,903
Currency - USD	22,294	17,060	7,761	11,921
Currency - GBP	15,842	5,335	4,785	1,336
Currency - UAH	753	1,201	156	234
Currency - AED	814	872	74	76
Currency - SKK	8	6	-	-
Currency - RUB	1,417	1,268	109	58
Currency - CHF	5,354	4,145	1,942	1,168
Currency - CAD	5,660	4,066	1,802	1,757
Currencies - other	1,620	971	121	108
Total	**540,061**	**546,675**	**326,092**	**363,713**

As at the 31st of December, 2012, maturity periods of particular classes of own receivables (trade receivables and cash equivalents) are presented as follows:

	1 year or less	**1-2 years**	**2-5 years**	**Over 5 years**	**Total**
Receivables from related parties	94	-	-	-	94
Receivables from related parties – non-current	-	-	-	-	-
Receivables from other parties - current	362,562	37,157	2	25	399,746
Receivables from other parties – non-current	1,842	-	-	-	1,842
Cash and cash equivalent (note 3.13)	142,318	-	-	-	142,318
Total	**506,816**	**37,157**	**2**	**25**	**544,000**

As at the 31st of December, 2013, maturity periods of particular classes of own receivables (trade receivables and cash equivalents) are presented as follows:

	1 year or less	**1-2 years**	**2-5 years**	**Over 5 years**	**Total**
Receivables from related parties	47	-	-	-	47
Receivables from related parties – non-current	-	-	-	-	-
Receivables from other parties - current	343,907	14,905	3,488	57	362,357
Receivables from other parties – non-current	1,639	-	-	-	1,639
Cash and cash equivalent (note 3.13)	167,689	-	-	-	167,689
Total	**513,282**	**14,905**	**3,488**	**57**	**531,732**

All amounts are expressed in thousands of PLN unless otherwise indicated

As at the 31st of December, 2012, maturity periods of particular classes of financial liabilities are presented as follows:

	1 year or less	1-2 years	2-5 years	Over 5 years	Total
Liabilities due to credits (note 3.18)	36,325	13,527	46,112	35,253	131,217
Liabilities to related parties	1,120	-	-	-	1,120
Liabilities to other entities - current	231,190	6	-	-	231,196
Derivative financial instruments	-	-	-	-	-
	-	-	-	-	-
Liabilities due to finance lease	180	-	-	-	180
Total	**268,815**	**13,533**	**46,112**	**35,253**	**363,713**

As at the 31st of December, 2013, maturity periods of particular classes of financial liabilities are presented as follows:

	1 year or less	1-2 years	2-5 years	Over 5 years	Total
Liabilities due to credits (note 3.18)	20,700	35,064	46,787	28,900	131,451
Liabilities to related parties	467	-	-	-	467
Liabilities to other entities - current	192,904	262	-	-	193,166
Liabilities to other entities – non-current	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-
Liabilities due to finance lease	409	308	291	-	1,008
Other financial liabilities	-	-	-	-	-
Total	**214,480**	**35,634**	**47,078**	**28,900**	**326,092**

The Group has adopted the following methods of valuation for particular classes of financial instruments:

Own receivables	**Valuation method**
Receivables from related parties (note 3.12)	according to the adjusted acquisition price
Receivables from other entities – current (note 3.12)	according to the adjusted acquisition price
Receivables from other entities – non-current	according to the adjusted acquisition price
Cash and cash equivalents (note 3.13)	at the fair value

Financial liabilities	**Valuation method**
Liabilities due to credits (note 3.18)	according to the adjusted acquisition price
Liabilities to related parties (note 3.16)	according to the adjusted acquisition price
Liabilities to other entities - current (note 3.16)	according to the adjusted acquisition price
Liabilities to other entities – non- current	according to the adjusted acquisition price
Liabilities due to finance lease (note 3.16)	according to the adjusted acquisition price

Within the reporting period, the company did not retrained items of financial assets to those valuated according to costs, adjusted acquisition costs or fair value. The Group has not hedged financial assets.

All amounts are expressed in thousands of PLN unless otherwise indicated

3.10 Available-for-Sale Financial Assets

	12 months ended 31 December 2013	12 months ended 31 December 2012
At the beginning of	**1,616**	**1,521**
Additions	5,069	95
Disposal	-	-
At the end of the year	**6,685**	**1,616**

As of the 31st of December, 2013, available-for-sale financial assets comprised investments units in money market and debt securities fund, which were purchased by Comarch Management Sp. z o. o. SK-A as a deposit for free monetary means. Participation units' turnover is held beyond the scope of the regulated market. Acquisition price of participation units amounted to 6.40 million PLN, and their valuation through fair value as at the 31st of December, 2013, amounted to 6.69 million PLN.
Information on disposal intention of available-for-sale financial assets: Comarch Management Sp. z o. o. SK-A intends to sell held available-for-sale financial assets within 12 months from the balance sheet date.

3.11 Derivative Financial Instruments

	31 December 2013		31 December 2012	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Forward foreign exchange contracts – held-for-trading	1,641	-	1,059	180
Interest rate swap (IRS)	3	-	-	-
	1,644	**-**	**1,059**	**180**
Current portion	*1,644*	*-*	*1,059*	*180*

The Group held forward contracts to reduce the effect of changes in cash flows on financial result, where cash flows are related to the planned transactions and changes are the result of foreign exchange risk, and to secure cash flows on account of an investment credit granted in euro and used in Polish zlotys. As at 31st of December, 2013, the above-mentioned instruments were valuated at fair value according to market price and changes in valuation were referred into the results from financial operations. Total net value of forward contracts that were open as at 31st of December, 2013, amounted to 9.3 million EUR and 2.7 million USD. After the balance sheet date, the Comarch Group concluded forward contracts for sale of 3.5 million EUR, 1.7 million USD and 1.7 million GBP.
On the 24th of October, 2013, Comarch S.A. concluded a transaction on change of IRS for investment credit taken on the 30th of September, 2013 from Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw, which was announced in current report no. 20/2013 dated the 1st of October, 2013. As a consequence of the concluded transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded for the period of 5 years, i.e. till the 31st of October, 2018. As at the 31st of December, 2013, valuation of IRS transaction amounted to 3 thousand PLN.

3.12 Trade and Other Receivables

	31 December 2013	31 December 2012
Trade receivables	331,046	373,607
Write-off revaluating receivables	(9,226)	(10,163)
Trade receivables – net	321,820	363,444
Other receivables	22,556	27,891
Short-term prepayments	7,804	6,523
Other prepayments	396	18
Loans	9,781	1,870
Receivables from related parties	47	94
Total	**362,404**	**399,840**
Current portion	*362,404*	*399,840*

All amounts are expressed in thousands of PLN unless otherwise indicated

The fair value of trade and other receivables is close to the balance sheet value presented above. There is no concentration of credit risk with respect to trade receivables as the Group has a large number of internationally dispersed customers. The Group has recognised a write-off due to loss in value of its trade receivables that was worth 8.17 million PLN (12 months ended the 31st of December, 2013), 13.13 million PLN (12 months ended the 31st of December, 2012).

3.13 Cash and Cash Equivalents

	31 December 2013	31 December 2012
Cash in hand, cash at banks	131,718	80,239
Current bank deposit	35,922	62,029
Total cash and cash equivalents	**167,640**	**142,268**
Due interest on bank deposit	49	50
Total cash and cash equivalents	**167,689**	**142,318**

In 2013 effective interest rates for short-term bank deposits were 2.7% for PLN, 0.16% for EUR, 0.21% for USD and 0.2% for CAD. The average maturity period for these deposits was 6.94 day for PLN, 7.0 day for EUR, 6.04 day for USD, and 6.0 day for CAD. For the needs of the cash flow, cash and cash equivalents include cash in hand and deposits. Credit in the current account is included in financial operations.
As at the 31st of December, 2013, the Group had cash with limited disposal rights in the amount of 2.04 million PLN including: a security deposit set by companies in the Comarch Group in relation to concluded rental contracts and bank guarantees in the amount of 1.32 million PLN and cash in a separate bank account of the Social Services and Residential Fund in the amount of 0.72 million PLN.

3.14 Share Capital

	Number of shares	Ordinary and preference shares	Own shares	TOTAL
At 1 January 2012	8,051,637	8,051,637	-	8,051,637
At 31 December 2012	8,051,637	8,051,637	-	8,051,637
At 31 December 2013	**8,051,637**	**8,051,637**	**-**	**8,051,637**

The nominal value of one share is 1 PLN.

The share capital of Comarch S.A. 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.
Registered shares in series A and B are preferential and each such share corresponds with 5 votes at the General Meeting. The conversion of registered shares into bearer shares is allowed. In case of that registered shares are converted into bearer shares, they lose all preferences. In case that registered preferential shares are disposed their specific voting rights at the General Meeting expire, however their specific voting rights at the General Meeting do not expire in case of:
a) disposal for the benefit of persons who were shareholders of the company on 18 March 1998,

b) disposal for the benefit of descendants of a disposer,
c) conveying property of a registered share as a result of succession.
The written consent of the Management Board is required to dispose of registered shares. The sale of shares without the permission of the Management Board is possible on the condition that it is stated in Comarch S.A.'s statute.
Every ordinary bearer share entitles its holder to one vote at the AGM. The conversion of bearer shares into registered shares is not permitted.

3.14.1. Information about Shareholders Holding Directly or Indirectly by Subsidiary Entities at least 5% of the Total Number of Votes at the General Meeting of Comarch S.A., at the Date of Preparing the Financial Report

As at the date of the report's preparation:

- Janusz Filipiak held 2,669,315 shares (32.85% of the company's share capital), which gave him 6,241,315 votes at the AGM and constituted 41.28% of all votes at the AGM;
- Elżbieta Filipiak held 846,000 shares (10.41% of the company's share capital), which gave her 4,230,000 votes at the AGM and constituted 27.98% of all votes at the AGM.

3.14.2. Changes in Share Capital in 2013

On the 11th of July, 2013, a member of Comarch S.A.'s Management Board sold 6,974 ordinary bearer Comarch S.A shares for price of PLN 84.89 each. The value of the transaction amounted to PLN 592,022.90. The above-mentioned transaction was concluded on regulated market at the Warsaw Stock Exchange. Information was prepared on the 12th of July, 2013 in Krakow. The company announced details in current report no. 18/2013 dated the 12th of July, 2013.

3.14.3. Managerial Option Program for Members of the Management Board and Other Key Employees

a) for 2011-2013

On 28th of June, 2010, the Annual General Meeting of Shareholders passed Resolution no. 23 on the managerial options programme for company's Key Employees for 2011-2013. The objective of the programme was 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 was executed through offers of newly-issued shares in the company in 2012, 2013 and 2014 to Key Employees. The value of the Option was at all times equivalent to the difference between the average closing price of the company's shares of each year of the execution of the programme (beginning with 2011) and the issue price of shares offered to Key Employees. The basis for the calculation of the value of the Option were increases in company capitalisation, calculated as follows:

- for 2011 – as the difference between the average capitalisation of the company in 2011 and the average capitalisation of the company in 2010,
- for 2012 – as the difference between the average capitalisation of the company in 2012 and the average capitalisation of the company in 2011,
- for 2013 – as the difference between the average capitalisation of the company in 2013 and the average capitalisation of the company in 2012,

where the average capitalisation of the company in the given year is the arithmetical average of the daily capitalisations of the company in the given year, and the daily capitalisation is the number of shares of the company multiplied by the stock exchange closing rate for shares of the company in the given day.
In the fourth quarter of the year that precedes the year of the Programme execution, the Board of Supervisors shall establish a list of Key Employees and Individual Option Ratios. The list of Key Employees and Individual Option's Ratios will be established independently for each year of the Programme. Total value of Individual Option Ratios for all Key Employees in the given year will amount to 3.6% (three and six tenths per cent) of the increase in the company's capitalization.
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.

All amounts are expressed in thousands of PLN unless otherwise indicated

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 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).

The difference between the average capitalisation 2011 and the average capitalisation in 2010 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 2012.

The difference between the average capitalisation 2012 and the average capitalisation in 2011 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 will not be issued in 2013.

The determined Option's value amounts to 2.87 million PLN and it was recognised as cost in the income statement.

The difference between the average capitalisation in 2013 and the average capitalisation in 2012 is positive, as a result, shares for members of the Management Board and Key Employees were issued in 2014.

Acting in execution of the Resolution no. 23 of the Annual General Meeting of Comarch S.A. of the 28th of June, 2010, regarding the managerial option program for key employees, on the 13th of January, 2014, the Supervisory Board of Comarch S.A. passed the Resolution no. 2/01/2014 on execution of the managerial option program for 2013, by way of issuance of 73,953 ordinary bearer series K3 shares, of nominal value of PLN 1 and issue price of PLN 1 each, excluding a stock right of the current company's shareholders (current report no. 2/2014 dated the 13th of January, 2014). In consequence, the Management Board of Comarch S.A. passed the resolution no. 1 dated the 20th of January, 2014, regarding an increase in the share capital by way of emission of 73,953 ordinary bearer series K3 shares (current report no. 3/2014 dated the 20th of January, 2014).

Shares were granted to members of Comarch S.A.'s Management Board as follows:

Name and surname	Number of shares	Shares' value as at 31 December, 2013
Janusz Filipiak	49,305	PLN 4,782,585
Piotr Piątosa	4,108	PLN 398,476
Paweł Prokop	4,108	PLN 398,476
Piotr Reichert	4,108	PLN 398,476
Zbigniew Rymarczyk	4,108	PLN 398,476
Konrad Tarański	4,108	PLN 398,476
Marcin Warwas	4,108	PLN 398,476
Total	**73,953**	**PLN 7,173,441**

On the 31st of March, 2014, the District Court for Kraków-Śródmieście, the Eleventh Economic Division of the National Court Register registered increase in the company's share capital to the amount of PLN 8,125,590.00. After this increase the company's share capital is divided into 8,125,590 shares. It corresponds to 15,119,190 votes at the company's AGM (current report no. 7/2014 dated the 3rd of April, 2014).

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

All amounts are expressed in thousands of PLN unless otherwise indicated

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,
13) 73,953 series K3 ordinary bearer shares.

The following payments in the form of own shares were made within the current and previous periods:

Options' series	Number	Allocation date	Expiry date	Execution date PLN	Fair value as at allocation date PLN'000
(1) issued 31 December 2009	Dependent on market correspondant to 3.0% of the increase in Comarch S.A. capitalisation	31/12/2009	31/12/2010	1.00	2,980
(2) issued 31 December 2010	Dependent on market correspondant to 3.6% of the increase in Comarch S.A. capitalisation	31/12/2010	31/12/2011	1.00	2,643
(3) issued 31 December 2011	Dependent on market correspondant to 3.6% of the increase in Comarch S.A. capitalisation	31/12/2011	31/12/2012	1.00	1,566
(4) issued 31 December 2012	Dependent on market correspondant to 3.6% of the increase in Comarch S.A. capitalisation.	31/12/2012	31/12/2013	1.00	2,871

b) for 2014-2016

On 26th of June, 2013, the Annual General Meeting of Shareholders passed Resolution no. 36 on the managerial options programme for members of the company's Management Board managing company and Capital Group for 2014-2016. The objective of the programme is to additionally motivate members of the company's Management Board 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 2015, 2016 and 2017 to company's Management Board. 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 of each year of the execution of the programme (beginning with 2014) and the issue price of shares offered to company's Management Board. The basis for the calculation of the value of the Option shall be increases in company capitalisation, calculated as follows:

- for 2014 – as the difference between the average capitalisation of the company in 2014 and the average capitalisation of the company in 2013,
- for 2015 – as the difference between the average capitalisation of the company in 2015 and the average capitalisation of the company in 2014,
- for 2016 – as the difference between the average capitalisation of the company in 2016 and the average capitalisation of the company in 2015,

where the average capitalisation of the company in the given year is the arithmetical average of the daily capitalisations of the company in the given year, and the daily capitalisation is the number of shares of the company multiplied by the stock exchange closing rate for shares of the company in the given day.
In the fourth quarter of the year that precedes the year of the Programme execution, the Board

All amounts are expressed in thousands of PLN unless otherwise indicated

of Supervisors shall establish a list of members of the company's Management Board participating the Programme and Individual Option Ratios. The list of members of the company's Management Board and Individual Option's Ratios will be established independently for each year of the Programme. Total value of Individual Option Ratios for all members of the company's Management Board in the given year will amount to 3.6% (three and six tenths per cent) of the increase in the company's capitalization.
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 members of the Management Board 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 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).

The determined Option's value amounts to 3.02 million PLN and it will be recognised as cost in the income statement.

3.14.4. Changes in Share Capital after the Balance Sheet Date

None present except for those mentioned in point 3.14.3 a) of the statement.

3.15 Other Capitals

3.15.1. Capital of the Company's Shareholders

	Capital from valuation of the managerial option	**Investment capital and capital for covering the budget commitments**	**Supplementary capital from premium share**	**Total**
At 31 December 2012	**19,246**	**745**	**122,341**	**142,332**
At 1 January 2013	19,246	745	122,341	142,332
Managerial option valuation	2,873	-	-	2,873
At 31 December 2013	**22,119**	**745**	**122,341**	**145,205**

In 2013, a total dividend was paid in the amount of 13.10 million PLN including 12.08 million PLN paid by parent company to its shareholders on the 19th of August, 2013, 0.3 million PLN paid by CASA Management and Consulting sp. z o.o. SK-A on the 11th of July, 2013 r. and 0.74 million PLN paid by subsidiaries to general partners outside Group on the 23rd of August, 2013.

On the 26th of June, 2013, General Meeting approved the resolution no. 9 regarding the distribution of net profit for the fiscal year 1.01.2012 - 31.12.2012. The net profit in the amount of PLN 41,603,839.89 was divided as follows:
a) PLN 12,077,455.50 was paid as dividend Persons who were the company's shareholders on the 1st of August, 2013, got the dividend in the amount of 1.50 PLN per one share. The dividend was allocated to 8,051,637 shares.
b) The remaining part of the net profit in the amount of 29,526,384.39 was passed in total to supplementary capital.
The dividend was paid out on the 19th of August, 2013.

Management Board has no plans to apply for payment of dividend for 2013 in the Comarch Group.

All amounts are expressed in thousands of PLN unless otherwise indicated

3.15.2. Minority Capital

Minority capital	
At 1 January 2012	**9,497**
Changes in shareholding structure in MKS Cracovia SSA, CA Consulting S.A. and Comarch R&D S. à r.l.	(1,679)
Equity from taking over shares not giving control	(1,039)
MKS Cracovia SSA share in profit	(3,318)
Comarch SuB share in profit	(90)
Currency differences due to valuation	(52)
At 31 December 2012	**3,319**
At 1 January 2013	3,319
Changes in shareholding structure in MKS Cracovia SSA and Comarch R&D S. à r.l.	9,707
Equity from taking over shares not giving control	169
MKS Cracovia SSA share in profit	(1,671)
Comarch SuB and CAMS AG share in profit	(152)
Currency differences due to valuation	(4)
At 31 December 2013	**11,368**

3.16 Trade and Other Payables

	31 December 2013	**31 December 2012**
Trade payables	121,824	161,932
Advances received due to services	1,252	2,792
Liabilities to related parties	467	1,120
Liabilities due to social insurance and other tax charges	43,245	44,665
Investments liabilities	3,248	1,632
Proceeds from future periods	18,389	13,542
Other payables	3,637	5,308
Liabilities due to lease	409	-
Special funds (Social Services Fund and Residential Fund)	1,571	1,325
Total	**194,042**	**232,316**

The fair value of trade and other payables is close to the balance sheet value presented above.

3.17 Long-term Contracts

	12 months ended 31 December 2013	**12 months ended 31 December 2012**
Revenues due to long-term contracts recognised in the reporting period	**179,077**	**157,371**
a) revenues from completed contracts recognised in the reporting period	40,798	54,671
b) revenues from contracts not completed recognised in the reporting period	132,551	113,501
c) revenues from contracts not completed recognised in the reporting period- an effect of settlement pursuant to IAS 11	5,728	(10,801)

Due to the fact that the company applies the rule of determining the degree of work progress in proportion to the share of incurred costs in the entire costs of a contract, the sum of incurred costs and recognised results corresponds to revenues.

At the end of the reporting period, long-term contracts were valuated in accordance with the degree of work progress. Changes in settlements due to long-term contracts recognised in assets and liabilities between the 31st of December, 2012 and the 31st of December, 2013 are presented below:

All amounts are expressed in thousands of PLN unless otherwise indicated

	31 December 2013	31 December 2012
Long-term contracts revenues included to the balance sheet date - determined according to the progress of work	249,810	206,682
Minus: issued invoices	250,962	213,562
	(1,152)	(6,880)

	Long-term contracts receivables	Long-term contracts liabilities	Net
Revenues from long-term contracts included in the reporting period			
Value at 01.01.2012	12,284	8,363	3,921
Value at 31.12.2012	10,165	17,045	(6,880)
Change	**2,119**	**(8,682)**	**(10,801)**
Value at 01.01.2013	10,165	17,045	(6,880)
Value at 31.12.2013	32,264	33,416	(1,152)
Change	**(22,099)**	**(16,371)**	**5,728**

Difference between change in prepayments/accrual and contracts (according to IAS 11).

3.18 Credits and Loans

	31 December 2013	31 December 2012
Non-current		
Bank credits	110,630	94,892
Loans	121	-
	110,751	**94,892**
Current		
Bank overdraft	-	2,801
Loans	368	20,053
Bank credits	20,332	13,471
	20,700	**36,325**
Total credit and loans	**131,451**	**131,217**

3.18.1. Investment credits

Comarch S.A. credit lines:

a) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw in amount of 20 million PLN, acquired in 2004 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 EUR. A promissory note, the mortgage on land and the building insurance policy are security for this credit. As at 31st of December, 2013, the value of the credit to be repaid amounted to 0.75 million EUR, i.e. 3.11 million PLN.

b) An investment credit from BZ WBK Bank S.A. (formerly Kredyt Bank S.A.) with its registered office 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, i.e. until 2022. This credit has a variable interest rate. A promissory note, the mortgage on land and the building insurance policy are security for this credit. On the 31st of January, 2013, the company repaid total due amount resulting from the afore-mentioned credit. The information was announced in current report RB-2-2013 dated the 31st of January, 2013. On the 8th of March, 2013, Comarch S.A. received a notice from the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register, on deletion of mortgages on a real estate owned by Comarch SA. The mortgages were established as a security for the afore-mentioned investment credit. Information was announced by current report no. 5/2013 dated the 8th of March, 2013. As at 31st of December, 2013, the value of the credit to be repaid amounted to PLN 0.

c) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office 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, i.e. until 2024. This credit has a variable interest rate. It 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. On the 5th of October, 2011, the company revaluated the remaining credit to be paid into euro. As at 31st of December, 2013, the value of the credit to be repaid amounted to 6.66 million EUR, i.e. 27.62 million PLN.

d) An investment credit from Bank Pekao S.A. with its registered office 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, i.e. until 2012. This credit has a variable interest rate. A promissory note and the mortgage on the land are security for this credit. At the beginning, the crediting period was 5 years, till 2012, however on the 29th of May, 2012, an annex was concluded which extended it till 2015. As at 31st of December, 2013, the value of the credit to be repaid amounted to 15.1 million PLN.

e) An investment credit from Bank DnB NORD Polska S.A. (previously DnB NORD Polska S.A.) with its registered office 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 22 million PLN. The crediting period may last 11 years, i.e. until 2021. This credit has a variable interest rate. The real estate mortgage and cession of rights in the bank guarantee issued for the debtor are security for this credit. On the 30th of December, 2011, the company revaluated the remaining credit to be paid into euro. On the 1st of October, 2013, Comarch S.A. paid total due debt resulting from the above-mentioned credit agreement (current report no. 20/2013 dated the 1st of October, 2013). On the 18th of November, 2013, Comarch S.A. received a notice from the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register, on deletion of mortgages on a real estate owned by Comarch SA. The mortgages were established in 2010 as a security for the afore-mentioned investment credit (current report no. 23/2013 dated the 18th of November, 2013). As at 31st of December, 2013, the value of the credit to be repaid amounted to 0 PLN.

f) An investment credit from Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw, for the refinancing of the investment credit acquired in DnB NORD Bank Polska S.A. on the 28th of April, 2010, for financing of the fourth construction stage of production and office buildings in the Special Economic Zone in Krakow (point e) above). The credit amounts to 4.13 million EUR. The crediting period may last 8 years at a variable interest rate. The real estate mortgage in the amount of 6.19 million EUR and cession of rights in the building insurance policy are security for this credit. The loan was drawdown on the 1st of October, 2013. On the 4th of October, 2013, the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register registered the afore-mentioned mortgage in the Land and Mortgage Register. Company announced details in current report no. 22/2013 dated the 14th of October, 2013. As at the 31st of December, 2013, the value of the credit to be repaid amounted to 4 million EUR, i.e. 16.58 million PLN.

g) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw, for the financing of the purchase of hardware and software for a project related to data centre services. The credit amounts to 2.4 million EUR. The crediting period may last until 2016. The loan was drawdown on the 7th of August, 2012. This credit has a variable interest rate. Transfer of debts from the contract and the registered pledge on the financed property, plant and equipment in use are security for this credit. As at 31st of December, 2013, the value of the credit to be repaid amounted to 1.53 million EUR, i.e. 6.33 million PLN.

h) A nonrevolving operating credit from BZ WBK Bank S.A. (previously Kredyt Bank S.A.) with its registered office in Warsaw acquired in the first quarter of 2013, for financing of company's operations. The credit amounts to 7.4 million EUR. The crediting period may last 8 years, and its maturity date is 31st of December, 2020. This credit has a variable interest rate. The real estate mortgage located in the Special Economic Zone in Krakow was registered on the 30th of January, 2013, made by the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register (current report no. 3/2013 dated the 6th of February, 2013) and cession of rights in the insurance policy are security for this credit. As at 31st of December, 2013, the value of the credit to be repaid amounted to 6.68 million EUR, i.e. 27.72 million PLN.

i) An investment credit from bank Polska Kasa Opieki Spółka Akcyjna with its registered office in Warsaw, for financing and refinancing of not more than 90% of net costs of an investment related to construction of office building SSE6 and data centre in the Special Economic Zone in Krakow. The credit amounts to 56 million PLN, i.e. EUR 13,323,182.34. The crediting period: 10 years, repayment will be made not later than on 4th of December, 2023. Loan was granted in EUR and it has a variable interest rate. Power of attorney to manage Comarch S.A. bank accounts in the Bank, declaration of submission to enforcement, the real estate mortgage in the amount of 84 million PLN (entry dated the 13th of February, 2014, in the Mortgage and Land Register of the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register -current report no. 5/2014 dated the 19th of February, 2014), cession of rights in the building insurance policy, cession of rights in the bank guarantee for contract good performance and for warranty obligations and warranty are security for this credit. It should be taken out by 4th of December, 2015. As at 31st of December, 2013, value of the credit taken out amounted to 0.13 million EUR, i.e. 0. 52 million PLN (current report no. 26/2013 dated the 4th of December, 2013).

In the third quarter of 2011, iMed24 S.A. acquired investment loan from Bank Pekao S.A. with its registered office in Warsaw for financing of purchase of medical equipment and facilities in relation with NZOZ Centrum Medyczne iMed24 (medical centre) in Krakow. The credit amounts to 15.89 million PLN and as at 31st of December, 2011, it was used in total. The crediting period may last 7 years, i.e. until 2018. This credit has a variable interest rate. The registered pledge on the financed property, plant and equipment in use, cession of rights in the property, plant and equipment in use insurance policy and surety granted by Comarch S.A. are security for this credit. As at the 31st of December, 2013, the value of the credit to be repaid amounted to 11.35 million PLN.

In the second quarter of 2013, Comarch AG acquired investment loan from BNP Paribas Bank Polska S.A. with its registered office in Warsaw for financing of construction of an office and production building, including data centre in Dresden. The credit amounts to 6 million EUR, and its crediting period is until 2018. The loan was drawdown on the 25th of July, 2013. This credit has a variable interest rate. Surety granted by Comarch S.A., a mortgage and cession of rights in the insurance policy are security of this credit. As at the 31st of December, 2013, the value of the credit to be repaid amounted to 5.59 million EUR, i.e. 23.17 million PLN.

The value of liabilities due to bank credits and loans was recognised in the amount of depreciated cost that was determined using the effective interest rate. The fair value of liabilities due to credits and loans does not differ significantly from the balance sheet value. Within reporting period, there were neither overdue payments nor interest payments on credits and loans. Comarch did not breach of any provisions of the credit or loan agreements that could entitle the creditor to claim earlier repayment of the credit or loan.

The exposure of Group's bank credits to interest rate risk arises from investment credits (at variable interest rates). Group optimises interest by continuously monitoring its interest rate structure and appropriately adjusting the basic interest rate of its credits.

All amounts are expressed in thousands of PLN unless otherwise indicated

The exposure of Group bank credits to interest rate changes

At 31 December 2013	6 months or less	6-12 months	1-5 years	Over 5 years	Total
Credits and loans	10,806	10,437	81,851	28,900	131,994
Interest	(543)	-	-	-	(543)
	10,263	**10,437**	**81,851**	**28,900**	**131,451**

The maturity of non-current bank credits, loans and financial liabilities

	31 December 2013	31 December 2012
Between 1 and 2 years	35,064	13,527
Between 2 and 5 years	46,787	46,112
Over 5 years	28,900	35,253
	110,751	**94,892**

Currency structure of the balance sheet values of credits, loans and financial liabilities

	31 December 2013	31 December 2012
In Polish currency	26,396	68,974
In EUR (equivalence in PLN)	105,055	62,243
	131,451	**131,217**

The effective interest rates at the balance sheet date

	31 December 2013	31 December 2012
Bank credits	1.91%	3.22%
Loans	3.64%	5.47%

3.18.2. Loans

On the 27th of December, 2012, Comarch S.A. signed a loan agreement with IBM Polska sp. z o.o for financing of delivery of IBM hardware in relation to an IT project performed by the Comarch Group. The loan amounts to 0.34 million PLN and drawdown was made in the first quarter of 2013. Loan will reach its maturity date in December, 2015. It has a fixed interest rate (approx. 5.63%). The loan is not secured. As at the 31st of December, 2013, the value of the credit to be repaid amounted to 0.24 million PLN.

In the second quarter of 2013, CA Consulting S.A., a subsidiary of Comarch S.A., signed a loan agreement with IBM Polska sp. z o.o for financing of delivery of IBM hardware in relation to an IT project performed by the company. The loan amounts to 1.14 million PLN and drawdown was made in the second quarter of 2013. Loan will reach its maturity date in April, 2014. It has a fixed interest rate. The loan is secured with a surety granted by Comarch S.A. As at the 31st of December, 2013, the value of the credit to be repaid amounted to 0.23 million PLN.

3.18.3. Current Credit Lines (Variable Interest)

In the Comarch Group Comarch S.A. is a parent company which has the following credit limits in current account:

a) Credit limit in current account in bank Powszechna Kasa Oszczędności Bank Polski S.A. (“PKO BP S.A.”) with its registered office in Warsaw in the amount of 10 million PLN. It can be used by the 13th of December, 2014. An authorisation to manage Comarch S.A.’s accounts in PKO BP S.A. and a promissory note are security for this credit. As at the 31st of December, 2013, the credit was not used.

b) Credit limit in current account in bank BPH S.A with its registered office in Krakow in the amount of 13.28 million PLN. It can be used by the 28th of September, 2014. A promissory note and a declaration of submission to enforcement are security for this credit. As at the 31st of December, 2013, the credit was not used.

All amounts are expressed in thousands of PLN unless otherwise indicated

Comarch S.A., CA Consulting S.A. and Comarch Polska S.A. have a credit limit in current account, granted by Bank Pekao S.A. with its registered office in Warsaw, in the amount of 30 million PLN. It can be used by the 31st of May, 2014. An authorisation to manage Comarch SA, CA Consulting S.A. and Comarch Polska S.A.'s accounts, a declaration of submission to enforcement from these companies, a Comarch S.A.'s promissory note and an accession of Comarch S.A. to CA Consulting S.A. and Comarch Polska S.A.'s credit debt are security for this credit. As at the 31st of December, 2013, the credit was not used.

ESAProjekt sp. z o.o., a subsidiary of Comarch S.A., has a credit limit in current account, granted by Alior Bank S.A. with its registered office in Warsaw, in the amount of 0.5 million PLN. It can be used by the 27th of January, 2014. A promissory note and an authorisation to manage ESAProjekt sp. z o.o.'s accounts in Alior Bank S.A. As at the 31st of December, 2013, the credit was not used. After the balance sheet date, the loan agreement expired.

	31 December 2013	**31 December 2012**
Current credit lines granted, expiring within one year, including:	**53,778**	**55,350**
– used at the balance sheet date	-	2,801
– available at the balance sheet date	53,778	52,549

3.19 Contingent Liabilities

On 31st of December, 2013, the value of bank guarantees and letters of credit issued by banks on order from Comarch S.A. in reference to executed agreements and participation in tender proceedings was 70.77 million PLN, whereas it was 67.86 million PLN on 31st of December, 2012.
On 31st of December, 2013, the value of bank guarantees issued by banks on order from CA Consulting S.A. in reference to executed agreements and participation in tender proceedings was 0 million PLN, whereas it was 0.8 million PLN on 31st of December, 2012.
On 31st of December, 2013, the value of bank guarantees issued by banks on order from Comarch Polska S.A. in reference to executed agreements and participation in tender proceedings was 0.64 million PLN, whereas it was 0 PLN on 31st of December, 2012.
On 31st of December, 2013, the value of bank guarantees issued by banks on order from Comarch Software und Beratung Group in reference to executed agreements and participation in tender proceedings was 0.29 million EUR, i.e. 1.2 million PLN, whereas it was 0.25 million EUR, i.e. 1.03 million PLN on 31st of December, 2012.

Comarch S.A. granted letters of comfort for its subsidiaries: Comarch Software und Beratung AG (it was valid till the 31st of March, 2014), MKS Cracovia SSA and ESAProjekt sp. z o.o. (they are both valid till 30th of June, 2015) and iMed24 S.A. (valid till 31st of December, 2018).

Granted credit lines for financing of current activities (guarantees, letters of credit)

	31 December 2013	**31 December 2012**
Credit lines*	177,158	165,627
	177,158	**165,627**

(*) they comprise credit lines at current account that are described in 3.18

The Comarch Group is the defendant in legal proceedings and is the party to the matters in disputes but not legal proceedings, in which the potential total amount of third party claims is 7.66 million PLN. Provisions for part of these claims were presented in the balance sheet as of 31st of December, 2013 and are worth 0.63 million PLN. They include provisions for claims recognised in 2013 and worth 0.13 million PLN. In the opinion of the Management Boards in the entities of the Comarch Group and based on the opinions of legal advisors, there are no circumstances suggesting the necessity to create provisions for the rest of the claims.

All amounts are expressed in thousands of PLN unless otherwise indicated

Due to legal proceedings conducted in 2013, the Comarch Group created write-offs that revaluate receivables and were worth 2.43 million PLN.

3.20 Liabilities due to Finance Lease

	1 year or less	5 years or less
Liabilities due to lease agreements for usage places	18,764	59,243
Liabilities due to lease agreements for equipment and means of transport	946	673

Liabilities due to lease agreements for usage places comprise Group's liabilities, including those between Comarch Group's companies and related to leases of office spaces and company flats. Agreements including the given expiration date were directly recorded to the liabilities due within 1 year or less, or within 5 years or less, respectively. However, most of the agreements have been concluded for an indefinite period, therefore the amounts of the liabilities were established by multiplying the amount of monthly rent by 12 months (column: 1 year or less) or by 60 months (column: 5 years or less).

As at 31st of December, 2013 Comarch Group had contractual liabilities due to operating lease (means of transport and electronic equipment) in the amount of 1.62 million PLN.

3.21 Deferred Income Tax

	31 December 2013	31 December 2012
Deferred income tax assets Beginning of year:	**27,791**	**27,775**
- charged to financial result	*27,791*	*27,775*
Movement on deferred income tax account charged to financial result		
- recognition of an asset due to tax loss in Comarch SuB	86	-
- dissolution of an asset due to tax loss in Comarch SuB	(509)	(818)
- recognition of an asset for a possible to settle tax loss in Comarch AG	-	2,355
- dissolution of an asset due to tax loss for the previous years in Comarch AG	(2,355)	(5,287)
- dissolution of an asset due to tax loss in Infrastruktura24 S.A.	-	(89)
- dissolution of an asset due to tax loss in OOO Comarch	(1)	-
- recognition of an asset due to tax loss in Comarch Polska S.A.	556	557
- dissolution of an asset due to tax loss in Comarch Polska S.A.	(881)	-
- recognition of an asset due to tax loss in iReward24 S.A.	111	280
- dissolution of an asset due to tax loss in iReward24 S.A.	(273)	-
- recognition of an asset due to tax relief of the parent company due to activities in Special Economic Zone	8,795	10,055
- dissolution of an asset due to tax relief of the parent company due to activities in Special Economic Zone	(10,055)	(9,904)
- recognition of an asset due to temporary differences related to costs (depreciation, costs of research works)	9,417	5,971
- dissolution of an asset due to temporary differences related to costs (depreciation, costs of research works)	(3,697)	(3,104)
End of year	**28,985**	**27,791**
- charged to financial result	*28,985*	*27,791*

All amounts are expressed in thousands of PLN unless otherwise indicated

Deferred tax provision Beginning of year:	**41,575**	**48,172**
- charged to equity	*5,430*	*5,430*
- charged to financial result	*31,275*	*34,759*
- provisions due to acquisition of Comarch SuB	*2,697*	*7,983*
- provisions due to acquisition of A-MEA Informatik AG and ESAProjekt sp. z o.o.	*2,173*	*-*
Movement on deferred tax liabilities charged to financial result		
- dissolution of a provision due to depreciation of Comarch SuB fair value valuation	(2,697)	(5,286)
- dissolution of a provision due to valuation of deposits in CCF FIZ	(433)	(2,308)
- recognition of a provision due to depreciation of ESAProjekt Sp. z o.o. fair value valuation	-	1,744
- dissolution of a provision due to valuation of deposits in ESAProjekt sp. z o.o.	(402)	-
- recognition of a provision due to depreciation of A-MEA Informatik AG fair value valuation	-	429
- dissolution of a provision due to valuation of deposits in A-MEA Informatik AG	(105)	-
- recognition of a provision due to temporary differences related to depreciation, currency differences and interest	3,980	1,506
- dissolution of a provision due to temporary differences related to depreciation, currency differences and interest	(1,373)	(2,682)
End of the period	**40,545**	**41,575**
- charged to equity	*5,430*	*5,430*
- charged to financial result	*33,450*	*31,275*
- provisions due to acquisition of Comarch SuB	*-*	*2,697*
- provision due to acquisition of A-MEA Informatik AG and ESAProjekt Sp. z o.o.	*1,665*	*2,173*

Deferred income tax asset

	Tax loss asset	Depreciation	Provisions for costs, revaluating write-offs	Asset due to tax relief related to income tax (SEZ)	Total
At 1 January 2012	**12,172**	**80**	**5,319**	**9,904**	**27,775**
-charged to financial result	*12,172*	*380*	*5,319*	*9,904*	*27,775*
(Charged)/ credited to the result for 2012	(3,003)	(380)	3,248	151	16
At 31 December 2012	**9,169**	**-**	**8,567**	**10,055**	**27,791**
(Charged)/ credited to the result for 2013	(3,266)	-	5,720	(1,260)	1,194
At 31 December 2013	**5,903**	**-**	**14,287**	**8,795**	**28,985**
-charged to financial result	*5,903*	*-*	*14,287*	*8,795*	*28,985*

All amounts are expressed in thousands of PLN unless otherwise indicated

Deferred income tax provision

	Provision due to valuation of CCF FIZ	Provision due to valuation of Comarch SuB through fair value	Depreciation	Provisions (exchange differences, interest)	Provisions due to fair value valuation of MKS Cracovia SSA's assets	Provisions due to fair value valuation of A-MEA Informatik AG and ESAProjekt Sp. z o.o.	Total
At 1 January 2012	**30,612**	**7,983**	**1,037**	**3,110**	**5,430**	**-**	**48,172**
(Charged)/ credited to the result for 2012	(2,308)	(5,286)	(77)	(1,099)	-	2,173	(6,597)
At 31 December 2012	**28,304**	**2,697**	**960**	**2,011**	**5,430**	**2,173**	**41,575**
- charged to financial result	*28,304*	*-*	*960*	*2,011*	*-*	*-*	*31,275*
- charged to equity	*-*	*2,697*	*-*	*-*	*5,430*	*2,173*	*10,300*
(Charged)/ credited to the result for 2013	(433)	(2,697)	170	2,437	-	(507)	(1,030)
At 31 December 2013	**27,871**	**-**	**1,130**	**4,448**	**5,430**	**1,666**	**40,545**
- charged to financial result	*27,871*	*-*	*1,130*	*4,448*	*-*	*-*	*33,449*
- charged to equity	*-*	*-*	*-*	*-*	*5,430*	*1666*	*7,096*

As a result of Poland joining the European Union, an act was passed on the 2nd of October, 2003 that changed the act on special economic zones and certain other acts (Journal of Laws No. 188 Item 1840) that changed the conditions for tax exemptions for entities operating in special economic zones. Pursuant to the article 6, section 1 of this act, these entities may apply for changes to the terms and conditions of their permits in order to adjust them to the principles for granting public aid in force in the European Union. Pursuant to the article 5, section 2 point 1 lit. b), point 2, point 3 of the act, the maximum amount of public aid for entities, which operate in a special economic zone on the basis of a permit issued before the 1st of January, 2000, cannot exceed 75% of the value of investments incurred in the period from the date of obtaining the permit until the 31st of December, 2006, provided that in determining the maximum amount of public aid, the total amount of public aid obtained since the 1st of January, 2001 is taken into consideration. This means a change in the current method of granting tax relief (public aid) from unlimited relief to relief that is limited in value and depends on the value of investments made. In the case of Comarch S.A., the maximum value of public aid will not exceed 75% of the value of investment expenditures, which the company has incurred/shall incur since obtaining the permit, i.e. the 22nd of March, 1999, until the 31st of December, 2006.
The costs of investments and the amount of aid are subject to discounting pursuant to Par. 9 of the Regulation of the Ministry from 14 September 2004 on the Krakow Special Economic Zone (Journal of Laws 220 Item 2232) with wording changed pursuant to Par. 1 of the Regulation of the Ministry from 8 February 2005 that changed the Ordinance on the Krakow Special Economic Zone (Journal of Laws No. 32 Item 270) and with Par. 2 of the latter Ordinance taken into consideration. The limit of the unused investment relief as at the 31st of December, 2013, discounted as at the permit date, is 7.67 million PLN.

Comarch S.A. approached the Minister of the Economy in order to change the terms and conditions of its permit. On the 1st of July, 2004, it received a decision from the Minister of the Economy dated the 24th of June, 2004 on the topic of changes to the terms and conditions of the permit (those mentioned above and those compliant with the act). The updated permit extended the period in which Comarch S.A. is entitled to use public aid for investments incurred in the special economic zone until the 31st of December, 2017.

The company holds also another permit for operating in the special economic zone in

Krakowski Park Technologiczny, issued in 2007, valid till the 31st of December, 2017. In 2013, the company obtained another permit for operating in the special economic zone in Krakowski Park Technologiczny. This permit does not specify its validity date. At the same time the company emphasises that on the 23rd of July, 2013, the Council of Ministers adopted the regulation lengthening the period for existing of special economic zones in Poland till 2026.

That means lengthening (maximum till 2026) the period when the company may use the tax relief within the determined limit of public aid due in relation to investments incurred in the SEZ and specified in the regulations.

Pursuant to IAS 12, unused tax relief as at the 31st of December, 2013, constitutes a deferred income tax asset. Deferred income tax assets are defined in the amount that it is anticipated will have to be deducted from income tax in the future in reference to negative temporary differences and due to income tax relief in connection with activities in Special Economic Zone, which shall result in the future in reducing the amount of the basis of taxation and the deductible tax loss defined using the precautionary principle. In relation to the above-mentioned principle, assets are recognised only for one year with the assumption that the basis for their recognition is average income acquired from activities in the special economic zone over three years (including the year for which the financial statement is prepared).

Over 2013, the parent company dissolved in part an asset due to activities in the SEZ that was worth 10.06 Million PLN (a decrease in result) and established as at 31st of December, 2012. At the same time, the parent company recognised an asset in the amount of 8.8 million PLN. This asset will be realised successively (as write-offs diminishing net profit of the Group) in proportion to the generation of Comarch's tax-exempt income in 2013. At the same time, pursuant to IAS12, the parent company will regularly verify the valuation of the asset considering the possibilities of its realisation and further recognition. Additionally, the parent company signifies that the recognition of this asset does not have any influence on cash flow in the company and in the Group (both the recognition and realisation of the asset). This is an accrual based operation and is a result of the fact that the Group applies IFRS when preparing consolidated financial statements of the Comarch Group.

During 2013, Group settled in part a deferred tax asset related to temporary differences, that was presented on 31st of December, 2012 and worth 3.697 million PLN, as well as an asset due to temporary differences was recognised in the amount of 9.417 million PLN. An asset due to tax loss was dissolved in the amount of 4.019 million PLN and recognised in the amount of 0.753 million PLN. The total effect of the above-mentioned operations on the net result of 2013 was +1.194 million PLN.

According to German regulations within the scope of tax rules, there is no time limitation for a tax loss settlement.
CSuB's tax loss incurred in the previous years amounted to approximately 11.5 million EUR, thus respective theoretical asset's value amounted to 3.7 million EUR.
As at 31st of December, 2013, in the CSuB's financial statement an asset due to the above-mentioned tax loss was recognised and was worth approximately 1.3 million EUR for it was established for the period when credible estimations related to the tax income may be performed.

Due to valuation of net assets of CCF FIZ, Group dissolved in part a deferred tax provision, which was recognised in the previous years and was worth 0.433 million PLN. At the same time, a deferred tax provision due to temporary differences was recognised in the amount of 3.980 million PLN and dissolved in the amount of 1.373 million PLN. In 2012, Group dissolved in part a provision due to acquisition of Comarch SuB which was worth 2.697 million PLN and recognised a provision due to acquisition of A-MEA Informatik AG and ESAProjekt Sp. z o.o. which was worth 0.508 million PLN. The total effect of the all above-mentioned operations on the net result of 2013 was 1.030 million PLN. Total changes in the deferred income tax resulted in an increase in result of 2.224 million PLN.

In relation to MKS Cracovia SSA and iMed24 S.A., despite of the fact that the tax loss existed, a deferred tax asset was not created due to the lack of possibility to make the reliable estimates of the income tax possible to achieve in the coming years.

All amounts are expressed in thousands of PLN unless otherwise indicated

3.22 Provisions for Other Liabilities and Charges

Non-current	Provisions for contractual penalties	Provisions for costs of court proceedings	Provisions for taxes	Provisions for other costs	Total
At 1 January 2013	**-**	**-**	**-**	**-**	**-**
Recognised in the consolidated income statement:	-	-	-	-	-
- Additional provisions	-	-	-	-	-
- Provisions used during year and transferred to current provisions	-	-	-	-	-
At 31 December 2013	**-**	**-**	**-**	**-**	**-**

Current	Costs related to the current period, which will be incurred in future	Provisions for contracts costs	Provisions for contractual penalties	Provisions for leaves	Provisions for cash rewards	Total
At 1 January 2013	**2,015**	**16,747**	**3,529**	**14,259**	**55,595**	**92,145**
Recognised in the consolidated income statement:	1,640	(3,133)	1,199	2,359	(910)	1,155
- Additional provisions	*10,255*	*14,544*	*5,374*	*15,113*	*69,797*	*115,083*
- Provisions used during year	*(8,615)*	*(17,677)*	*(4,175)*	*(12,754)*	*(70,707)*	*(113,928)*
At 31 December 2013	**3,655**	**13,614**	**4,728**	**16,618**	**54,685**	**93,300**

All provisions were calculated based on credible estimate as of the balance sheet date. Costs of the current period refer to provisions established for costs on account of audits of financial statements, archive and other administrative costs, as well as VISA cards' settlements. Provisions for costs of contracts refer to recognition of the forecast losses in contracts.

Analysis of total provisions:

	31 December 2013	31 December 2012
Non-current	-	-
Current	93,300	92,145

3.23 Revenues from Sales

	12 months ended 31 December 2013	12 months ended 31 December 2012
Revenues from sales of products and services		
Revenues from sales of IT services	566,520	566,401
Revenues from sales of proprietary software and licences	135,840	105,723
Revenues from other sales	3,336	1,406
Total	13,528	922
Revenues from sales of goods and materials	**719,224**	**674,452**
Revenues from sales of hardware		
Revenues from third party software and licences	66,498	41,287
Revenues from other sales	84,913	135,560
Total	68,341	32,577
Total revenues from sales	**219,752**	**209,424**
Revenues from sales of products and services	**938,976**	**883,876**

All amounts are expressed in thousands of PLN unless otherwise indicated

3.24 Costs of Products, Services, Goods and Materials Sold

I/1 Costs by types	**12 months ended 31 December 2013**	**12 months ended 31 December 2012**
Depreciation of property, plant and equipment in use and intangible assets	64,495	53,326
Costs of social benefits	478,314	429,396
Change in products and work in progress	(16,261)	(16,923)
Consumption of raw materials and auxiliary materials	17,739	17,950
Third party services	123,098	95,238
Taxes and charges	9,080	8,500
Other costs	35,594	39,796
Costs of products sold, services, marketing and distribution as well as administrative costs, including:	**712,059**	**627,283**
- manufacturing costs	*539,974*	*469,432*
- costs of sales	*98,932*	*85,396*
- general costs	*72,083*	*73,295*
- exchange differences on liabilities	*1,070*	*(840)*
I/2 Costs of goods and materials sold	**176,762**	**209,363**
I/3 Costs of work execution within the framework of union projects	**11,297**	**10,424**
I/4 Total costs of products sold, services, marketing, administrative, goods, materials and work execution within the framework of union projects	**900,118**	**847,070**

II. Costs of social benefits	**12 months ended 31 December 2013**	**12 months ended 31 December 2012**
Remuneration	405,892	366,466
Social insurance	64,966	56,953
Social Services Fund	2,056	1,882
Training	1,333	993
Health and Safety at Work	503	442
Other	3,564	2,660
Total	**478,314**	**429,396**

3.25 Other Operating Revenues

Other operating revenues and profits	**12 months ended 31 December 2013**	**12 months ended 31 December 2012**
Recovered communication damages	53	123
Outdated liabilities	33	66
Dissolving write-offs revaluating receivables	6,343	10,767
Received contractual penalties	69	19
Earnings on disposal on non-financial non-current assets	86	137
Refund of VAT	331	321
Subsidies	1,813	202
Other	2,982	4,664
Total	**11,710**	**16,299**

All amounts are expressed in thousands of PLN unless otherwise indicated

3.26 Other Operating Costs

Other operating costs and looses	**12 months ended 31 December 2013**	**12 months ended 31 December 2012**
Write-off that revaluates assets (impairment)	191	0
Membership fees	351	517
Donations	62	147
Loss on non-current assets disposal and decommissioning	2,148	827
Write-off that revaluates receivables	8,166	13,132
Compensation	700	30
Other	4,504	7,685
Total	**16,122**	**22,338**

3.27 Finance Costs – Net

	12 months ended 31 December 2013	**12 months ended 31 December 2012**
Interest expense, including:	(3,618)	(4,613)
- Interest on borrowings	*(3,734)*	*(4,289)*
- Other	*116*	*(324)*
Gains on bank deposits	3,188	5,122
Gains on disposal of securities	-	-
Gains/(losses) on disposal of financial assets	1,530	1,661
Net gains/(losses) on exchange differences (note 3.29)	285	7,071
Fair value valuation of financial instruments and investment	90,	757
Other, including:	841	(1,005)
- compensation and financial penalties	-	-
- other	*841*	*(1,005)*
Total	**2,316**	**8,993**

3.28 Income Tax

	12 months ended 31 December 2013	**12 months ended 31 December 2012**
Current tax	15,642	11,959
Deferred tax	(2,172)	(9,474)
Total	**13,470**	**2,485**

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	12 months ended 31 December 2013	**12 months ended 31 December 2012**
Consolidated gross profit before tax	**36,724**	**39,737**
Tax calculated with the nominal rate on gross profit	*19,949*	*17,950*
Differences between gross profit and basis of taxation:		
- Consolidation adjustments	6,841	(16,675)
- Exclusions of losses in consolidated companies	40,704	55,484
Sum of gross profits in consolidated entities (nominal basis of taxation with the assumption of correspondence of balance sheet profit with the basis of taxation)	**84,269**	**78,546**

All amounts are expressed in thousands of PLN unless otherwise indicated

Permanent and temporary differences between gross profit and the actual basis of taxation, including:	(23,269)	(26,488)
- Utilisation of previously recognised tax losses	*(11,764)*	*(27,667)*
- Differences between basis of taxation and gross profit	*28,605*	*49,259*
- Income not subject to tax (due to activities in SEZ)	*(38,160)*	*(45,229)*
- Income not subject to tax (shareholders are tax payers)	*(2,129)*	*(2,851)*
- Other - income not subject to tax	*-*	*-*
Taxable base from income tax	**60,821**	**52,058**
Tax calculated at tax rate for the Group	*15,642*	*11,959*
Effective tax rate	18.56%	15.23%

The applicable tax rate was 23.67% in 2013 and resulted from the average tax rates for the consolidated entities. The applicable tax rate was 22.97% in 2012 and resulted from the average tax rates for the consolidated entities. Tax authorities can run inspections for books of account and tax settlements within 5 years of the end of the year, in which tax returns were filed and can charge additional tax on the Group along with penalties and interest. In the opinion of the Management Board of the parent company, there are no circumstances indicating possibility of arising significant obligations on this account.

3.29 Net Foreign Exchange (Looses) /Gains

The exchange differences (charged)/credited to the income statement are included as follows:

	12 months ended 31 December 2013	**12 months ended 31 December 2012**
Revenues from sales	1,559	(12,020)
Costs of products, goods and materials sold	(1,070)	840
Finance costs-net	285	7,071
Total	**774**	**(4,109)**

3.30 Earnings per Share

	12 months ended 31 December 2013	**12 months ended 31 December 2012**
Net profit for the period attributable to equity holders of the Group	25,077	40,660
Weighted average number of shares in issue (thousands)	8,051	8,051
Basic earnings per share (PLN)	**3,11**	**5,05**
Diluted number of shares (thousands)	8,125	8,051
Diluted earnings per share (PLN)	**3.09**	**5.05**

Basic earnings per share in the column "12 months ended 31 December 2013" is calculated by dividing the net profit attributable to shareholders of the company for the period from 1st of January, 2013, to 31st of December, 2013 by the weighted average number of shares in issue between 1st of January, 2013, to 31st of December, 2013, where the number of days is the weight. Basic earnings per share in the column "12 months ended 31 December 2012" is calculated by dividing the net profit attributable to shareholders of the company for the period from 1st of January, 2012, to 31st of December, 2012 by the weighted average number of shares in issue between 1st of January, 2012, to 31st of December, 2012, where the number of days is the weight.

Diluted earnings per share in the column "12 months ended 31 December 2013" is calculated by dividing the net consolidated profit attributable to shareholders of the company for the period from 1st of January, 2013, to 31st of December, 2013 by the sum of the weighted average number of shares in issue between 1st of January, 2013, to 31st of December, 2013, where the number of days is the weight and diluted number of shares (equal to 73 753) (according to IAS 33) resulting from possible execution of the managerial option for 2013. Diluted earnings per share in the column "12 months ended 31 December 2012" is calculated by dividing the net consolidated profit attributable to shareholders of the company for the period from 1st of January, 2012, to 31st of December, 2012 by the sum of the weighted average number of shares in issue between 1st of January, 2012, to 31st of December, 2012, where the number of days is the weight and diluted number of shares (according to IAS 33) resulting from possible execution of the managerial option for 2012.

All amounts are expressed in thousands of PLN unless otherwise indicated

3.31 Related-Party Transactions

3.31.1. Revenues from Sales of Goods and Services

	12 months ended 31 December 2013	12 months ended 31 December 2012
Revenues from sales of goods:		
SoInteractive S.A.	2	-
	2	**-**
Revenues from sales of services:		
SoInteractive S.A.	258	201
	258	**201**
	260	**201**

Price for services is determined depending on the type of transaction, according to one of three methods:
1) comparable market price,
2) cost - plus basis (margin from 2 to 3% for goods, 5% for services),
3) margin on sales of services (from 10% to 40%).

3.31.2. Purchases of Goods and Services

	12 months ended 31 December 2013	12 months ended 31 December 2012
Purchases of goods:		
SoInteractive S.A.	459	60
	459	**60**
Purchases of services:		
SoInteractive S.A.		
Included in generation costs	*1,200*	*612*
Included in other costs	*3,063*	*3,355*
	4,263	**3,967**
	4,722	**4,027**

Price for services and goods is usually negotiated with related entities using one of the above methods. In the reporting period, there were no significant transactions with related entities other than those listed above.

3.31.3. Balance of Settlements as of the Balance Sheet Date Resulting from the Sale/Purchase of Goods /Services

	12 months ended 31 December 2013	12 months ended 31 December 2012
Receivables from related parties		
SoInteractive S.A.	47	94
	47	**94**
Payables to related parties		
SoInteractive S.A.	467	1.120
	467	**1.120**

All amounts are expressed in thousands of PLN unless otherwise indicated

3.31.4. Transactions with Associates and Personally Related Entities

	PLN'000
Purchases from personally related entities	1,092
Sales to personally related entities	122
Loans and interest on loans paid by personally related entities	811
Loans and interest on loans granted to personally related entities	8,754
Purchases from associates	4,722
Sales to associates	260
Loans and interest on loans paid by associates	154
Loans and interest on loans granted to associates	10

The item contains a loan in amount to 7.14 million PLN granted to a Chairperson of Comarch S.A.'s Supervisory Board by Bonus Management sp. z o.o. SK-A and Bonus Management sp. z o.o. II Activia SK-A. The loan was repaid in total before the date of the publication of the statement.

3.32 Value of Remuneration of the Managing and Supervising Persons in 2013 and in 2012

Remuneration of members of the Management Board of Comarch S.A. in 2013 were PLN 15,420,673.00. Remuneration of members of the Management Board of Comarch S.A. in 2013 paid by subsidiaries and associates were PLN 4,240,207.80. Remuneration of members of the Management Board of Comarch S.A. in 2012 were PLN 20,365,799.95. Remuneration of members of the Management Board of Comarch S.A. in 2012 paid by subsidiaries and associates were PLN 6,965,406.19.

2012 (in PLN)

Comarch S.A.'s Management Board

		Paid by Comarch S.A.	Paid by subsidiaries and associates	Total
1	Janusz Filipiak	6,052,464.00	6,309,300.40	12,361,764.40
2	Piotr Piątosa	2,322,144.60	362,732.40	2,684,877.00
3	Paweł Prokop	628,915.15	5,071.00	633,986.15
4	Piotr Reichert	1,145,744.40	151,201.39	1,296,945.79
5	Zbigniew Rymarczyk	951,973.40	6,000.00	957,973.40
6	Konrad Tarański	717,548.41	111,125.00	828,673.41
7	Marcin Warwas	1,581,603.80	19,976.00	1,601,579.80
	Total	**13,400,393.76**	**6,965,406.19**	**20,365,799.95**

Comarch S.A.'s Board of Supervisors

		Paid by Comarch S.A.	Paid by subsidiaries and associates	Total
1	Elżbieta Filipiak	202,572.00	34,067.00	236,639.00
2	Maciej Brzeziński	30,000.00	0.00	30,000.00
3	Danuta Drobniak	30,000.00	0.00	30,000.00
4	Wojciech Kucharzyk	30,000.00	0.00	30,000.00
5	Anna Ławrynowicz	30,000.00	0.00	30,000.00
6	Tadeusz Syryjczyk	30,000.00	0.00	30,000.00
	Total	**352,572.00**	**34,067.00**	**386,639.00**

All amounts are expressed in thousands of PLN unless otherwise indicated

In 2012, there were no payments from the net profit of Comarch S.A. as a dividend.

In 2012, there were no shares granted in order to execute managerial option program (point 3.14.3 a) of this statement).

2013 (in PLN)

Comarch S.A.'s Management Board

		Paid by Comarch S.A.	Paid by subsidiaries and associates	Total
1	Janusz Filipiak	4,280,413.00	3,817,030.91	8,097,443.91
2	Piotr Piątosa	1,714,047.05	184,385.80	1,898,432.85
3	Paweł Prokop	865,639.54	7,523.80	873,163.34
4	Piotr Reichert	1,272,274.06	176,862.00	1,449,136.06
5	Zbigniew Rymarczyk	915,875.17	53,844.80	969,719.97
6	Konrad Tarański	550,163.28	188,316.80	738,480.08
7	Marcin Warwas	1,582,053.10	7,523.80	1,589,576.90
	Total *	**11,180,465.20**	**4,435,487.91**	**15,615,953.11**

**) On the 26th of June, 2013, the Annual General Meeting of Comarch S.A. passed resolutions on election of members of the Management Board of Comarch S.A. (RB 14/2013 dated the 26th of June, 2013): Janusz Filipiak - President of the Management Board, Piotr Piątosa – 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.*

Comarch S.A.'s Supervisory Board

		Paid by Comarch S.A.	Paid by subsidiaries and associates	Total
1	Elżbieta Filipiak	121,000.00	963,038.86	1,084,038.86
2	Maciej Brzeziński	30,000.00	0.00	30,000.00
3	Danuta Drobniak	30,000.00	0.00	30,000.00
4	Wojciech Kucharzyk	30,000.00	0.00	30,000.00
5	Anna Ławrynowicz	30,000.00	0.00	30,000.00
6	Anna Pruska	15,375.00	167,674.95	183,049.95
7	Tadeusz Syryjczyk	14,750.00	0.00	14,750.00
	Total *	**271,125.00**	**1,130,713.81**	**1,401,838.81**

**) Tadeusz Syryjczyk was member of the Supervisory Board of Comarch S.A. till the 26th of June, 2013. On the 26th of June, 2013, the Annual General Meeting of Comarch S.A. passed resolutions on election of members of the Supervisory Board of Comarch S.A. (RB 13/2013 dated the 26th of June, 2013): Elżbieta Filipiak – Chairman of the Supervisory Board, Maciej Brzeziński – Vice-Chairman of the Supervisory Board, Danuta Drobniak- member of the Supervisory Board, Wojciech Kucharzyk- member of the Supervisory Board, Anna Ławrynowicz- member of the Supervisory Board, Anna Pruska- member of the Supervisory Board.*

		Paid from the Comarch S.A.'s net profit as a dividend
1	Janusz Filipiak	3,930,015
2	Piotr Piątosa	25,268
3	Paweł Prokop	49,50
4	Piotr Reichert	9,104
5	Zbigniew Rymarczyk	42,212
6	Konrad Tarański	9,104
7	Marcin Warwas	9,104
8	Elżbieta Filipiak	1,269,000

Point 3.13.1 e) of this financial statement describes the Managerial Option Program and presents details regarding shares granted in 2013 under the execution of this Program.

All amounts are expressed in thousands of PLN unless otherwise indicated

3.33 Information About Shareholders and Shares Held by Members of the Management Board and the Board of Supervisors

3.33.1. Information about Shareholders Holding Directly or Indirectly by Subsidiary Entities at least 5% of the Total Number of Votes at the General Meeting of Comarch S.A., at the Date of Preparing the Financial Report

As at the date of the report's preparation:
- Janusz Filipiak held 2,669,315 shares (32.85% of the company's share capital), which gave him 6,241,315 votes at the AGM and constituted 41.28% of all votes at the AGM;
- Elżbieta Filipiak held 846,000 shares (10.41% of the company's share capital), which gave her 4,230,000 votes at the AGM and constituted 27.98% of all votes at the AGM.

3.33.2. Changes in Holdings of Comarch S.A. Shares by Managing and Supervising Persons between 28 February 2014 and 30 April 2014

The following table presents the ownership of Comarch S.A. shares by management and supervisors as at the date on which the quarterly consolidated report for the fourth quarter of 2013, i.e. the 28th of February 2014 and on the 30th of April, 2014, pursuant to the information possessed by the company.

Members of the Management Board and the Board of Supervisors	Position	At 30 April 2014		At 28 February 2014	
		Shares	(%) in votes	Shares	(%) in votes
Janusz Filipiak	President of the Management Board	2,669,315	41.28	2,620,010	41.16
Elżbieta Filipiak	Chairman of the Board of Supervisors	846,000	27.98	846,000	28.12
Piotr Piątosa	Vice-President of the Management Board	20,953	0.14	16,845	0.11
Paweł Prokop	Vice-President of the Management Board	37,108	0.49	33,000	0.47
Piotr Reichert	Vice-President of the Management Board	10,177	0.07	6,069	0.04
Zbigniew Rymarczyk	Vice-President of the Management Board	32,249	0.21	28,141	0.19
Konrad Tarański	Vice-President of the Management Board	10,177	0.07	6,069	0.04
Marcin Warwas	Vice-President of the Management Board	10,177	0.07	6,069	0.04
Number of issued shares *		**8,125,590**	**100.00**	**8,051,637**	**100.00**

**) On the 31st of March, 2014, the District Court for Kraków-Śródmieście, the Eleventh Economic Division of the National Court Register registered increase in the company's share capital to the amount of PLN 8,125,590.00 in relation to issuance of 73,953 ordinary bearer series K3 shares in order to execute managerial option program for key employees. After this increase the company's share capital is divided into 8,125,590 shares. It corresponds to 15,119,190 votes at the company's AGM.*

3.34 Factors and Events of Unusual Nature with Significant Effects on the Achieved Financial Results

3.34.1. Deferred Income Tax Asset

Over 2013, the parent company dissolved in part an asset due to activities in the SEZ that was worth 10.055 million PLN and established as at 31st of December, 2012. At the same time, the parent company recognised an asset in the amount of 8.795 million PLN (impact on earnings: -1.26 million PLN). During 2013, Group settled in part a deferred tax asset related to temporary differences, that was presented on 31st of December, 2012 and worth 3.697 million PLN, as well as an asset due to temporary differences was recognised in the amount of 9.417 million PLN. An asset due to tax loss was dissolved in the amount of 4.019 million PLN and recognised in the amount of 0.753 million PLN. The total effect of the above-mentioned operations on the net result of 2013 was +1.194 million PLN.

3.34.2. Valuation of Currency Translation Differences

Fluctuations of PLN versus EUR and USD in 2013 had a less significant effect on revenue and results of the Comarch Group. Realised exchange differences and balance sheet valuation of exchange differences on receivables and liabilities as of the 31st of December, 2013, increased by 0.49 million PLN revenue and operating result of the Comarch Group. Other exchange differences increased by 0.29 million PLN Comarch's result. Total currency translation differences resulted in an increase of 0.78 million PLN in the Comarch Group's net result.

3.35 Events after the Balance Sheet Date

3.35.1. Dates of Periodical Financial Reports in 2014

In the current report no. 1/2014 dated the 13th of January, 2014, Comarch S.A.'s Management Board set the following dates of periodical financial reports in 2014:
1) Q4 2013 - on 28th of February, 2014
2) Q1 2014 - on 15th of May, 2014
3) Q3 2014 - on 14th of November, 2014
4) Consolidated half-year report which include condensed consolidated financial statement and condensed financial statement for the first half of 2014 - on 29th of August, 2014
5) Annual report for 2013 - on 30th of April, 2014
6) Consolidated annual report for 2013 - on 30th of April, 2014

3.35.2. Execution of the Managerial Option Program

Acting in execution of the Resolution no. 23 of the Annual General Meeting of Comarch S.A. of the 28th of June, 2010, regarding the managerial option program for key employees, on the 13th of January, 2014, the Supervisory Board of Comarch S.A. passed the Resolution no. 2/01/2014 on execution of the managerial option program for 2013, by way of issuance of 73,953 ordinary bearer series K3 shares, of nominal value of PLN 1 and issue price of PLN 1 each, excluding a stock right of the current company's shareholders (current report no. 2/2014 dated the 13th of January, 2014). As a consequence the Management Board of Comarch S.A. passed the Resolution no. 1 dated the 20th of January, 2014, regarding an increase in the share capital by way of emission of 73,953 ordinary bearer series K3 shares.

3.35.3. Resolution of the Management Board of the changes in Comarch S.A. Articles of Association

Comarch S.A.'s Management Board due to the increase in the company's share capital established with the Resolution no. 1 dated the 20th of January, 2014, passed the Resolution amending Comarch S.A.'s Articles of Association in this way that art. 7 sec. 1 of the company's articles of association will be worded as follows: "The Company's share capital comes to PLN 8,125,590.00 (in writing: eight million one hundred twenty-five thousand five hundred ninety) and is divided into PLN 8,125,590.00 (in writing: eight million one hundred twenty-five thousand five hundred ninety) shares, including: 1,748,400 (one million seven hundred forty-eight thousand four hundred) registered preference shares of nominal value of PLN 1.00 (in writing: one zloty) every share and 6,377,190 (six million three hundred seventy-seven hundred one hundred ninety) ordinary bearer shares of nominal value of PLN 1.00 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,
13) 73,953 series K3 ordinary bearer shares (current report no. 3/2014 dated the 20th of January, 2014)."

3.35.4. Registration of an increase in share capital of MKS Cracovia SSA

On the 7th of January, 2014, pursuant to a decision of the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, an increase in share capital of MKS Cracovia SSA from PLN 19,560,100.00 to PLN 21,840,100.00 was registered. As a consequence, Comarch S.A. holds 66.11% of shares in the share capital of MKS Cracovia SSA which entitle to 66.11% of votes at the company's general meeting (current report no. 4/2014 dated the 28th of January, 2014).

3.35.5. Creation of an Mortgage on Assets Owned by Comarch S.A.

On the 19th of March, 2014, Comarch S.A.'s Management Board received a notice from the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register, on registration of a mortgage, dated the 13th of February, 2014, and related to a real estate located in the Special Economic Zone in Krakow and owned by Comarch S.A. Current book value of the real estate amounts to PLN 15,859,186.26. The basis for this registration is investment credit agreement mentioned in point 3.18.1 and (current report no. 5/2014 dated the 20th of March, 2014).

3.35.6. Contract with the Ministry of Justice

On the 21st of March, 2014, a contract was signed between Comarch Polska S.A., a subsidiary of Comarch and Ministerstwo Sprawiedliwości (Ministry of Justice). The tasks covered by the contract are delivery and implementation of the system for digital recording of court proceedings in common courts, hereinafter referred to as the "System", system modifications, as well as maintenance and technical support for the System. The contract's net value amounts to PLN 75,864,983.74 (gross value: PLN 93,313,930.00). The delivery term, installation, configuration and implementation of the System in the courtrooms in common courts is the 28th of February, 2015; maintenance and technical support for the System will be provided for 24 months from the date of signing the final acceptance protocol. The total value of contracts concluded by the companies in the Comarch Group with the Ministry of Justice during the previous 12 months amounted to PLN 90,275,417.74. The company announced details in current report no. 6/2014 dated the 21st of March, 2014.

3.35.7. Registration of Increase in Comarch S.A. Share Capital

On the 31st of March, 2014, the District Court for Kraków-Śródmieście, the Eleventh Economic Division of the National Court Register registered increase in the company's share capital to the amount of PLN 8,125,590.00. After this increase the company's share capital is divided into 8,125,590 shares. It corresponds to 15,119,190 votes at the company's AGM (current report no. 6/2014 dated the 21st of March, 2014).
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,
13) 73,953 series K3 ordinary bearer shares.

3.35.8. Registration of Changes in Comarch S.A. Articles of Association

On the 31st of March, 2014, the District Court for Kraków-Śródmieście, the Eleventh Economic Division of the National Court Register registered changes in the company's Articles of Association (current report no. 8/2014 dated the 4th of April, 2014).
Article 7 sec. 1 of the company's articles of association is worded as follows: "The Company's share capital comes to PLN 8,125,590.00 (in writing: eight million one hundred twenty-five thousand five hundred ninety) and is divided into PLN 8,125,590.00 (in writing: eight million one

hundred twenty-five thousand five hundred ninety) shares, including: 1,748,400 (one million seven hundred forty-eight thousand four hundred) registered preference shares of nominal value of PLN 1.00 (in writing: one zloty) every share and 6,377,190 (six million three hundred seventy-seven hundred one hundred ninety) ordinary bearer shares of nominal value of PLN 1.00 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,
13) 73,953 series K3 ordinary bearer shares."

3.35.9. Operating Credit Agreement

As of the 8th of April, 2014, Comarch S.A. signed an operating credit agreement with bank Polska Kasa Opieki Spółka Akcyjna (PEKAO S.A.) with its registered office in Warsaw (current report no. 9/2014 dated the 9th of April, 2014), for financing and refinancing of deliveries related to the contract for delivery and implementation of the system for digital recording of court proceedings in common courts which was concluded between Ministerstwo Sprawiedliwości (Ministry of Justice) and Comarch Polska S.A., a subsidiary of Comarch S.A. (current report no. 6/2014 dated the 21st of March, 2014). The credit amounts to 35 million PLN. The crediting period: till the 30th of November, 2014, at a variable interest rate. It should be drawdown by 30th of September, 2014. The surety granted by Comarch Polska S.A., a subsidiary of Comarch S.A., declaration of submission to enforcement and authorisation to manage accounts in PEKAO S.A., as well as declaration of submission to enforcement and authorisation to manage Comarch S.A.'s accounts in PEKAO S.A. are security for this credit.

3.35.10. Resolution of the National Deposit for Securities on the Registration of Series K3 Shares

The Management Board of Comarch S.A. received resolution no. 424/14 of the Management Board of the National Deposit for Securities dated the 25th of April, 2014 in relation to the conditional registration of series K3 shares. The Management Board of the National Deposit for Securities decided to register 73,953 ordinary bearer series K3 Comarch S.A. shares of a nominal value of 1 PLN each and mark them with the code PLCOMAR00012, providing that the company managing the regulated market decides that these shares will be introduced to trading on the regulated market where other Comarch S.A. shares were introduced, providing that the above-mentioned bearer series K3 shares will be registered in the National Deposit for Securities three days from the reception by the National Deposit of documents that confirm that decision mentioned above was made by the company managing the regulated market, but not earlier than on the day of introduction to trading that was pointed out in the decision. The company announced details in current report no. 10/2014 dated the 25th of April, 2014.

3.35.11. Subcontracting Agreement between Comarch Polska S.A. and Comarch S.A.

On the 25th of April, 2014, a contract was signed between Comarch Polska S.A., a subsidiary of Comarch (hereinafter referred to as the "Comarch Polska") and Comarch S.A. The tasks covered by the contract are delivery and implementation of the system for digital recording of court proceedings in common courts, hereinafter referred to as the "System", system modifications, as well as maintenance and technical support for the System in relation to the contract concluded between Comarch Polska S.A. and Ministry of Justice which was announced by Comarch S.A. in the current report no. 6/2014 of the 21st of March, 2014. The contract's net value amounts to PLN 73,057,979.34. The delivery term, installation, configuration and implementation of the System in the courtrooms in common courts is the 28th of February, 2015; maintenance and technical support for the System will be provided for 24 months from the date of signing the final acceptance protocol. The company announced details in current report no. 11/2014 dated the 25th of April, 2014.

All amounts are expressed in thousands of PLN unless otherwise indicated

3.35.12. Forward Contracts Concluded after the Balance Sheet Date

Between the 1st of January, 2014 and the 30th of April, 2014, Comarch S.A. concluded forward contracts for the sales of 3.5 million euro, 1.7 million USD and 1.7 million GBP. The total net value of open forward contracts as of the 30th of April, 2014 amounted to 10.6 million EUR, 3.3 million USD and 1.6 million GBP. The open forward contracts as of the 30th of April, 2014 were valuated at 2.15 million PLN. The contracts will be settled within twenty one 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, and to secure cash flows on account of an investment credit granted in euro.

3.36 Significant Legal, Arbitration or Administrative Proceedings

The Comarch Group is the defendant in legal proceedings and is the party to the matters in disputes but not legal proceedings, in which the potential total amount of third party claims is 7.66 million PLN. Provisions for part of these claims were presented in the balance sheet as of 31st of December, 2013 and are worth 0.63 million PLN. They include provisions for claims recognised in 2013 and worth 0.13 million PLN. In the opinion of the Management Boards in the entities of the Comarch Group and based on the opinions of legal advisors, there are no circumstances suggesting the necessity to create provisions for the rest of the claims.

3.37 Equity Management

The main goal in the Group's equity management is maintenance of a secure debt structure and keeping debt ratios compliant with credit agreements concluded by the Group. The Group is able to manage its equity structure depending on changes of economic conditions through taking or repayment of loans, new shares issue or payment of dividend. In 2013, the Group did not change its goals or equity management politics.

The Group monitors its equity balance quarterly, mostly by analysis of solvency ratio, which is calculated by dividing equity by total assets.

	31 December 2013	**31 December 2012**
Equity	637,711	624,942
Total assets	1,142,301	1,146,743
Solvency ratio	**55.83%**	**54.5%**

Over 2013, solvency ratio increased slightly mostly as a result of increase in equity. It remained at a very secure level which ensures the potential possibility of increasing debt significantly (by acquiring external financing) if needed.
Over 2013, all companies in the Group adhered to the credit agreements' conditions. The parent unit's Management Board finds no risk of their violation.

30th of April, 2014

SIGNATURES OF MANAGEMENT BOARD MEMBERS

NAME AND SURNAME	**POSITION**	**SIGNATURE**
Janusz Filipiak	President of the Management Board	
Piotr Piątosa	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	

SIGNATURE OF PERSON CHARGED WITH CARRYING ON ACCOUNT BOOKS

NAME AND SURNAME	**POSITION**	**SIGNATURE**
Maria Smolińska	Head Accountant	