

**COMARCH S.A.  
KRAKOW, AL. JANA PAWŁA II 39A**

**FINANCIAL STATEMENT  
FOR 2011  
AS WELL AS  
OPINION OF AN INDEPENDANT AUDITOR  
AND  
REPORT OF AN AUDITOR**

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**FINANCIAL STATEMENT OF COMARCH S.A. FOR 2011**

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**STATEMENT REGARDING ACTIVITIES OF COMARCH S.A. IN 2011**

## **OPINION OF AN INDEPENDENT AUDITOR**

### **To the Shareholders and the Board of Supervisors of Comarch S.A.**

We carried out the audit of the attached financial statement of Comarch S.A. with its registered office in Krakow, at al. Jana Pawła II 39A, including introduction to the financial statement, balance sheet as at 31<sup>st</sup> of December, 2011, income statement, changes in equity, cash flow statement for the period from 1<sup>st</sup> of January, 2011 to 31<sup>st</sup> of December, 2011, and additional information and commentary.

The Management Board of the company is responsible for the preparation of the financial statement and report regarding the activities.

The Management Board of the company and members of the Supervisory Board are obliged to ensure that the financial statement and report regarding the activities are compliant with the regulations of the Act on Accounting dated the 29<sup>th</sup> of September, 1994 (Journal of Laws from 2009, No. 152, pos. 1223, and subsequent changes), hereinafter referred to as the "Act on Accounting".

Our task was to audit this financial statement and present our opinion regarding whether this financial statement has been prepared according to the accounting principles applied by the company, whether it presents, in all significant aspects, a true and fair view of the company's equity and financial situation as well as its financial results, and whether the accounting books, which form the basis for the preparation of the financial statement, are maintained on correctly.

The auditing was planned and conducted according to the following regulations:

- chapter 7 of Act on Accounting,
- national standards for financial review, issued by the National Board of Expert Auditors in Poland.

The audit was planned and executed so as to provide sufficient certainty in order to allow us to present our opinion regarding this financial statement. The audit included, in particular, verification of the correctness of the accounting principles applied by the company and significant assessments, as well as verification, largely on the basis of the sample, evidence and accounting records confirming the amounts and information presented in the financial statement. The audit included also the general assessment of the financial statement's presentation. We believe our audit constituted sufficient basis for expressing our opinion.

In our opinion, the audited financial statement, in all significant aspects:

- a) presents a true and fair view on the company's equity and financial situation as at 31<sup>st</sup> of December, 2011, and on the financial result for financial year from 1<sup>st</sup> of January to 31<sup>st</sup> of December, 2011,
- b) was prepared compliant with the binding accounting regulations and on the basis of accounting books carried on correctly,
- c) was prepared compliant with the binding law and the company's statute.

We would like to draw your attention to the fact that the present report is a financial statement and should primarily serve statute purposes. It cannot constitute the single grounds for assessment of the financial and material situation of the Capital Group, for which the company is a parent company. Apart from the financial statement, the company drafts the consolidated financial statements of the Capital Group.

The report regarding the activities of the company in 2011 is complete in the sense of art. 49 sec. 2 of Act on Accounting and the Regulation issued by the Minister of Finance on 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state and included information come directly from the audited financial statement and are compliant with it.

.....  
Marek Turczyński  
Key Expert Auditor  
Registration no. 90114

.....  
persons representing the company

.....  
entity entitled to audit the financial  
statements registered in the list of entities  
entitled under item no. 73  
(the list of KRBR)

Warsaw, 30<sup>th</sup> of April, 2012

**THE REPORT FROM THE AUDIT OF THE FINANCIAL STATEMENT  
FOR THE FINANCIAL YEAR 2011**

**I. GENERAL INFORMATION**

**1. General Characteristics of the audited Company**

The company operates under the company name of Comarch S. A. The city of Krakow, Al. Jana Pawła II 39 A is the office of the company.

The company operates in the form of a joint stock company, formed with a notarial deed on 30<sup>th</sup> of November, 1994 by notary, Maria Kwiecinska-Stybel in Krakow (Repertory No. A 5209/94).

Pursuant to the notice dated 20<sup>th</sup> of December, 1994, the company was registered in division B, at number RHB 3218 of a commercial register of the District Court for Kraków-Śródmieście, Economic Division of the National Court Register in Krakow. Currently, the company is registered at no. KRS 0000057567 in the register of business entities of the District Court for Kraków-Śródmieście, Economic Division of the National Court Register in Krakow.

The company's Tax Identification Number is 677-00-65-406 and was given by the Tax Office, Kraków-Sródmieście in Krakow on 1<sup>st</sup> of August, 2000.

On 14<sup>th</sup> of July, 2000, the Statistical Office registered the company at REGON no. 350527377.

The company operates compliant with the provisions of the Commercial Companies Code.

It also operates compliant with the permit on business activities in the Special Economic Zone in Krakow.

According to the company's statute, the subject matter of the company's activities is:

- Activities within the scope of satellite telecommunication,
- Activities within other forms of telecommunication,
- Research and development work within the scope of other natural and technical sciences,
- Research and development work within the scope of biotechnology,
- Production of electronic elements,
- Production of electronic printed circuit boards,
- Production of computer and peripheral devices,
- Production of (tele)communication hardware,
- Production of electronic hardware for common use,
- Production of machines and office devices, excluding computer and peripheral devices,
- Service and maintenance of machines,
- Service and maintenance of electronic and optic devices,
- Service and maintenance of electric devices,
- Installation of industry machines, hardware and equipment,
- Wholesale of computers, peripheral devices and software,
- Software activities,
- Advisement within the scope of informatics,

- Activities within the scope of IT hardware management,
- Other activities within the scope of informatics and computer technologies,
- Data processing; hosting and similar activities,
- Web portals activities,
- Other services activities within the scope of information, which were not classified elsewhere,
- Editorial activities within the scope of other software,
- Editorial activities within the scope of computer games,
- Other editorial activities,
- Service and maintenance of computer and peripheral devices
- Service and maintenance of (tele)communication hardware,
- Reproduction of computer data carriers,
- Activities within the scope of wire telecommunication,
- Activities within the scope of wireless telecommunication, excluding satellite telecommunication,
- Wholesale of electronic and telecommunication hardware, as well as their elements,
- Retail of computers, peripheral devices and software undertaken in specialized retail outlets,
- Retail of telecommunication hardware undertaken in specialized retail outlets,
- Retail undertaken through mail-order houses or Internet,
- Road transport of items,
- Warehousing and storage of other items,
- Finance leasing,
- The purchase and sale of real estate properties on its own account,
- Rental and management of owned or leased real estate properties,
- Intermediation within the scope of real estate properties' dealing,
- Rental and lease of machines and office devices, including computers,
- Extramural forms of sports education as well as sport and recreational activities,
- Other extramural forms of education, which were not classified elsewhere,
- Activities supporting education,
- Other activities supporting business activities, which were not classified elsewhere,
- Sports facilities activities,
- Other sports related activities,
- Execution of building projects associated with raising buildings,
- Construction activities associated with raising residential and non-residential buildings,
- Activities associated with construction of telecommunications lines and electrical power engineering,
- Activities associated with the construction of remaining objects of civil and water engineering,
- Construction of electric and water-sewer installations, as well as remaining construction installations.

During the audited period, the company operates within IT business.

As at 31<sup>st</sup> of December, 2011, the company's share capital accounted for 8,051,637.00 PLN and was divided into 6,303,237 ordinary shares of nominal value of 1 PLN each and 1,748,400 registered shares of nominal value of 1.00 PLN each. Registered shares are preferential for voting so that 5 votes in the General Meeting correspond with each share.

As at 31<sup>st</sup> of December, 2011, shareholders holding, directly or indirectly by subsidiary entities, at least 5% of the total number of votes in the general meeting of Comarch S.A. are:

- Janusz Filipiak – 32.54% in the company's share capital (41.16% of votes at the AGM),
- Elżbieta Filipiak – 10.51% in the company's share capital (28.12% of votes at the AGM).

Within the financial year there were no changes in the company's share capital and changes in the ownership structure of the share capital resulted from purchase/sale transactions of the company's shares at the Warsaw Stock Exchange.

After the balance sheet date there were no changes in the company's share capital.

As at the 31<sup>st</sup> of December, 2011, the equity was 609,697 thousand PLN.

The financial year of Comarch S.A. is the calendar year.

The company holds a share in the following related parties:

- |   |   |                                 |
|---|---|---------------------------------|
| - Comarch AG                                  | - | a subsidiary in 100%,           |
| - Comarch R&D S.à r.l.                        | - | a subsidiary in 70%,            |
| - Comarch Software und Beratung AG            | - | a subsidiary in 92.32%,         |
| - Comarch Panama, Inc.                        | - | a subsidiary in 100%,           |
| - Comarch Solutions GmbH                      | - | a subsidiary in 92.32%,         |
| - Comarch Schilling GmbH                      | - | a subsidiary in 92.32%,         |
| - SoftM France S.à r.l.                       | - | a subsidiary in 92.32%,         |
| - Comarch Swiss AG                            | - | a subsidiary in 92.32%,         |
| - Comarch S.A.S.                              | - | a subsidiary in 100%,           |
| - Comarch Luxembourg S.à r.l.                 | - | a subsidiary in 100%,           |
| - Comarch Inc.                                | - | a subsidiary in 100%,           |
| - Comarch Canada, Corp.                       | - | a subsidiary in 100%,           |
| - Comarch Middle East FZ-LLC                  | - | a subsidiary in 100%,           |
| - Comarch LLC                                 | - | a subsidiary in 100%,           |
| - Comarch Software (Shanghai) Co. Ltd.        | - | a subsidiary in 100%,           |
| - OOO Comarch                                 | - | a subsidiary in 100%,           |
| - Comarch Vietnam Company Ltd.                | - | a subsidiary in 100%,           |
| - Comarch Oy                                  | - | a subsidiary in 100%,           |
| - UAB Comarch                                 | - | a subsidiary in 100%,           |
| - Comarch s.r.o                               | - | a subsidiary in 100%,           |
| - SouthForge Sp. z o.o.                       | - | a subsidiary in 100%,           |
| - CA Consulting S.A.                          | - | a subsidiary in 99.90%,         |
| - Comarch Management Sp. z o.o.               | - | a subsidiary in 100%,           |
| - Comarch Corporate Finance FIZ               | - | a subsidiary in 100%,           |
| - Comarch Management Sp. z o.o. SKA           | - | an indirect subsidiary in 100%, |
| - Bonus Development Sp. z o.o. SKA            | - | an indirect subsidiary in 100%, |
| - Bonus Development Sp. z o.o. II Koncept SKA | - | an indirect subsidiary in 100%, |
| - iMed 24 S.A.                                | - | an indirect subsidiary in 100%, |
| - iFin24 S.A.                                 | - | an indirect subsidiary in 100%, |



- iReward24 S.A. - an indirect subsidiary in 100%,
- Infrastruktura24 S.A. - an indirect subsidiary in 100%,
- iComarch24 S.A. - an indirect subsidiary 100%,
- CASA Management and Consulting Sp. z o.o. SKA - an indirect subsidiary in 100%,
- Bonus Management Sp. z o.o. SKA - an indirect subsidiary in 100%,
- Bonus Management Sp. z o.o. II Activia SKA - an indirect subsidiary in 100%,
- MKS Cracovia SSA - a subsidiary in 49.15%,
- SoInteractive Spółka z o.o. - an indirect associate,
- Fidletronik-Comarch Sp. z o.o. - an associate in 50%.

At the date of this report, the members of the Management Board are:

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

During the audited period, there were no changes in the membership of the company's Management Board.

## **2. Information regarding the Financial Statement from the Previous Financial Year**

For the year 2010, the company achieved net profit in the amount of 68,470 thousand PLN. The company's financial statement for the financial year of 2010 was audited by an expert auditor. An audit was carried out by BDO Sp. z o.o., the entitled auditor. There were no reservations in the opinion of an expert auditor dated 29<sup>th</sup> of April, 2011.

The Annual General Meeting that approved the financial statement for the financial year of 2010 was held on 29<sup>th</sup> of June, 2011. The AGM decided to allocate net profit for 2010 in its entirety for the supplementary capital.

On 7<sup>th</sup> of July, 2011, in compliance with the law, the financial statement for the financial year of 2010 was delivered to the National Court Register and on 14<sup>th</sup> of July, 2011, it was delivered for publishing in Monitor Polski B. The financial statement was published in Monitor Polski B no. 612 on 20<sup>th</sup> of February, 2012.

## **3. Data that Identifies an Entitled Entity and an Expert Auditor Carrying Out an Audit on behalf of the Entity**

The audit of the financial statement was carried out according to a contract dated 1<sup>st</sup> of August, 2011, concluded between Comarch S.A. and Deloitte Audyt Sp. z o.o. with its registered seat in Warsaw at al. Jana Pawła II 19. Deloitte Audyt Sp. z o.o. is registered under item no. 73 in the list of entities entitled to audit financial statements (the list of National Council of Auditors). On behalf of the entity entitled to audit financial statements, the audit was carried out under the supervision of the key expert auditor Marek Turczyński (register no. 90114) at the company's seat from 12<sup>th</sup> of March, 2012 to 30<sup>th</sup> of March, 2012, and off-the-seat until the date of the opinion.

On 19<sup>th</sup> of July, 2011, according to the authorisation that is included in art. 19 sec. 2 of the company's statute, the Board of Supervisors selected the entitled auditor.

Deloitte Audyt Sp. z o.o. and key expert auditor Marek Turczyński confirm that they are entitled to audit financial statements and perform the conditions specified in art. 56 Act on Expert Auditors, and their Management, Entities Entitled to Audit Financial Statements and Public Supervision (Journal of

Laws from 2009, No. 77, pos. 649 and subsequent changes), to provide a fair and independent opinion regarding the financial statement of Comarch S.A.

**4. Data Availability and Statements of the Entity's Management**

There were no limitations within the audit.

During the audit, all demanded documents and data were made available to the entitled entity and key expert auditor, as well, comprehensive information and explanations were also granted. That was, among other things, confirmed by a written statement from the company's Management Board dated 30<sup>th</sup> of April, 2012.

## II. EQUITY AND FINANCIAL SITUATION OF THE COMPANY

Below is the basic data from the income statement and financial ratios describing the company's financial result, its equity and financial situation compared to parallel data for the previous years.

<u>Basic data from income statement</u> (in thousands of PLN)	<u>2011</u>	<u>2010</u>
Revenues from sales	567,673	559,453
Costs from operating activities	479,464	464,814
Other operating revenues	3,572	467
Other operating costs	38,033	19,887
Financial revenues	20,632	6,130
Finance costs	11,689	6,680
Extraordinary profit (loss)	-	-
Income tax	7,500	6,199
Net profit (loss)	55,191	68,470
	<u>2011</u>	<u>2010</u>
<u>Profitability ratios</u>		
- gross margin	11%	13%
- net margin	10%	12%
- return on equity	10%	14%
<u>Efficiency ratios</u>		
- assets turnover ratio	0.60	0.64
- receivables turnover ratio (days)	192	157
- liabilities turnover ratio (days)	81	76
- inventories turnover ratio (days)	28	28
<u>Liquidity/net working capital</u>		
- debt rate	36%	37%
- degree of covering assets with equity	64%	63%
- net working capital (in thousands of PLN)	188,346	190,738
- liquidity ratio	1.80	1.94
- cash to current liabilities ratio	1.66	1.74

An analysis of the above amounts and ratios indicates the following tendencies in 2011:

- decreases in sales profitability and return on equity,
- increases in turnover time of receivables and liabilities,
- decrease in assets turnover ratio,
- increase in covering assets with equity,
- decrease in debt rate,
- decrease in working capital in the company,
- decreases in liquidity ratios.

### **III. DETAILED INFORMATION**

#### **1. Accounting System Appraisal**

The company has financial records compliant with the regulations specified in art. 10 of the Act on Accounting dated the 29<sup>th</sup> of September, 1994 (Journal of Laws from 2009, No. 152, pos. 1223, and subsequent changes), hereinafter referred to as the “Act on Accounting”, in particular concerning: determination of the financial year, and reporting periods that are included in it, methods of valuation of assets, equity and liabilities, establishing the financial result, methods of preparation of accounting books, data protection systems and data files. The documentation of accounting policy was prepared compliant with Act on Accounting and basic principles of valuation of assets, equity and liabilities and of establishing the financial result were presented in the introduction to the financial statement.

The principles applied by the company are compliant with Act on Accounting and basic principles of valuation of assets, equity and liabilities and of establishing the financial result were presented in the introduction to the financial statement.

The accounting principles selected at the company’s discretion pursuant to section 4 of Act on Accounting have been selected in a manner that correctly reflects specifics of the company’s operations, its financial standing and achieved financial results. These principles have been applied continuously and unchanged compared to those applied to the accounting records and financial statements in the previous year.

The company uses a computer system of accounting records, named Egeria. All economical events are entered in this system. The Egeria system is secured with a password against unauthorized persons and allows for functional limitation of access. Description of this system is compliant with the requirements of art. 10 sec. 1 pt. 3 lit. c) of Act on Accounting.

The opening balance results from the approved financial statement for the previous financial year and was input correctly into the accounting books for the audited period.

In the part we audited, documentary economical operations, the accounting books and the affiliation of accounting writing with the documents and financial statements are compliant with chapter 2 of Act on Accounting.

Accounting books, accounting evidence, documentation of the methods applied to conducting accounting and the approved financial statement of the company are stored in compliance with chapter 8 of Accounting Act.

The company carried out a control of assets, liabilities and equity within the terms and frequency compliant with Act on Accounting. Control differences were presented and settled in the books of the audited period.

## **2. Information on Audited Financial Statement**

The audited financial statement was prepared as at 31<sup>st</sup> of December, 2011 and includes:

- introduction to the financial statement,
- balance sheet as at 31<sup>st</sup> of December, 2011, with total assets and total equity and liabilities amounting to 953,265 thousand PLN,
- income statement for the period from 1<sup>st</sup> of January, 2011 to 31<sup>st</sup> of December, 2011, with net profit for the year amounting to 55,191 thousand PLN,
- changes in equity for the period from 1<sup>st</sup> of January, 2011 to 31<sup>st</sup> of December, 2011, presenting an increase in equity in the amount of 50,489 thousand PLN,
- cash flow statement for the period from 1<sup>st</sup> of January, 2011 to 31<sup>st</sup> of December, 2011, presenting an increase in cash in the amount of 3,089 thousand PLN,
- additional information and commentary.

The structure of assets, equity and liabilities, and items that create the financial result is presented in the financial statement.

## **3. Information on Selected and Significant Items in the Financial Statement**

### Property, plant and equipment

Property, plant and equipment of the company include:

- property, plant and equipment in use in the amount of 200,536 thousand PLN,
- property, plant and equipment under construction in the amount of 1.628 thousand PLN,
- advances for property, plant and equipment under construction in the amount of 14 thousand PLN.

Commentary notes and information to the financial statement correctly describe changes in property, plant and equipment in use and property, plant and equipment under construction, including the recognition of possible write-offs that revalue the above property items.

### Non-current investment

Non-current investment of the company includes:

- interest and shares in subsidiaries in the amount of 64,635 thousand PLN,
- loans granted to subsidiaries in the amount of 55,747 thousand PLN,
- other securities issued by related companies in the amount of 162,173 thousand PLN,
- other non-current financial assets in the amount of 5,475 thousand PLN.

Commentary notes and information to the financial statement correctly describe changes in investment during the financial year.

### Inventories

The inventories structure and revaluating write-offs were correctly prepared in note that describes these balance sheet items.

### Receivables

The trade receivables age structure was correctly prepared in note that describes these balance sheet items, including revaluating write-offs. There were no outdated or extinguished receivables in the audited part of the financial statement. There were no items which were past due or charged with a

loss in value, for which no write-downs would be created in compliance with the accounting principles applied by the company.

#### Liabilities

Liabilities with the highest values are:

- non-current credits and loans in the amount of: 75,276 thousand PLN,
- current credits and loans in the amount of: 24,032 thousand PLN,
- liabilities due to deliveries and services in the amount 101,407 thousand PLN.

Details about credits and the description of their hedging and maturity were presented in additional notes and information to the financial statement.

There were no outdated or extinguished liabilities in the audited part of the financial statement. There were no significantly past due items, for which financial results of their overdue status would be created, as compliant with the contracts and trade conventions binding the company.

#### Prepayments, accruals and provisions for liabilities

Commentary notes that describe prepayments, accruals and provisions for liabilities, correctly describe their structure.

Cost and revenues settled in time are correctly classified within the audited accounting period.

Provisions for liabilities are established in reliably estimated amounts.

These items are presented completely and correctly in essential facets in relation to the total financial statement.

#### **4. Completeness and Correctness in the Preparation of the Introduction to the Financial Statement, Additional Information and Commentary and the Report regarding the Entity's Activities**

The introduction to the financial statement includes all required information of appendix no. 1 of Act on Accounting. The company confirmed that it had been appropriate to use a principle of business continuation when preparing the financial statement. Methods of assets, liabilities and equity valuation, the establishment of financial result and the method of financial statement preparation were completely and correctly described in this introduction.

The company prepared additional information and commentary in tabular notes related to the particular items of the balance sheet, income statement and descriptions.

Commentary notes to the items: property, plant and equipment, intangible assets, investment, liabilities and provisions for liabilities correctly present increases and decreases as well as the reasons for these changes during the financial year. The possibility of administration of the particular assets that are presented in the balance sheet was presented due to hedges made in the interest of creditors.

Additional information and commentary to the financial statement describe the reported items correctly and completely. They clearly present all additional information that is compliant with requirements specified in the regulation issued by the Regulation issued by the Minister of Finance on 18<sup>th</sup> of October, 2005 concerning information presented in financial statements and consolidated financial statements, required in a prospectus for issuers with its registered seat in Poland, to whom Polish accounting principles are proper ones (Journal of Laws No. 209 pos. 1743, and subsequent changes) and the Regulation issued by the Minister of Finance on 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state (Journal of Laws No. 33 pos. 259, and subsequent changes).

The Management Board prepared and attached the report regarding the activities of the company in 2011 to the financial statement. This report contains information that is required by art. 49 sec. 2 of Act on Accounting and the Regulation issued by the Minister of Finance on 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state. We've audited this report concerning the presented information that has a direct source in the audited financial statement.

#### **IV. FINAL INFORMATION AND ARRANGEMENTS**

##### The Management Board declarations

Deloitte Audyt Sp. z o.o. and an expert auditor received a written statement from the company's Management Board, which states that the company complied with the law.

.....  
Marek Turczyński  
Key Expert Auditor  
Registration no. 90114

.....  
persons representing the company

.....  
entity entitled to audit the financial  
statements registered in the list of entities  
entitled under item no. 73  
(the list of KRBR)

Warsaw, 30<sup>th</sup> of April, 2012

## **INTRODUCTION TO THE COMARCH S.A.'S FINANCIAL STATEMENT SA-R 2011**

### **I. General Information about Comarch S.A. (the "Company")**

The basic activities of Comarch S.A. with its registered seat in Krakow at Al. Jana Pawła II 39 A include activity related to software, PKD 62.01.Z. The registration court for Comarch S.A. is the District Court for Krakow Śródmieście in Krakow, XI Economic Division of the National Court Register. The company's KRS number is 0000057567. The duration of the dominant unit is not limited.

In the tables of this statement:

- the previous period means period 01.01.2010 - 31.12.2010 and refers to 12 months,
- the current period means period 01.01.2011 - 31.12.2011 and refers to 12 months.

As at 31<sup>st</sup> of December, 2011, members of Comarch S.A.'s Board of Supervisors were:

- Elżbieta Filipiak - Chairman of the Board of Supervisors,
- Maciej Brzeziński - Vice-Chairman of the Board of Supervisors,
- Danuta Drobniaak - Member of the Board of Supervisors,
- Wojciech Kucharzyk - Member of the Board of Supervisors,
- Anna Ławrynowicz - Member of the Board of Supervisors,
- Tadeusz Syryjczyk - Member of the Board of Supervisors.

Comarch S.A.'s Annual General Meeting dated the 29<sup>th</sup> of June, 2011, passed resolutions related dismissal of Mr Maciej Czapiewski and appointment of a new member of the Board of Supervisors, Ms Danuta Drobniaak.

As at 31<sup>st</sup> of December, 2011, members of Comarch S.A.'s Management Board were:

- 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.

The financial statement was prepared with the assumption of the continuation of commercial activities by Comarch S.A. in the foreseeable future. According to the company's management, there are no circumstances suggesting any threat to the continuation of activities. The financial statement includes financial data from Comarch S.A.'s branch in Albany.

Comarch S.A. is parent company in the Capital Group. In addition to financial statement that is prepared pursuant to Act on Accounting, the company prepares also consolidated financial statement according to International Financial Reports Standards that are approved by the European Union.

### **II. There Were no Reservations in the Opinion of an Auditor Entitled to Audit Financial Statements of Comarch S.A. for 2010**

### **III. Principles of Valuation of Assets and Equity and Liabilities and Measure of Financial Result**

This financial statement was prepared according to the Act passed on 29<sup>th</sup> of September, 1994 on Accounting ("Act on Accounting") and the Regulation issued by the Minister of Finance on 18<sup>th</sup> of October, 2005 concerning information presented in financial statements and consolidated financial statements, required in a prospectus for issuers with its registered seat in Poland, to whom Polish accounting principles are proper ones, and according to the Regulation issued by the Minister of Finance on 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state.



## 1. Non-Current Assets

### 1.1 Intangible Assets

Intangible assets are recorded at their acquisition prices with reference to the current redemption. The company 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. If the useful life of intangible assets resulting from the contract is shorter than it results from the periods determined above, depreciation write-offs are carried out in the period resulting from the contract. In the case of intangible assets that were acquired for a particular project, the depreciation period is established as the duration of the project.

### 1.2 Property, Plant and Equipment

#### A) Proprietary property, plant and equipment in use

Proprietary property, plant and equipment in use were valued according to acquisition prices or production costs less depreciation write-offs in proportion to their useful life and write-offs due to permanent losses in value. The following detailed principles of depreciation of proprietary 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 group number I), 30% (for group number IV), 15% (for group number VII) and 20% (for group number VIII). In case of proprietary property, plant and equipment in use that were acquired in order to be used in a specific project, the depreciation period is set as equal to the project duration.

Lands and the right of perpetual usufruct of land are not depreciated.

**B) Proprietary property, plant and equipment under construction** are valued according to acquisition prices less write-offs due to permanent losses in value.

**C) Improvements in third party's proprietary property, plant and equipment** are valued according to the acquisition price less depreciation. They are related to buildings and structures and depreciated with the straight-line method corresponding with periods of their economic utility.

**D) Proprietary property, plant and equipment, which are used according to the lease agreements** concluded after 1<sup>st</sup> of January, 2002, are classified as company's non-current assets if conditions resulting from article 3, section 4 of Act on Accounting are met and they are valued at fair value established as at the date of the beginning of the agreement or as at reception of the lease object into use, or at the current value of minimum lease fees, if it is lower than the fair value.

### 1.3 Non-Current Investments

#### A) Real estates

Real estates are valued according to acquisition price or production costs less depreciation write-offs in proportion to their useful life and write-offs due to permanent losses in value and principles specified in art. 31, art. 32 section 1-5 and art. 33 section 1 of the Act.

Costs and revenues related to real estates maintenance costs, their updating or reclassification are recognised as other operating revenue/costs (pursuant to art. 3 section 1, point 32 of the Act).

## **B) Non-current financial assets**

As at the balance sheet date, financial assets are classified as non-current in the financial statement if the estimated period of their further owning exceeds 12 months from the balance sheet date.

Shares are recognised at the acquisition or originate date according to acquisition price, and at the balance sheet date according to acquisition price less write-offs due to permanent loss in value. When permanent loss in value appears, the revaluation of write-offs is carried out no later than at the balance sheet date.

Participation units in Comarch Corporate Investment Closed Investment Fund ("CCF FIZ") are valued at fair value and effects of valuation are settled with revaluation reserve.

Loans are valued according to value of depreciated cost using effective interest rate. In case of lack of differences that are significant for valuation, loans are classified at nominal value plus accrued interest based on interest rate resulting from contracts.

### **2. Current Assets**

#### **2.1 Inventories, Products in Progress and Finished Goods**

Materials are valued according real purchase prices. When loss in value in use is observed, revaluating write-offs are carried not later than as at the balance sheet date. Production in progress given in the statement refers to software produced by Comarch S.A. and allocated for multiple sales. Production in progress is valued according to direct technical production costs.

Application software produced by Comarch S.A. and allocated for multiple sales is valued 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. 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.

Finished goods are appraised according to actual purchase prices, no higher than net selling prices.

#### **2.2 Receivables**

Receivables are recognised initially at nominal value and as at the balance sheet date in the amount of required payment. Receivables due to deliveries and services are classified as current receivables. Other 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.

Receivables in foreign currencies were valued as at the balance sheet date at NBP average exchange rates. The realised and resulting from balance valuation exchange differences are classified as financial revenues and financial costs respectively, after they were compensated.

#### **2.3 Current Financial Assets**

Assets recognised in the financial statement consist mostly of monetary assets and loans to other entities. Monetary assets consist of cash in hand, cash at banks and accrued interest on financial assets. Cash in domestic currency was valued at nominal value, while cash in foreign currencies was valued at NBP average exchange rates.

Loans are valued according to value of depreciated cost using effective interest rate. In case of lack of differences that are significant for valuation, loans are classified at nominal value plus accrued interest based on interest rate resulting from contracts.

Securities are valued according to acquisition cost or market value, depending on which of the values is lower.

## **2.4 Current and Non-current Prepayments of Costs**

Expenses incurred in advance, but related to future reporting periods are settled by prepayments of costs. Prepayments of costs that last longer than 12 months starting with the balance sheet date are regarded as a non-current item.

Prepayments include also surplus of sales in long-term contracts made according to article 34a, section 1 and section 2, point 2 of Act on Accounting over value of sales invoiced to contractors.

## **3. Equity**

Equity includes:

- share capital of the company presented at nominal value,
- supplementary capital from profit-sharing in compliance with principles and limitations specified in the Commercial Companies Code and from surpluses of shares sold above their nominal value,
- other reserve capitals from profit-sharing intended for investment targets and other specified in statute – valuated at nominal value,
- retained profit from adjustments due to changes in accounting principles in 2002 resulting from amendments to Act on Accounting and adjustments due to changes to the rules of recognising of built-in derivatives,
- revaluation reserve due to valuation of investment certificates in CCF FIZ and settlement of deferred tax on valuation.

## **4. Liabilities and Provisions for Liabilities**

### **4.1 Provisions for Liabilities**

They are created for reliable and possible losses due to business activities. In particular, they are related to:

- expected expenses that will incur during the next reporting period due to costs that are related to the current period,
- provisions for additional costs of contracts completion that are expected to incur and that exceed the amount of possible to achieve revenues; and provisions for guarantees,
- provisions due to rewards (premium) expected to be paid in the next reporting period, but related to the previous period,
- provisions for leaves.

They include also provisions due to deferred income tax.

### **4.2 Liabilities**

At the time of initial recognition, financial liabilities are valuated at nominal value and as at the balance sheet date, in the amount of required payment. Liabilities due to deliveries and services are classified as current liabilities. Other liabilities 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). Liabilities in foreign currencies were valuated as at the balance sheet date at NBP average exchange rates.

**4.3 Special Funds** consist of Social Services and Residential Fund that was created from profit-sharing for 1998 and 1999.

### **4.4 Accruals**

Accruals of revenues include subsidies for financing of research and development works that are received from union funds and domestic funds for science.

Accruals of revenues include also surplus of sales invoiced to contractors over the value of proceeds from sales in long-term contracts determined according to article 34a, section 1 and section 2, point 2 of Act on Accounting.

## **5. Valuation of Assets and Equity and Liabilities Presented in Foreign Currencies and Principles of Determining Exchange Differences**

### **5.1 Within Reporting Year**

Economic operations which are expressed in foreign currencies are presented in accounting books as of the date of their conducting with the exchange rate respectively:

- A) Operations related to sale and purchase of goods and services at the average NBP exchange rate as of the date preceding conducting the operation; however, import purchases that require customs clearance and export sales of goods are valued according to exchange rates set within evidence for customs clearance,
- B) Operations regarding an influx of foreign currency to a bank account, resulting from payment of receivables for goods and services, securities and additional interest by the bank - at the average NBP exchange rate as of the date preceding conducting the operation.
- C) Incurring credit or loans in foreign currencies at the moment of their inflow to a bank account in addition to inflow of added interest on these credits - at the average NBP exchange rate as of the date preceding conducting the operation.
- D) Purchase and sale of interest, shares and securities stated in foreign currency - at the average NBP exchange rate as of the date preceding conducting the operation.
- E) Operations related to sales or purchases of currencies – at the exchange rate actually applied by the bank on a given day (purchase or sales exchange rate, respectively, applied by the bank).
- F) Payment of receivables in foreign currency (including loans), if the currency does not directly influence the currency account – at the purchase exchange rate, with the bank that converted (acquired) these currencies.
- G) Payment of liabilities, credit and loans with the foreign currency purchased at the bank (i.e. not directly from a currency banking account) – at the sales exchange rate applied by the bank.
- H) Other operations at the average NBP exchange rate – as of the date preceding conducting the operation or exchange rate actually applied (depending on the type of operation).

## **5.2 As at Balance Sheet Date**

- A) Items of assets and equity and liabilities are valued at binding NBP average exchange rates.

## **5.3 Principles of Determining Exchange Differences**

- A) Exchange differences related to non-current investment are accounted for adequately with revaluation reserve or revenues and financial costs (according to article 35, section 2 and 4 of the Act).
- B) Exchange differences related to the other assets and equity and liabilities and those arising on payment of receivables and liabilities are classified to revenues and financial costs, respectively.
- C) Realised exchange differences, related to receivables and liabilities, are determined up to date, while unrealised exchange differences, related to receivables and liabilities and cash at banks are valued at the end of the quarter (in compliance with materiality principle).

## **6. Financial Instruments**

Derivative financial instruments designated as 'hedging instruments' according to §27-30 of the Regulation issued by Ministry of Finance on 12<sup>th</sup> of December, 2001 concerning detailed classification rules, valuation methods, scope of disclosure and presentation method of financial instruments, qualified as fair value hedging, are valued at fair value and change in their valuation refers to the result from financial operations.

Derivative financial instruments designated as 'hedging instruments' according to §27-30 of the Regulation issued by Ministry of Finance on 12<sup>th</sup> of December, 2001 concerning detailed classification rules, valuation methods, scope of disclosure and presentation method of financial instruments, qualified as cash flow hedging, are valued at fair value change in their valuation refers to:

- the revaluation reserve (in the part that constitutes the effective hedging),
- the result from financial operations (in part that doesn't constitute the effective hedging).

Derivative financial instruments designated as 'non-hedging instruments' according to §27-30 of the Regulation issued by Ministry of Finance on 12<sup>th</sup> of December, 2001 concerning detailed classification rules, valuation methods, scope of disclosure and presentation method of financial instruments, are valued at fair value and change in their valuation refers to the result from financial operations.

## 7. Financial Result

Comarch S.A. prepares its income statement in calculation version in compliance with matching principle revenues and costs.

Comarch S.A.'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.

Integration contracts realised by Comarch S.A. are classified according to article 34 a-d of the Act, whereas degree of progress for contract is determined by share of incurred costs compared to total costs of service execution.

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.

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.

### 7.1 Revenues are Classified according to Accrual Basis

Revenues from uncompleted non-current services (contracts) are classified in proportion to the level of service according to article 34 a, section 2, point 1.

Revenues from sales of other services, products, finished goods and other item of assets are recognised at the moment of delivery of products, finished goods and other items of assets, if the entity transferred significant risk and benefits resulting from their ownership or at the moment of executing the service. Sales are presented in net value, i.e. without commodity and services taxes and taking into account all discounts.

### 7.2 Costs Consist of:

- A) In relation to long-term contracts, total expenditures incurred in the period, on execution of contracts that were valued at production costs.
- B) In relation to other services, finished goods and other assets – value of sold (invoiced) products, finished goods and other items valued at production cost or acquisition price.
- C) Total administrative costs and cost of sales incurred in the period.

In the item "Costs of sold products, finished goods and materials from related parties" in the income statement the company presents the value of products, finished goods and materials purchased from

related parties excluding these included in administrative costs, cost of sales and other operating costs.

Costs of sales consist of marketing costs and the costs of order acquisition by sales centres (departments) in the Comarch S.A.

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

### **7.3 Other Revenues and Operating Costs**

These consist of revenues and costs not related directly to the ordinary activities of entities and comprise mostly: result from sale of property, plant and equipment and intangible assets, subsidies, provisions created, effects of revaluation of assets and result from research and development financed by union.

According to the materiality principle, content-related items are compensated and they are presented resultantly, respectively in operating revenues or costs. In particular, it refers to:

- result on sales and decommissioning of property, plant and equipment; recovered communication damages and costs of repairs after damage,
- received and paid penalties,
- recognised and dissolved write-offs that revalue receivables, subsidies, costs of realisation of research and development works financed by them.

### **7.4 Revenues and Financial Costs**

Revenues and financial costs consist of revenues and costs due to interest, result from exchange differences, from disposal of financial assets and effects of investment revaluation.

### **7.5 Deferred Income Tax**

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 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.

Deferred income tax provisions 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.

Provisions and assets due to deferred income tax are established fiscal rates which are legally binding in the tax point year.

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

Due to the fact that the company is taxed according to general principles and enjoys tax-exempt status, temporary differences in the tax yield may be realised within both of these activities. At the same time, the final determination within which of these activities (taxed or tax-exempt) the temporary differences will be realised on the basis of the annual settlement of income tax, after the end of the fiscal year. Therefore as at the balance sheet date, the company determines only an asset and provision for deferred income tax only in relation to the types of activities, which are always taxable according to principles that are applied by the company, i.e. financial activities and other operating activities.

On 1<sup>st</sup> of July, 2004, Comarch S.A. received a decision from the Minister of the Economy dated 24<sup>th</sup> of June, 2004 that changed the conditions for tax exemptions for entities operating in special economic zones to conditions included in the act that was passed on 2<sup>nd</sup> of October, 2003 on changing the act on special economic zones and certain other acts (Journal of Laws No. 188 Item 1840). Pursuant to 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 1<sup>st</sup> of January, 2000, cannot exceed 75% of the value of investments incurred in the period from the date of obtaining the permit until 31<sup>st</sup> of December, 2006, provided that in determining the maximum amount of public aid, the total amount

of public aid obtained since 1<sup>st</sup> 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. 22<sup>nd</sup> of March, 1999, until 31<sup>st</sup> of December, 2006. Tax exempt due to income tax is included in this limit. Additional information on methods of recognition of a deferred income asset and tax exempt due to operations in Special Economic Zone are included in Note 4a of additional information and commentary to this financial statement.

Financial result is determined according to article 42 of Act on Accounting dated 29<sup>th</sup> of September, 1994 r. Cash flow statement is prepared using the indirect method.

#### **IV. Principles of Conversion PLN to EURO**

NBP average exchange rates as at 31.12.2011:	4.4168
NBP average exchange rates as at 31.12.2010:	3.9603
NBP arithmetic average exchange rates as at the end of every month for the period 1.01 - 31.12.2011:	4.1401
NBP arithmetic average exchange rates as at the end of every month for the period 1.01 - 31.12.2010:	4.0044
NBP minimum rate in the period 1.01 - 31.12.2011:	3.8403
NBP minimum rate in the period 1.01 - 31.12.2010:	3.8356
NBP maximum rate in the period 1.01 - 31.12.2011:	4.5642
NBP maximum rate in the period 1.01 - 31.12.2010:	4.1770

In the table "Selected financial data" points I-VIII and XVI-XVII are valued at NBP arithmetic average exchange rates as at the end of every months in the period, while points IX-XIV and XVIII-XX at NBP rate binding at the end of the period.

#### **V. Differences between Polish Accounting Principles and International Financial Reporting Standards**

Differences:

##### **1. The Right of Perpetual Usufruct of Land**

In IFRS, the method of presentation of the right of perpetual usufruct of land is not defined explicitly. There are different opinions in that case. Comarch S.A. as the dominant unit prepares consolidated financial statement according to IFRS and presents the right of perpetual usufruct of land as non-current prepayments settled in time. According to Act on Accounting the law of perpetual usufruct of land is presented as "lands" in property, plant and equipment and is not depreciated.

##### **2. Operating in the Special Economic Zone ("SEZ")**

As a result of Poland joining the European Union, there was a change within terms of income tax from legal persons from unlimited relief to relief that is limited in value and depends on the value of investments made. Pursuant to IAS 12, unused tax relief as at the balance sheet date constitutes a deferred income tax asset. As at 31<sup>st</sup> of December, 2011, the company determined the asset that is worth 9.635 million PLN and presented it in the consolidated financial statement according to IFRS. Within 2011 the asset was dissolved, however as at 31<sup>st</sup> of December, 2011 an asset worth 9.904 million PLN was created. Total effect on result would amount to +0.269 million PLN.

### 3. Managerial Option Programme

On 28<sup>th</sup> 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 is to additionally motivate members of the Management Board and Key Employees by options on Comarch S.A. 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 2012, 2013 and 2014 to Key Employees (details of this programme were presented in note 40 of this financial statement).

Pursuant to IFRS2, the company is obliged to calculate the value of the Option and classify it as a cost in the income statement in the Option period, i.e. from its issue date until its expiry date. The company will recognise the value of the particular options beginning from the options' acquiring, i.e. an establishment by the Supervisory Board a list of Key Employees and single option factors for each subsequent year.

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

Pursuant to Act on Accounting dated the 29<sup>th</sup> of September, 1994, managerial option programme is not presented in the income statement. The Option is recognised as cost in the consolidated income statement prepared according to IFRS. In 2011, determined option's value amounted to 1.57 million PLN.

### 4. Differences compared to IFRS

Item	Equity as at 31 December 2011	Net result for 2011
Corrections according to the Polish accounting principles:	611,226	56,642
a) presentation of managerial option (pt V 3)	-	-1,566*
b) an asset due to tax exemption in the SEZ (pt V 2)	9,904	269
c) depreciation due to the right of perpetual usufruct of lands (pt V 1)	-721	-93
Equity and net result after adjusting above-mentioned differences:	620,409	55,252
Change		

\*) *The item has an effect on the amount of result from the current year, however at the same time it is settled with equity.*



## FINANCIAL SUPERVISION AUTHORITY

## ANNUAL REPORT SA-R 2011

(pursuant to § 2 sec. 1, pt. 3 of the Regulation issued by the Minister of Finance on 19<sup>th</sup> of Feb., 2009- Journal of Laws No. 33 Item 259)  
(for issuers of securities managing production, construction, trade and services activities)

For financial year 2011 from 2011-01-01 to 2011-12-31  
And for the previous year 2010 from 2010-01-01 to 2010-12-31

Date of publication: 2012-04-30

<b>COMARCH SA</b> <small>(full name of an issuer)</small>	
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Deloitte Audyt Sp. z o.o.

(An auditor entitled to audit financial statements)

Annual report includes:

- Opinion and Report of an Auditor regarding the Annual Financial Statement
- The Management Board's Statement regarding the Reliability of Financial Statement
- The Management Board's Statement regarding the Auditor Independence
- Letter of the President of the Management Board
- Annual Financial Statement
  - Introduction
  - Balance Sheet
  - Income Statement
  - Changes in Equity
  - Cash Flow Statement
  - Additional Information and Commentaries
- Report of the Management Board (Report regarding the Activities of Issuer)
  - Report regarding the Corporate Governance

SELECTED FINANCIAL DATA	thousands of PLN		thousands of EURO	
	2011	2010	2011	2010
I. Net revenues from sales of products, goods and materials	567,673	559,453	137,115	139,710
II. Profit (loss) on operating activities	53,748	75,219	12,982	18,784
III. Gross profit (loss)	62,691	74,669	15,142	18,647
IV. Net profit (loss)	55,191	68,470	13,331	17,099
V. Cash flows from operating activities	62,349	26,404	15,060	6,594
VI. Cash flows from investing activities	-61,678	-31,262	-14,898	-7,807
VII. Cash flows from financing activities	2,418	-1,444	584	-361
VIII. Total net cash flows	3,089	-6,302	746	-1,574
IX. Total assets	953,265	880,873	215,827	222,426
X. Liabilities and provisions for liabilities	343,568	321,665	77,787	81,222
XI. Non-current liabilities	75,418	84,985	17,075	21,459
XII. Current liabilities	166,562	148,734	37,711	37,556
XIII. Equity	609,697	559,208	138,040	141,203
XIV. Share capital	8,051	8,051	1,823	2,033
XV. Number of shares	8,051,637	8,051,637	8,051,637	8,051,637
XVI. Earnings (losses) per single share (PLN/EURO)	6.85	8.53	1.65	2.13
XVII. Diluted earnings (losses) per single share (PLN/EURO)	6.85	8.53	1.65	2.13
XVIII. Book value per single share (PLN/EURO)	75.72	69.45	17.14	17.54
XIX. Diluted book value per single share (PLN/EURO)	75.72	69.45	17.14	17.54

**OPINION OF AN AUDITOR ENTITLED TO AUDIT FINANCIAL STATEMENTS ON ANNUAL FINANCIAL STATEMENT**

File	Description
SAR_Opinion.pdf	Opinion of an Auditor -Appendix No. 1

**REPORT OF AN AUDITOR ENTITLED TO AUDIT FINANCIAL STATEMENTS ON ANNUAL FINANCIAL STATEMENT**

File	Description
SAR_Report.pdf	Report of an Auditor -Appendix No. 2

**THE MANAGEMENT BOARD'S STATEMENT REGARDING THE RELIABILITY OF FINANCIAL STATEMENT**

File	Description
The Management Board's Statement regarding the Reliability of Financial Statement.pdf	The Management Board's Statement regarding the Reliability of Financial Statement -Appendix No. 3

**THE MANAGEMENT BOARD'S STATEMENT REGARDING AUDITOR INDEPENDENCY**

File	Description
The Management Board's Statement regarding Auditor Independence.pdf	The Management Board's Statement regarding Auditor Independence - Appendix No. 4

**LETTER OF THE PRESIDENT OF THE MANAGEMENT BOARD**

File	Description
Letter of the President of the Management Board.pdf	Letter of the President of the Management Board -Appendix No. 5

**ANNUAL FINANCIAL STATEMENT****INTRODUCTION TO THE FINANCIAL STATEMENT**

File	Description
Introduction to the Financial Statement.pdf	Introduction to the Financial Statement - Appendix No. 6

**BALANCE SHEET**

	Notes	thousands of PLN	
		2011	2010
<b>ASSETS</b>			
I. Non-current assets		529,740	487,305
1. Intangible assets	1	6,717	2,414
2. Property, plant and equipment	2	202,178	214,405
3. Non-current investment	3	316,762	268,495
3.1 Non-current financial assets		288,030	268,452

a) in related parties		288,030	268,452
3.2 Real estates		28,689	0
3.3 Other non-current investment		43	43
4. Non-current prepayments	4	4,083	1,991
4.1 Deferred income tax assets		4,022	1,792
4.2 Other prepayments		61	199
II. Current assets		423,525	393,568
1. Inventories	5	33,204	41,265
2. Current receivables	6 7	321,474	286,240
2.1 from related parties		146,025	90,410
2.2 from other entities		175,449	195,830
3. Current investment		55,706	53,963
3.1 Current financial assets	8	55,706	53,963
a) in related parties		215	0
b) in other entities		149	1,452
- granted loans		124	24
- other current financial assets		25	1,428
c) cash and cash equivalents		55,342	52,511
4. Current prepayments	9	13,141	12,100
Total assets		953,265	880,873
EQUITY AND LIABILITIES			
I. Equity		609,697	559,208
1. Share capital	10	8,051	8,051
2. Capital from merger settlement		0	0
3. Supplementary capital	11	415,032	346,562
4. Revaluation reserve	12	130,502	135,204
5. Other reserve capitals	13	745	745
6. Previous years' profit (loss)		176	176
7. Net profit (loss)		55,191	68,470
II. Liabilities and provisions for liabilities		343,568	321,665
1. Provisions for liabilities	14	96,248	80,471
1.1 Provisions due to deferred income tax		32,971	33,850
1.2 Other provisions		63,277	46,621
a) current		63,277	46,621
2. Non-current liabilities	15	75,418	84,985
2.1 to related parties		142	181
2.2 to other entities		75,276	84,804
3. Current liabilities	16	166,562	148,734
3.1 to related parties		23,958	18,893
3.2 to other entities		141,490	128,821
3.3 special funds		1,114	1,020
4. Accruals	17	5,340	7,475
4.1 Other accruals		5,340	7,475
a) current		5,340	7,475
Total equity and liabilities		953,265	880,873
Book value		609,697	559,208
Number of shares		8,051,637	8,051,637
Book value per single share (PLN)	18	75.72	69.45
Diluted number of shares		8,051,637	8,051,637
Diluted book value per single share (PLN)	18	75.72	69.45

**OFF-BALANCE SHEET ITEMS**

	Notes	thousands of PLN	
		2011	2010
1. Contingent liabilities to related parties (due to)	19	57,333	8,216
-bank guarantees and suretyships		27,333	8,216
-payment for purchase of shares issued within the frame of conditional increase in the share capital of MKS Cracovia SSA		30,000	0
2. Contingent liabilities to other entities (due to)	33	35,123	28,752
-bank guarantees and suretyships		35,123	28,752
Total off-balance sheet items		92,456	36,968

**INCOME STATEMENT**

	Notes	thousands of PLN	
		2011	2010
I. Net revenues from sales of products, goods and materials, including:		567,673	559,453
-revenues from related parties		106,130	58,534
1. Net revenues from sales of products	20	472,617	436,804
2. Net revenues from sales of goods and materials	21	95,056	122,649
II. Costs of products, goods and materials sold, including:		377,500	371,109
-to related parties		32,509	24,394
1. Manufacturing cost of products sold	22	294,343	259,468
2. Value of products, goods and materials sold		83,157	111,641
III. Gross profit on sales		190,173	188,344
IV. Costs of sales	22	61,245	57,320
V. Administrative costs	22	40,719	36,385
VI. Profit (loss) on sales		88,209	94,639
VII. Other operating revenues		3,572	467
1. Profit on disposal of		52	0
2. Other operating revenues	23	3,520	467
VIII. Other operating costs		38,033	19,887
1. Loss on disposal of non-financial non-current assets		0	23
2. Other operating costs	24	38,033	19,864
IX. Profit (loss) on operating activities		53,748	75,219
X. Financial revenues	25	20,632	6,130
1. Dividends and share in profits		509	2,360
-from related parties		509	2,360
2. Interest, including:		2,925	2,870
-from related parties		1,984	1,924
3. Other		17,198	900
XI. Finance costs	26	11,689	6,680
1. Interest		4,758	3,826
2. Revaluation of investment		4,317	787
3. Other		2,614	2,067
XII. Profit (loss) on business activities		62,691	74,669
XIII. Gross profit (loss)		62,691	74,669
XIV. Income tax	27	7,500	6,199
a) current		9,506	7,172
b) deferred		-2,006	-973
XV. Net profit (loss)	28	55,191	68,470

Net profit (loss) (annualised)		55,191	68,470
Weighted average number of shares		8,051,637	8,029,438
Earnings (losses) per single share (PLN)	29	6,85	8.53
Diluted weighted average number of shares		8,051,637	8,029,438
Diluted earnings (losses) per single share (PLN)	29	6,85	8.53

**CHANGES IN EQUITY**

	thousands of PLN	
	2011	2010
I. Opening balance of equity (BO)	559,208	494,119
I. a. Opening balance of equity after adjustments	559,208	494,119
1. Opening balance of share capital	8,051	7,960
1.1. Changes in share capital	0	91
a) increases (due to)	0	91
-shares issue	0	91
1.2. Closing balance of share capital	8,051	8,051
2. Opening balance of supplementary capital	346,562	295,211
2.1. Changes in supplementary capital	68,470	51,351
a) increases (due to)	68,470	51,351
-profit-sharing for the previous years	68,470	51,351
2.2. Closing balance of supplementary capital	415,032	346,562
3. Opening balance of revaluation reserve	135,204	138,676
-changes in applied accounting principles	0	0
3.1. Changes in revaluation reserve	-4,702	-3,472
a) increases (due to)	1,103	816
-provision for deferred income tax due to certificates valuation	1,103	816
a) decreases (due to)	5,805	4,288
-provision for deferred income tax due to certificates valuation	5,805	4,288
3.2 Closing balance of revaluation reserve	130,502	135,204
4. Opening balance of capital from merger	0	0
4.1 Closing balance of capital from merger	0	0
5. Opening balance of other reserve capitals	745	745
5.1 Changes in other reserve capitals	0	0
5.2 Closing balance of other reserve capitals	745	745
6. Opening balance of the previous years' profit (loss)	68,646	51,527
6.1. Opening balance of the previous years' profit	68,646	51,527
a) changes in applied accounting principles	0	0
6.2. Opening balance of the previous years' profit after adjustments	68,646	51,527
b) decreases (due to)	68,470	51,351
-transferring the result for the previous years to supplementary capital	68,470	51,351
6.3. Closing balance of the previous years' profit	176	176
7. Net result	55,191	68,470
a) net profit	55,191	68,470
II. Closing balance of equity	609,697	559,208
III. Equity including proposed profit-sharing (loss coverage)	609,697	559,208

**CASH FLOW STATEMENT**

	thousands of PLN	
	2011	2010
<b>A. Cash flows from operating activities</b>		
I. Net profit (loss)	55,191	68,470
II. Total adjustments	7,158	-42,066
1. Depreciation	18,788	18,586
2. Exchange gains (losses)	296	-263
3. Interest and shares in profits (dividends)	3,488	1,974
4. Profit (loss) on investing activities	4,526	-1,629
5. Change in provisions	16,880	4,126
6. Change in inventories	8,061	-13,111
7. Change in receivables	-40,649	-85,170
8. Change in current liabilities, excluding credits and loans	-397	34,639
9. Change in prepayments and accruals	-3,835	-1,218
10. Other adjustments	0	0
III. Net cash used in operating activities (I+/-II)-indirect method	62,349	26,404
<b>B. Cash flows from investing activities</b>		
I. Inflows	13,041	19,850
1. Disposal of property, plant and equipment and intangible assets	643	427
2. From financial assets, including:	12,398	19,423
a) in related parties	12,397	15,423
-disposal of financial assets	509	2,360
-repaid loans	11,023	11,223
-interest	797	1,840
-received loans	68	0
b) in other entities	1	4,000
-disposal of financial assets	1	0
-other inflows from financial assets	0	4,000
II. Outflows	-74,719	-51,112
1. Purchase of property, plant and equipment and intangible assets	-9,565	-19,058
2. Expenses for investment in real estates	-28,879	0
3. For financial assets, including:	-35,315	-32,054
a) in related parties	-30,345	-27,054
-purchase of financial assets	-20,506	-14,571
-granted non-current loans	-9,839	-12,483
b) in other entities	-4,970	-5,000
-purchase of financial assets	-4,876	-5,000
-granted non-current loans	-94	0
4. Other investment expenditures	-960	0
III. Net cash used in investing activities (I-II)	-61,678	-31,262
<b>C. Cash flows from financing activities</b>		
I. Inflows	13,940	9 296
1. Inflows from share issue and other capital instruments as well as surcharges to capital	0	91
2. Loans and credits	13,940	9,125
4. Other financial inflows	0	80
II. Outflows	-11,522	-10,740
1. Repayment of loans and credits	-6,655	-6,604
2. Payments due to finance lease	0	-322
3. Interest	-4,795	-3,814
4. Other financial outflows	-72	0
III. Net cash (used in)/generated from financing activities (I-II)	2,418	-1,444

D. Total net cash flows (A.III+/-B.III+/-C.III)	3,089	-6,302
E. Balance sheet change in cash and cash equivalents, including:	2,832	-6,038
-change in cash and cash equivalents due to exchange differences	-257	264
F. Cash and cash equivalents opening balance	52,503	58,541
G. Closing balance of cash and equivalents (F+/-E), including:	55,335	52,503
-limited disposal	410	844

**ADDITIONAL INFORMATION AND COMMENTARY**

**A. COMMENTARY NOTES**

**BALANCE SHEET COMMENTARY NOTES**

**Note 1 a**

<b>INTANGIBLE ASSETS</b>	thousands of PLN	
	2011	2010
a) costs of finished development works	0	0
b) goodwill	0	0
c) licences, patents and similar items, including:	5,237	2,044
-computer software	420	449
d) other intangible assets	1,480	370
e) advance payments for intangible assets	0	0
Total intangible assets	6,717	2,414

## Note 1 b

CHANGES IN INTANGIBLE ASSETS (BY TYPES)							
thousands of PLN							
	a	b	c		d	e	Total intangible assets
	costs of completed development work	goodwill	licences, patents and similar items, including	-computer software	other intangible assets	advances for intangible assets	
a) opening balance of gross value of intangible assets	0	0	7,316	783	405	0	7,721
b) increases (due to)	0	0	4,647	161	1,457	0	6,104
-purchase	0	0	4,647	161	1,457	0	6,104
c) decreases (due to)	0	0	32	0	0	0	32
d) closing balance of gross value of intangible assets	0	0	11,931	944	1,862	0	13,793
e) opening balance of accumulated depreciation (amortisation)	0	0	5,272	334	35	0	5,307
f) depreciation for the period (due to)	0	0	1,422	190	347	0	1,769
-increases	0	0	1,454	190	347	0	1,801
-decreases			32	0	0		32
g) closing balance of accumulated depreciation (amortisation)	0	0	6,694	524	382	0	7,076
h) closing balance of net value of intangible assets	0	0	5,237	420	1,480	0	6,717



## Note 1 c

INTANGIBLE ASSETS (PROPRIETARY STRUCTURE)	thousands of PLN	
	2011	2010
a) proprietary	6,717	2,414
Total intangible assets	6,717	2,414

## Note 2 a

PROPERTY, PLANT AND EQUIPMENT	thousands of PLN	
	2011	2010
a) property, plant and equipment in use, including:	200,536	202,650
-lands (including right of perpetual usufruct of land)	28,559	29,256
-buildings, premises and water and civil engineering structures	128,958	132,847
-technical equipment and machines	33,895	31,472
-means of transport	5,419	6,653
-other property, plant and equipment	3,705	2,422
b) property, plant and equipment under construction	1,628	11,755
c) advances for property, plant and equipment under construction	14	0
Total property, plant and equipment	202,178	214,405

## Note 2 b

<b>CHANGES IN PROPERTY, PLANT AND EQUIPMENT IN USE (BY TYPES)</b>						
thousands of PLN						
	- lands (including right of perpetual usufruct of land)	- buildings, premises and water and civil engineering structures	- technical equipment and machines	- means of transport	- other non-current assets	Total non-current assets in use
a) opening balance of gross value of property, plant and equipment in use	29,403	154,525	92,648	13,773	8,078	298,427
b) increases (due to)	0	162	12,930	922	2,263	16,277
-purchase	0	162	12,930	922	2,263	16,277
c) decreases (due to)	0	0	3,128	2,033	8	5,169
-decommissioning	0	0	2,617	601	8	3,226
-sales	0	0	511	1,432	0	1,943
d) closing balance of gross value of property, plant and equipment in use	29,403	154,687	102,450	12,662	10,333	309,535
e) opening balance of accumulated depreciation (amortisation)	147	21,678	61,176	7,120	5,656	95,777
f) depreciation for the period (due to)	0	4,051	7,379	123	972	12,525
-increases	0	4,051	10,246	1,710	980	16,987
-decreases (decommissioning)	0	0	2,495	519	8	3,022
-decreases (sales)	0	0	372	1,068	0	1,440
g) closing balance of accumulated depreciation (amortisation)	147	25,729	68,555	7,243	6,628	108,302
h) closing balance of net value of property, plant and equipment in use	29,256	128,958	33,895	5,419	3,705	201,233
i) transferring to investment real estates	-697	0	0	0	0	-697
j) closing balance of net value of property, plant and equipment in use	28,559	128,958	33,895	5,419	3,705	200,536

Balance sheet value of lands in perpetual usufruct is worth 8.29 million PLN, including acquired ones in the amount of 8.29 million PLN.

## Note 2 c

BALANCE SHEET PROPERTY, PLANT AND EQUIPMENT IN USE (PROPRIETARY STRUCTURE)	thousands of PLN	
	2011	2010
a) proprietary	198,927	200,884
b) used on the basis of an agreement of rental, lease or another agreement, including a lease agreement	1,609	1,766
Total balance sheet property, plant and equipment in use	200,536	202,650

## Note 3 a

CHANGES IN REAL ESTATES (BY TYPES)	thousands of PLN	
	2011	2010
a) opening balance	0	0
b) increases (due to)	28,689	0
-acceptance for use of a building dedicated to rent	28,689	0
c) decreases (due to)	0	0
d) closing balance	28,689	0

In the fourth quarter of 2011, Comarch S.A. completed construction of the fifth building in the Special economic zone in Krakow. The building is currently dedicated to offices and activity related to medicine (Centrum Medyczne iMed24 (medical centre)). Formal opening of the medical centre was performed in February, 2012.

## Note 3b

NON-CURRENT FINANCIAL ASSETS	thousands of PLN	
	2011	2010
a) in subsidiaries	288,030	268,452
-interest or shares	64,635	43,522
-granted loans	55,747	52,991
-other securities	162,173	167,978
-other non-current financial assets (by types)	5,475	3,961
-interest due to non-current loans	5,475	3,961
b) in associates	0	0
c) in other entities	0	0
Total non-current financial assets	288,030	268,452

## Note 3 c

CHANGES IN NON-CURRENT FINANCIAL ASSETS (BY TYPES)	thousands of PLN	
	2011	2010
a) opening balance	268,452	247,871
Interest and shares		
b) opening balance	43,522	29,738
c) increases (due to)	25,381	14,571
-purchase of shares in subsidiaries	25,381	14,571
d) decreases (due to)	4,268	787
-balance sheet valuation of shares	4,268	787
e) closing balance	64,635	43,522
Other securities		
f) opening balance	167,978	172,266
g) increases (due to)	0	0

h) decreases (due to)	5,805	4,288
-valuation of shares in CCF Closed Investment Fund	5,805	4,288
i) closing balance	162,173	167,978
Non-current loans and other non-current assets in subsidiaries		
j) opening balance	56,952	45,867
k) increases (due to)	16,127	22,009
-loans granted to subsidiaries	9,579	12,483
-interest due to non-current loans	1,959	2,826
-transferring loans from subsidiaries from current to non-current loans	0	6,700
-balance-sheet valuation of non-current loans	4,228	0
-balance-sheet valuation of interest on non-current loans	361	0
l) decreases (due to)	11,857	10,924
-repayment of subsidiaries' loans	10,973	11,223
-repayment of interests on subsidiaries' loans	797	1,840
-creating write-offs revaluating loans	78	394
-creating write-offs revaluating interests	25	147
-balance sheet valuation	0	1,508
-dissolving write-offs revaluating loans	0	-3,255
-dissolving write-offs revaluating interests	-16	-933
l) closing balance	61,222	56,952
Other loans		
m) opening balance	0	0
o) closing balance	0	0
p) Closing balance	288,030	268,452

## Note 3 d

INTEREST OR SHARES IN RELATED UNITS												
LP thousands of PLN												
	a	b	c	d	e	f	g	h	i	j	k	l
	name of entity (company) including legal form	seat	activities	nature of relationship (subsidiary, correlate or associate, including direct and indirect relationship)	the applied method of consolidation / equity method valuation or indication that an entity is not subject to consolidation/valuated by equity method	date of control / co-control accession / obtaining major share	value of interest / shares by acquisition price	revaluating corrections (total)	balance sheet value of interest / shares	% of share capital held	share in total number of votes at AGM	indication of basis for control / co control / major share different than the one specified under clauses j) or k)
1.	Comarch AG	Dresden	Sales of software and services in European market	subsidiary	consolidated	13.09.1999	35,811	-302	35,509	100.0	100.0	
2.	ComArch R&D S.A.R.L.	Montbonnot-Saint-Martin	Sales of software and services in European market	second degree subsidiary (subsidiary of Comarch AG)	consolidated	16.09.2008	26	0	26	70.00	70.00	subsidiary of Comarch AG (70.00%)
3.	Comarch Software und Beratung AG	Munich	a provider and an integrator of IT solutions (especially for small and medium-sized industry)	second degree subsidiary (subsidiary of Comarch AG)	consolidated	18.11.2008	105,532	-38,485	67,047	92.32	92.32	subsidiary of Comarch AG (92.32%)
4.	Comarch Schilling GmbH	Bremen	a provider and an integrator of IT solutions (especially for small and medium-sized industry)	third degree subsidiary (subsidiary of Comarch Software und Beratung AG)	consolidated	18.11.2008	23,779	0	23,779	92.32	92.32	subsidiary of Comarch Software und Beratung AG (100%)

5.	Comarch Solutions GmbH	Kirchbichl	a provider and an integrator of IT solutions (especially for small and medium-sized industry)	third degree subsidiary (subsidiary of Comarch Software und Beratung AG)	consolidated	18.11.2008	6,286	-4,960	1,326	93.32	93.32	subsidiary of Comarch Software und Beratung AG (100%)
6.	SoftM France S.A.R.L.	Oberhausbergen	On the 10 <sup>th</sup> of October, 2011 filed a bankruptcy petition	third degree subsidiary (subsidiary of Comarch Software und Beratung AG)	consolidated	18.11.2008	221	-221	0	93.32	93.32	subsidiary of Comarch Software und Beratung AG (100%)
7.	Comarch Swiss AG	Buchs	a provider and an integrator of IT solutions (especially for small and medium)	third degree subsidiary (subsidiary of Comarch Software und Beratung AG)	consolidated	18.11.2008	755	-419	336	93.32	93.32	subsidiary of Comarch Software und Beratung AG (100%)
8.	Comarch SAS	Lezennes	Sales of software and services in European market	subsidiary	consolidated	14.09.2007	9,562	-2,920	6,642	100.0	100.0	
9.	ComArch, Inc.	Chicago	Sales of software and services in US market	subsidiary	consolidated	24.06.1999	991	-991	0	100.0	100.0	
10.	ComArch Panama, Inc.	Panama	Sales and production of IT systems in Central and Southern America market	second degree subsidiary (subsidiary of ComArch, Inc.)	consolidated	22.11.2004	914	0	914	100.0	100.0	subsidiary of ComArch Inc. (100%)
11.	ComArch Canada Corp.	New Brunswick	Sales of software and services in Canadian market	subsidiary	consolidated	01.06.2011	162	0	162	100.0	100.0	
12.	Comarch Luxembourg S.à r.l.	Luxembourg	Sales of software and services in European market	subsidiary	consolidated	21.04.2011	1,981	0	1,981	100.0	100.0	

13.	ComArch Middle East FZ-LCC	Dubai	Sales of IT systems in the Near East and support of delivered IT systems	subsidiary	consolidated	08.04.2004	203	-44	159	100.0	100.0	
14.	ComArch LLC	Kyiv	Sales of IT systems in Ukraine and support of delivered IT systems	subsidiary	consolidated	01.06.2004	34	-22	12	100.0	100.0	
15.	OOO Comarch	Moscow	Sales of IT systems in Russia and support of delivered IT systems	subsidiary	consolidated	26.01.2005	147	-147	0	100.0	100.0	
16.	Comarch Software (Shanghai) Co. Ltd.	Shanghai	Sales of IT systems in China and support of delivered IT systems	subsidiary	consolidated	Q3 2009	597	-597	0	100.0	100.0	
17.	COMARCH VIETNAM COMPANY LIMITED (COMARCH CO., LTD)	Ho Chi Minh City	Sales of IT systems in Vietnam and support of delivered IT systems	subsidiary	consolidated	05.01.2010	722	-722	0	100.0	100.0	
18.	Comarch Oy	Espoo	Sales of IT systems in Finland and support of delivered IT systems	subsidiary	consolidated	16.12.2010	198	0	198	100.0	100.0	
19.	UAB ComArch	Vilnius	Under liquidation proceeding	subsidiary	consolidated	07.10.2005	83	-83	0	100.0	100.0	
20.	ComArch s.r.o.	Bratislava	Limited activities	subsidiary	consolidated	31.08.2004	494	-494	0	100.0	100.0	

21.	SouthForge Sp. z o.o.	Krakow	a leading provider and an integrator of Comarch Software und Beratung AG solutions in Poland and it executes contracts acquired by the Comarch Group	subsidiary	consolidated	18.11.2008	298	0	298	100.0	100.0	
22.	CA Consulting S.A.	Warsaw	Delivering of connections and outsourcing services	subsidiary	consolidated	18.06.2004	1,053	0	053	99.9	99.9	
23.	ComArch Management Sp z o.o.	Krakow	Activities related to IT	subsidiary	consolidated	19.10.2007	150	0	150	100.0	100.0	
24.	ComArch Corporate Finance FIZ	Krakow	investment activity in the scope of new technologies and Internet services	subsidiary	consolidated	24.10.2007	1,060	161,113	162,173	100.0	100.0	100% certificates held by Comarch S.A.
25.	ComArch Management Sp. z o.o. SK-A	Krakow	Activities related to IT	second degree subsidiary	consolidated	21.11.2007	31,098	0	31,098	100.0	100.0	49.17% shares held by CCF CIF, 26.65% held by Comarch S.A., 24.18% shares purchased by Comarch Management Spółka z o.o. SK-A to be redeemed don't give any votes
26.	Bonus Management Sp. z o.o. SK-A	Krakow	investment activity on capital market and activities related to IT	second degree subsidiary	consolidated		27,183	3,382	30,565	100.0	100.0	subsidiary through CCF CIF



27.	Bonus Development Sp. z o.o. SK-A	Krakow	activities related to real estates in Comarch	second degree subsidiary	consolidated		55,950	-29,171	26,779	100.0	100.0	subsidiary through CCF CIF
28.	Bonus Development Sp. z o.o. II Koncept SK-A	Krakow	activities related to real estates in Comarch	second degree subsidiary	consolidated		8,783	-9	8,774	100.0	100.0	subsidiary through CCF CIF
29.	Bonus Management Sp. z o.o. II Activia SK-A	Krakow	investment activity on capital market and activities related to IT	second degree subsidiary	consolidated		15,000	709	15,709	100.0	100.0	subsidiary through CCF CIF
30.	iMed24 S.A.	Krakow	conducts an IT project related to telemedicine (EHR - Electronic Health Record management) and builds a medical centre	second degree subsidiary	consolidated	08.04.2008	20,000	-12,696	7,304	100.0	100.0	subsidiary through CCF CIF
31.	iFIN24 S.A.	Krakow	conducts an IT project related to financial services	second degree subsidiary	consolidated	09.06.2008	10,000	-4,033	5,967	100.0	100.0	subsidiary through CCF CIF
32.	iReward24 S.A.	Krakow	produces and implements loyalty software for the customers in small and medium sized enterprises	second degree subsidiary	consolidated	21.10.2008	3,000	-2,209	791	100.0	100.0	subsidiary through CCF CIF
33.	Infrastruktura 24 S.A.	Krakow	offer services related to Data Centre for the customers in small and medium sized enterprises	second degree subsidiary	consolidated	09.12.2008	1,150	-388	762	100.0	100.0	subsidiary through CCF CIF
34.	iComarch24 S.A.	Krakow	provides accounting services for domestic subsidiaries in Comarch Group	second degree subsidiary	consolidated	04.05.2009	2,500	-1,802	698	100.0	100.0	subsidiary through CCF CIF

35.	CASA Management and Consulting Sp z o.o. SK-A	Krakow	investment activity on capital market	second degree subsidiary	consolidated	12.10.2009	30,000	1,497	31,497	100.0	100.0	subsidiary through CCF CIF
36.	MKS Cracovia SSA	Krakow	Activities in the scope of physical education and sport	subsidiary	consolidated	29.09.2003	7,209	0	7,209	49.15	49.15	Company is a subsidiary of Comarch S.A. due to Art 3 pt 37, sec. d) of the Act on Accounting
37.	CA Finance Sp. z o.o.	Krakow	Activities in the scope of financial services for entities in the Comarch Group	third degree subsidiary (subsidiary of Comarch Software und Beratung AG)	consolidated	20.12.2011	5	0	5	100.0	100.0	subsidiary through iMed24 S.A.
38.	SolInteractive S.A.	Krakow	Activities related to interactive internet technologies	associate	equity method valuation	29.09.2008	4,000	-3,934	66	30.72	30.72	associate through CCF CIF
39.	Fidletronik-ComArch Sp. z o.o.	Krakow	Sales and development of network computers and WEB TV sets	associate	not consolidated	25.11.1998	2	-2	0	50	50	

On the 20<sup>th</sup> of December, 2011, iMed24 paid a contribution to capital of CA Finance Sp. z o.o. The new company was registered on the 9<sup>th</sup> of January, 2012; therefore it was not consolidated as at the 31<sup>st</sup> of December, 2011.

## Note 3 e

INTEREST OR SHARES IN RELATED PARTIES																		
thousands of PLN																		
No.	name of entity	m							n			o			p	r	s	t
		equity, including:							liabilities and provisions for liabilities			receivables of entity, including:						
		-share capital	- due payments on share capital (negative value)	- supplementary capital	-other equity, including:				-non-current liabilities	-current liabilities	-non-current receivables	-current receivables	assets, including:	revenue from sales				
				profit (loss) from previous years	net profit (loss)													
1.	Comarch AG	-27,679	9,722	0	24,494	-35,300	-34,875	-22,252	198,979	65,168	133,811	54,884	142	54,742	171,300	99,923	0	0
2.	ComArch R&D S.A.R.L.	466	26	0	0	440	-298	627	2,246	1,162	1,084	2,225	0	2,225	2,712	9,548	0	0
3.	Comarch Software und Beratung Group	18,489	24,590	0	62,947	-69,049	-44,159	-18,018	50,943	20,278	30,265	17,119	439	16,680	69,032	119,580	0	0
4.	Comarch SAS	3,764	7,199	0	0	-3,436	-2,756	-3,276	7,721	2,300	5,421	3,309	0	3,309	12,184	8,768	0	0
5.	ComArch, Inc.	-14,315	154	0	853	-15,322	-17,692	4,272	26,544	0	26,544	6,684	0	6,684	12,228	23,064	0	0
6.	ComArch Panama, Inc.	1,330	914	0	0	416	-720	844	1,310	0	1,310	1,151	0	1,151	2,641	2,904	0	0
7.	ComArch Canada Corp.	306	162	0	0	144	0	135	2,735	0	2,735	752	0	752	3,041	7,198	0	0
8.	Comarch Luxembourg	1,973	1,981	0	0	-9	0	-197	1,982	0	1,982	277	0	2,777	3,954	2,597	0	0
9.	ComArch Middle East FZ-LCC	8,644	200	0	0	8,444	12,624	-6,188	364	0	364	2,024	0	2,024	9,008	2,127	0	0
10.	ComArch LLC	-104	15	0	0	-120	79	40	2,410	0	2,410	795	0	795	2,306	4,611	0	0
11.	OOO Comarch	-861	140	0	585	-1,586	-1,238	-298	1,838	676	1,162	404	0	404	977	1,437	0	0
12.	Comarch Software (Shanghai) Co. Ltd.	-389	597	0	0	-987	-774	-149	407	0	407	0	0	0	18	0	0	0
13.	COMARCH VIETNAM COMPANY LIMITED (COMARCH CO., LTD)	-735	722	0	0	-1,457	-760	-622	887	0	887	43	0	43	151	82	0	0
14.	Comarch Oy	636	198	0	0	438	-4	404	8,602	0	8,602	8,261	0	8,261	9,238	31,694	0	0
15.	UAB Comarch*		80	0	7	-87	-80	0	0	0	0	0	0	0	0	0	0	0
16.	ComArch s.r.o.**	484	487	0	0	-3	-121	-32	7	0	7	478	0	478	490	0	0	0
17.	SouthForge Sp. z o.o.	7,106	50	0	1,646	5,410	159	5,000	1,804	3	1,801	7,977	0	7,977	8,910	18,778	0	0
18.	CA Consulting S.A.	16,274	1,050	0	14,025	1,199	0	1,202	4,545	106	4,439	15,305	0	15,305	20,819	20,290	0	0
19.	ComArch Management Sp. z o.o	22	150	0	0	-128	-114	-14	0	0	22	21	0	21	43	0	0	0

## COMARCH

## SA-R 2011

20.	ComArch Corporate Finance FIZ	162,173	1,000	0	0	161,173	165,978	4,804	0	0	103	9,570	0	9,570	162,277	0	0	0
21.	ComArch Management Sp z o.o. SK-A	30,717	169	0	6,634	23,914	568	1,196	0	0	11	154	0	154	30,727	0	0	0
22.	Bonus Management Sp. z o.o. SK-A	30,773	2,763	0	21,451	6,559	2,930	2,293	0	0	4	1,878	0	1,878	30,778	10	0	0
23.	Bonus Development Sp. z o.o. SK-A	48,889	5,640	0	42,401	848	1,162	-323	10,505	10,280	225	2,836	1,293	1,543	59,394	1,381	0	0
24.	Bonus Development Sp. z o.o. II Koncept SK-A	9,074	86	0	8,697	291	-5	296	1,977	0	1,977	2,280	2,280	0	11,052	0	0	0
25.	Bonus Management Sp. z o.o. II Activia SK-A	15,708	1,500	0	13,501	707	0	707	1	0	1	0	0	0	15,709	0	0	0
26.	iMed24 S.A.	6,858	1,000	0	19,000	-13,142	-8,239	-4,904	16,850	13,625	3,231	382	0	382	23,714	309	0	0
27.	iFIN24 S.A.	6,336	500	0	9,500	-3,664	-3,334	-330	0	0	173	2,925	0	2,925	6,523	1,801	0	0
28.	iReward24 S.A.	1,110	750	0	2,250	-1,890	-1,787	-104	627	11	616	794	0	794	1,737	2,247	0	0
29.	Infrastruktura24 S.A.	1,018	575	0	575	-132	-913	780	156	4	152	618	0	618	1,173	1,565	0	0
30.	iComarch24 S.A.	716	500	0	2,000	-1,784	-1,405	-380	348	16	332	769	0	769	1,064	1,298	0	0
31.	CASA Management and Consulting Sp. z o.o. SK-A	31,562	3,000	0	27,001	1,561	212	1,349	13	0	13	13	0	13	31,575	0	0	0
32.	MKS Cracovia SSA	15,578	14,557	0	11	1,010	-18,216	-3,923	32,191	23,501	8,690	4,337	0	4,337	47,768	22,723	0	0
33.	SolInteractive Sp. z o. o.	152	651	0	0	-499	-86	-413	2,229	1,201	1,028	783	0	783	2,406	4,613	0	0
34.	ComArch-Fidletronik Sp. z o.o.***	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

\*) It is under liquidation proceedings.

\*\*) Activities of Comarch s.r.o. are limited.

\*\*\*) Company did not begin to operate.

Transactions with associates and personally related entities:  
 -purchases from personally related entities: 1.17 million PLN,  
 -sales to personally related entities: 0.37 million PLN,  
 -purchases from associates: 3.33 million PLN,  
 -sales to associates: 0.06 million PLN.

## Note 3 f

SECURITIES, SHARES AND OTHER NON-CURRENT FINANCIAL ASSETS (BY CURRENCY STRUCTURE)	unit	currency	thousands of PLN	
			2011	2010
a) in polish currency			183,568	188,845
b) in foreign currencies (by currencies and after conversion to PLN)			48,715	26,616
b1. in currency	in thou.	USD	0	200
after conversion to thousands of PLN			0	593
b2. in currency	in thou.	EURO	10,994	6,501
after conversion to thousands of PLN			48,558	25,748
other currencies in thousands of PLN			157	275
Total securities, shares and other non-current financial assets			232,283	215,461

## Note 3 g

SECURITIES, SHARES AND OTHER NON-CURRENT FINANCIAL ASSETS (BY DISPOSAL)	thousands of PLN	
	2011	2010
A. Total securities, shares and other non-current financial assets	232,282	215,461
a. shares (balance sheet value) – admitted do public trading	0	0
-opening balance value	0	0
-value according to the acquisition price	0	0
b. shares (balance sheet value)-other	61,834	41,445
-opening balance value	41,445	28,949
-revaluating corrections (for the period)	-3,011	-688
-increase - purchase of shares	23,400	13,184
-value according to the acquisition price	65,057	41,895
c. participation units	162,173	167,978
-opening balance value	167,978	172,266
-value according to the acquisition price	1,060	1,060
-revaluating corrections (for the period)	-5,805	-4,288
d. shares in limited companies	2,800	2,077
-opening balance value	2,077	789
-revaluating corrections (for the period)	-1,258	-99
-increase in value – purchase of shares	1,981	1,387
-value according to the acquisition price	5,901	2,112
e. others-interest from non-current loans (balance sheet value)	5,475	3,961
-opening balance value	3,961	2,485
-revaluating corrections (for the period)	-715	-147
Total value according to the acquisition price	72,018	45,067
Total opening balance value	215,461	204,489
Total revaluating corrections (for the period)	154,882	165,671
Total balance sheet value	232,283	215,461

## Note 3 h

GRANTED NON-CURRENT LOANS (BY CURRENCY STRUCTURE)	unit	currency	thousands of PLN	
			2011	2010
a) in polish currency			14,892	12,200
b) in foreign currencies (by currencies and after conversion to PLN)			40,855	40,791
b1. in currency	in thou.	EURO	9,250	10,300
after conversion to thousands of PLN			40,855	40,791
b2. in currency	in thou.	USD	0	0
after conversion to thousands of PLN			0	0
Total non-current loans			55,747	52,991

## Note 3 i

OTHER NON-CURRENT INVESTMENTS (BY TYPES)	thousands of PLN	
	2011	2010
-works of art	43	43
Total other non-current investments	43	43

## Note 3 j

CHANGES IN OTHER NON-CURRENT INVESTMENTS (BY TYPES)	thousands of PLN	
	2011	2010
a) opening balance	43	43
b) closing balance	43	43

## Note 3 k

OTHER NON-CURRENT INVESTMENT (CURRENCY STRUCTURE)	unit	currency	thousands of PLN	
			2011	2010
a) in polish currency			43	43
Total other non-current investment			43	43

## Note 4 a

CHANGE IN DEFERRED INCOME TAX ASSETS	thousands of PLN	
	2011	2010
1. Opening balance of deferred income tax assets	1,792	575
2. Increases	3,060	1,528
a) referred into the financial result of the period	3,060	1,528
3. Decreases	830	311
a) referred into the financial result of the period	830	311
4. Closing balance of deferred income tax assets, including:	4,022	1,792
a) referred into the financial result	4,022	1,792

**I. Tax exempt due to activities in Special Economic Zone.**

Comarch S.A. operates in the Special Economic Zone ("SEZ") in Krakow and claims the tax relief resulting from its activities in the SEZ on the basis of a permit obtained on the 22<sup>nd</sup> of March, 1999, and amended with a decision from the Minister of the Economy dated 24<sup>th</sup> of June, 2004. The period in which Comarch S.A. is entitled to use this public aid ends on the 31<sup>st</sup> of December, 2017. 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 until 31<sup>st</sup> of December, 2006. The costs of investments and the amount of aid are subject to discounting pursuant to Par. 9 of the Regulation of the Ministry from 14<sup>th</sup> of September, 2004 on the Krakow Special Economic Zone (Journal of Laws 220 Item 2232) with wording changed pursuant to Par. 1 of the Regulation of the Ministry from 8<sup>th</sup> of 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 31<sup>st</sup> of December, 2011, discounted as at the permit date, is 12.551 million PLN.

Pursuant to the Act on Accounting dated 29<sup>th</sup> of September, 1994, the company does not include tax exempt due to activities in Special Economic Zone in calculating a value of a deferred income tax asset.

**II. Temporary differences and tax losses to be settled**

Due to the fact that the company is taxed according to general principles and enjoys tax-exempt status, temporary differences in the tax yield may be realised within both of these activities. At the same time, the final determination within which of these activities (taxed or tax-exempt) the temporary differences will be realised on the basis of the annual settlement of income tax, after the end of the fiscal year. In 2011, an asset due to temporary differences in income tax, worth 3.06 million PLN, was recognised. A tax asset worth 0.83 million PLN, recognised at 31<sup>st</sup> of December, 2010, was dissolved in part. Provisions for deferred income tax due to temporary differences in the amount of 0.312 million PLN was recognised and provision in the amount of 0.088 million PLN was dissolved. The total effect of these operations on the result of 2011 was minus 2.006 million PLN.

**Note 4 b**

<b>OTHER PREPAYMENTS</b>	thousands of PLN	
	2011	2010
a) prepayments of costs, including:	61	199
-non-current prepayments due to costs	61	187
-non-current prepayments due to interest on lease agreements	0	12
Total other prepayments	61	199

**Note 5 a**

<b>INVENTORIES</b>	thousands of PLN	
	2011	2010
a) materials	423	332
b) rough products and products in progress	24,305	31,360
c) finished goods	8,476	9,573
d) advances for deliveries	0	0
Total inventories	33,204	41,265

Due to loss in value, write-offs that revalue inventories were done and worth 2.51 million PLN. At the same time, write-offs that revalue inventories were dissolved and amounted to 0.143 million PLN. Total value of write-offs that are included in the result for 2011 amounts to 2.367 million PLN.

## Note 6 a

<b>CURRENT RECEIVABLES</b>	thousands of PLN	
	2011	2010
a) from related parties	146,025	90,410
-due to deliveries and services with payment period of:	145,732	90,402
-up to 12 months	145,732	90,402
-other	293	8
b) from other entities	175,449	195,830
-due to deliveries and services with payment period of:	171,063	191,407
-up to 12 months	167,058	177,375
-over 12 months	4,005	14,032
-other	4,386	4,423
-settlements with employees due to advances and loans	155	447
-deposits, securities, overpayments	1,562	2,357
-due subsidies	2,511	1,619
-investments receivables	158	0
Total net current receivables	321,474	286,240
c) write-offs revaluating receivables	29,983	35,744
Total gross current receivables	351,457	321,984

## Note 6 b

<b>CURRENT RECEIVABLES FROM RELATED PARTIES</b>	thousands of PLN	
	2011	2010
a) due to deliveries and services, including:	145,732	90,402
-from subsidiaries	145,716	90,341
-from associates	16	61
b) others, including:	293	8
-from subsidiaries	293	8
Total net current receivables from related parties	146,025	90,410
c) write-offs revaluating receivables from related parties	21,595	23,293
Total gross current receivables from related parties	167,620	113,703

## Note 6 c

<b>CHANGE IN WRITE-OFFS THAT REVALUATE CURRENT RECEIVABLES</b>	thousands of PLN	
	2011	2010
Opening balance	35,744	25,752
a) increases (due to)	10,715	15,362
-establishing write-offs for bad debts	10,715	15,362
b) decreases (due to)	16,476	5,370
-dissolution of provisions - paid receivables	13,673	4,937
-dissolution of provisions – listing of outdated receivables	2,803	433
Closing balance of write-offs that revalue current receivables	29,983	35,744



## Note 6 d

GROSS CURRENT RECEIVABLES (CURRENCY STRUCTURE)	unit	currency	thousands of PLN	
			2011	2010
a) in polish currency			148,337	186,305
b) in foreign currencies (by currencies and after conversion to PLN)			203,120	135,679
b1. in currency	in thou.	EURO	38,323	26,168
after conversion to thousands of PLN			169,221	103,636
b2. in currency	in thou.	USD	8,951	10,745
after conversion to thousands of PLN			30,440	31,851
b3. in currency	in thou.	CHF	1	6
after conversion to thousands of PLN			2	18
b4. in currency	in thou.	GBP	425	5
after conversion to thousands of PLN			2,239	24
other currencies in thousands of PLN			1,218	150
Total current receivables			351,457	321,984

## Note 6 e

GROSS RECEIVABLES DUE TO DELIVERIES AND SERVICES, WITH PAYMENT PERIOD OF THE BALANCE SHEET DATE:	thousands of PLN	
	2011	2010
a) less than 1 month	104,435	113,679
b) over 1 month and less than 3 months	43,925	17,345
c) over 3 month and less than 6 months	2,376	5,210
d) over 6 months and less than 1 year	16,761	32,857
e) over 1 year	6,694	14,498
f) outdated receivables	168,171	128,994
Total gross receivables due to deliveries and services	342,362	312,583
g) write-offs that reevaluate receivables due to deliveries and services	25,567	30,774
Total net receivables due to deliveries and services	316,795	281,809

With the regular course of sales, receivables listed in items a) to e) are related. Payment deadline is one of integral elements of the financial offer of the Comarch Group. The Group applies different payment deadlines depending on agreement type and contractor. In particular, long payment deadlines result from using by public institutions of the so-called guarantee deposits settled after completion of a contract (i.e. withholding part of payment of each invoice until the contract is completely executed).

## Note 6 f

GROSS RECEIVABLES DUE TO DELIVERIES AND SERVICES, OUTDATED, BY RECEIVABLES OUTSTANDING IN THE PERIOD:	thousands of PLN	
	2011	2010
a) less than 1 month	25,913	18,093
b) over 1 month and less than 3 months	27,012	14,800
c) over 3 month and less than 6 months	13,799	16,029
d) over 6 months and less than 1 year	26,348	25,131
e) over 1 year	75,099	54,941
Total gross receivables due to deliveries and services, outdated	168,171	128,994
f) write-offs that reevaluate receivables due to deliveries and services, outdated	25,567	30,774
Total net receivables due to deliveries and services, outdated	142,604	98,220

## Note 7 a

Contested debts and outdated receivables (by titles) as at 31<sup>st</sup> of December, 2011:  
a) contested debts – comprised by revaluating write-offs  
b) gross outdated receivables: 168.171 million PLN:  
- due to deliveries of finished goods and services: 168.171 million PLN.  
Outdated receivables on which revaluating write-offs were not made: 142.604 million PLN.  
Outdated receivables comprised by revaluating write-offs: 25.567 million PLN.  
Including receivables that are prosecuted – comprised by revaluating write-offs: 0.95 PLN.

File	Description

## Note 8 a

CURRENT FINANCIAL ASSETS	thousands of PLN	
	2011	2010
a) in subsidiaries	215	0
-granted loans	215	0
b) in other parties	149	1,452
-interest and shares	25	0
-granted loans	124	24
-other current financial assets (by types)	0	1,428
-forward contracts	0	383
-participation units	0	1,045
c) cash and cash equivalents	55,342	52,511
-cash in hand and at banks	55,335	52,503
-other monetary assets	7	8
Total current financial assets	55,706	53,963

## Note 8 b

SECURITIES, SHARES AND OTHER CURRENT FINANCIAL ASSETS (CURRENCY STRUCTURE)	unit	currency	thousands of PLN	
			2011	2010
a) in polish currency			25	1,045
b) in foreign currencies (by currencies and after conversion to PLN)			0	383
b1. in currency	in thou.	EURO	0	0
- after conversion to thousands of PLN (EURO)			0	383
b2. In currency	in thou.	USD	0	0
- after conversion to thousands of PLN (USD)			0	0
Total securities, shares and other current financial assets			25	1,428

## Note 8 c

SECURITIES, SHARES AND OTHER CURRENT FINANCIAL ASSETS (BY DISPOSAL)	thousands of PLN	
	2011	2010
A. With unlimited disposability, not registered on regulated market (balance sheet value)	0	0
a) other-by types (balance sheet value):	0	1,428
-market value	0	0

-value by acquisition price	0	1,000
B. Shares registered in regulated market (balance sheet value)	25	0
-market value	25	0
-value by acquisition price	72	0
Total balance sheet value	25	1,428

## Note 8 d

GRANTED CURRENT LOANS (CURRENCY STRUCTURE)	unit	currency	thousands of PLN	
			2011	2010
a) in polish currency			47	24
b) in foreign currencies (by currencies and after conversion to PLN)			77	0
Other currencies in thousands of PLN			0	0
Total granted current loans			124	24

## Note 8 e

CASH AND CASH EQUIVALENTS (CURRENCY STRUCTURE)	unit	currency	thousands of PLN	
			2011	2010
a) in polish currency			48,165	38,223
b) in foreign currencies (by currencies and after conversion to PLN)			7,177	14,288
b1. in currency	in thou.	EURO	1,418	2,432
after conversion to thousands of PLN			6,262	9,625
b2. in currency	in thou.	USD	234	1,536
after conversion to thousands of PLN			800	4,552
b3. in currency	in thou.	GBP	11	17
after conversion to thousands of PLN			61	77
b4. in currency	in thou.	DKK	16	7
after conversion to thousands of PLN			9	4
B5. in currency	in thou.	CHF	8	4
after conversion to thousands of PLN			28	13
other currencies in thousands of PLN			17	17
Total cash and cash equivalents			55,342	52,511

## Note 9 a

CURRENT PREPAYMENTS	thousands of PLN	
	2011	2010
a) current prepayments of costs, including:	4,223	4,950
-costs related to the future sales	3,533	4,317
-property and motor insurance	632	601
-other	58	32
b) other prepayments, including:	8,918	7,150
-prepayments due to revenues from non-current contracts	8,918	7,150
-due subsidies	0	0
Total current prepayments	13,141	12,100

## Note 10 a

SHARE CAPITAL (STRUCTURE)								
in thousands of PLN								
Series/ issue	Type of shares	Type of shares preference	Type of limitation of rights to shares	Number of shares	Value of series/ issue by nominal value	Capital covering	Registration date	Right to dividend (from)
A	Registered preference	vote 5:1	not limited	864,800	865	transformation of limited company	1994-12-20	1994-12-20
A	ordinary bearer shares		not limited	75,200	75	transformation of limited company	1994-12-20	1994-12-20
B	Registered preference	vote 5:1	not limited	883,600	884	cash	1995-03-24	1994-12-20
B	ordinary bearer shares		not limited	56,400	56	cash	1995-03-24	1994-12-20
C	ordinary bearer shares		not limited	3,008,000	3,008	cash	1997-06-20	1996-11-01
D	ordinary bearer shares		not limited	1,200,000	1,200	cash	1999-03-01	1997-11-01
E	ordinary bearer shares		not limited	638,600	638	cash	2000-03-08	1999-01-01
G	ordinary bearer shares		not limited	125,787	126	cash	2004-06-29	2004-01-01
G3	ordinary bearer shares		not limited	102,708	103	cash	2005-06-23	2005-01-01
H	ordinary bearer shares		not limited	543,025	543	conversion of convertible bonds into shares	2006-03-20	2006-01-01
H	ordinary bearer shares		not limited	20,650	21	conversion of convertible bonds into shares	2006-03-31	2006-01-01
I2	ordinary bearer shares		not limited	441,826	441	execution of managerial option programme	2007-04-20	2007-01-01
J2	ordinary bearer shares		not limited	91,041	91	execution of managerial option programme	2010-03-31	2010-01-01
Total number of shares				8,051,637				
Total share capital					8,051			
Nominal value of one share (PLN)			1,00					

**I. Shareholders holding directly or indirectly by subsidiary entities at least 5 % of the total number of votes in the general meeting of Comarch S.A.**

As at 31<sup>st</sup> of December, 2011, shareholders holding directly or indirectly by subsidiary entities at least 5% of the total number of votes in the general meeting of Comarch S.A. were:

-Janusz Filipiak held 2,620,010 shares (32.54% of the company's share capital), which gave him 6,192,010 votes at the AGM and constituted 41.16% of all votes at the AGM;

-Elżbieta Filipiak held 846,000 shares (10.51% of the company's share capital), which gave her 4,230,000 votes at the AGM and constituted 28.12% of all votes at the AGM.

**AFTER THE BALANCE SHEET DATE:**

None present.

**II. Managerial Option Program for Members of the Management Board and Other Key Employees for 2011-2013**

On 28<sup>th</sup> 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 is to additionally motivate members of the Management Board and Key Employees by options on Comarch shares (hereinafter referred to as the "Option") dependent on increases in the value of the company and increase in its capitalisation. The program will be executed through offers of newly-issued shares in the company in 2012, 2013 and 2014 to Key Employees (details of this programme were presented in note 40 of the financial statement).

Execution of this programme for 2012

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

**Note 11 a**

<b>SUPPLEMENTARY CAPITAL</b>	thousands of PLN	
	2011	2010
a) from sales of shares above par	84,448	84,448
b) created according to the law	2,684	2,684
c) created according to the statute/agreement, above the (minimal) value that is required by law	327,900	259,430
Total supplementary capital	415,032	346,562

**Note 12 a**

<b>REVALUATION RESERVE</b>	thousands of PLN	
	2011	2010
Opening balance of revaluation of reserve	135,204	138,676
a) increases	1,103	816
-provision for deferred tax due to certificates valuation	1,103	816
b) decreases	5,805	4,288
-balance-sheet valuation of investment certificates	5,805	4,288
Total revaluation reserve	130,502	135,204

## Note 13 a

OTHER RESERVE CAPITALS (BY PURPOSES)	thousands of PLN	
	2011	2010
-investment capital	79	79
-supplementary capital for covering the tax liabilities	666	666
Total reserve capitals	745	745

## Note 14 a

CHANGES IN PROVISION DUE TO DEFERRED INCOME TAX	thousands of PLN	
	2011	2010
1. Opening balance of provision due to deferred income tax	33,850	34,420
2. Increases	312	246
-referred into the financial result of the period due to positive temporary differences	312	246
3. Decreases	1,191	816
-referred into revaluation reserve due to CCF FIZ investment certificates valuation	1,103	816
-referred into the financial result	88	0
4. Closing balance of provision due to deferred income tax	32,971	33,850
-referred into the financial result	2,359	2,135
-referred into the equity	30,612	31,715

**I. Temporary differences and tax losses to be settled**

In 2011, provisions for deferred income tax in the amount of 0.312 million PLN was recognised and provisions for the previous years were dissolved and worth 0.088 million PLN.

**II. Valuation of investment certificates in CCF CIF**

Provisions for deferred income tax related to valuation of investment certificates in Closed Investment Fund was decreased and worth 1.103 million PLN. The provisions as well as certificates valuation are settled with revaluation reserve.

## Note 14 b

CHANGES IN OTHER CURRENT PROVISIONS (BY TITLES)	thousands of PLN	
	2011	2010
a) opening balance	46,621	41,060
b) increases (due to)	74,295	36,161
-creating provisions due to contractual penalties and recoveries related to delays in contract execution and withdrawal from the contracts	6,602	3,657
-provisions for leaves	4,026	2,295
-provisions contracts costs	7,164	2,444
-provisions for rewards	56,503	27,087
-other provisions	0	678
c) decreases	57,639	30,600
-dissolving provisions for leaves	2,762	1,827
-dissolving provisions for contractual penalties due to no reasons for creating them	4,849	825
-provisions contracts costs	3,295	1,300
-provisions for rewards	46,049	26,170
-other provisions	684	478
c) closing balance	63,277	46,621

## Note 15 a

NON-CURRENT LIABILITIES	thousands of PLN	
	2011	2010
a) opening balance	142	181
-other (by types)	142	181
-due to lease	142	181
a) to other entities	75,276	84,804
-credits and loans	75,276	84,804
Total non-current liabilities	75,418	84,985

## Note 15 b

NON-CURRENT LIABILITIES WITH PAYMENT PERIOD (FROM THE BALANCE SHEET DATE)	thousands of PLN	
	2011	2010
a) over 1 year up to 3 years	142	22,778
b) over 3 years up to 5 years	5,520	21,498
c) over 5 years	69,756	40,709
Total non-current liabilities	75,418	84,985

## Note 15 c

NON-CURRENT LIABILITIES (CURRENCY STRUCTURE)	unit	currency	thousands of PLN	
			2011	2010
a) in polish currency			17,510	78,055
b1. in currency	in thou.	EURO	13,118	1,750
after conversion to thousands of PLN			57,908	6,930
Total non-current liabilities			75,418	84,985

## Note 15 d

<b>NON-CURRENT LIABILITIES (DUE TO CREDITS AND LOANS)</b>													
thousands of PLN													
Name of entity (company) including legal form	Seat	Value of credit / loan according to a contract				Value of credit / loans to be paid				Interest rate	Maturity date	Hedges	Other
		in thousands of PLN	in currency	unit	currency	in thousands of PLN	in currency	unit	currency				
BNP Paribas Bank Polska S.A.	Warsaw	20,000		thou	PLN	5,521	1,250	thou	EUR	WIBO R1M+ 0.95%	05-04-2015	promissory note, the mortgage on land in the amount of 2.812 million euro and the building insurance policy	related to SEZ2 building; in January, 2009 there was a currency change in this credit
Kredyt Bank S.A.	Warsaw	26,824		thou	PLN	17,479		thou	PLN	WIBO R1M+ 0.85%	31-03-2022	the mortgage on land in the amount of 26.824 million PLN and maximum mortgage up to the amount of 6.5 million PLN and the building insurance policy	related to SEZ3 building
BNP Paribas Bank Polska S.A.	Warsaw	44,000		thou	PLN	32,154	7,280	thou	EUR	WIBO R1M+ 0.95%	29-07-2024	promissory note, the mortgage on land in the amount of 53.815 million PLN and the building insurance policy	related to SEZ4 building, in October, 2011 there was a currency change in this credit
DnB NORD Polska S.A.	Warsaw	22,000		thou	PLN	20,122	4,556	thou	EUR	WIBO R1M+ 2.65%	30-09-2021	the mortgage on land in the amount of 22 million PLN and maximum mortgage up to the amount of 11 million PLN, the building insurance policy, the investment bank guarantee	related to SEZV building

At the balance sheet date, long-term part of credit to be paid is worth 75.276 million PLN.



## Note 16 a

<b>CURRENT LIABILITIES</b>	thousands of PLN	
	2011	2010
a) to subsidiaries	23,958	18,893
-due to deliveries and services with payment period of:	21,273	18,289
-up to 12 months	21,273	18,289
-other (by types)	2,685	604
-liabilities due to lease	66	202
-liabilities due to loan	468	383
-investment liabilities	1,947	19
-other	204	0
c) to other entities	141,490	128,821
-credits and loans	24,032	6,896
-other financial liabilities	685	0
-due to deliveries and services with payment period of:	80,134	93,311
-up to 12 months	76,097	79,051
-over 12 months	4,037	13,560
-advances for received deliveries	267	327
-due to taxes, customs, insurance and other benefits	32,348	22,654
-due to remuneration	116	17
-other (by titles)	3,908	5,616
-investment liabilities	2,623	4,504
-liabilities to employees	227	560
-other	1,058	552
d) special funds (by types)	1,114	1,020
-Social Services Fund and Residential Fund	1,114	1,020
Total current liabilities	166,562	148,734

## Note 16 b

<b>CURRENT LIABILITIES (CURRENCY STRUCTURE)</b>	unit	currency	thousands of PLN	
			2011	2010
a) in polish currency			105,495	126,911
b) in foreign currencies (by currencies and after conversion to PLN)			61,067	21,823
b1. in currency	in thou.	EURO	13,221	4,523
after conversion to thousands of PLN			58,394	17,913
b2. in currency	in thou.	USD	768	1,289
after conversion to thousands of PLN			2,626	3,822
b3. in currency	in thou.	GBP	4	14
after conversion to thousands of PLN			20	66
Other currencies in thousands of PLN			27	22
Total current liabilities			166,562	148,734

## Note 16 c

CURRENT LIABILITIES (DUE TO CREDITS AND LOANS)													
thousands of PLN													
Name of entity (company) including legal form	Seat	Value of credit / loan according to a contract				Value of credit / loans to be paid				Interest rate	Maturity date	Hedges	Other
		in thousands of PLN	in currency	unit	currency	in thousands of PLN	in currency	unit	currency				
BNP Paribas Bank Polska S.A.	Warsaw	20,000		thou	PLN	2,208	500	thou	EUR	WIBO R1M+ 0,95%	05-04-2015	promissory note, the mortgage on land in the amount of 2.812 million EUR and the building insurance policy	related to SEZ2 building; in January, 2009 there was a currency change in this credit
Kredyt Bank S.A.	Warsaw	26,824		thou	PLN	1,897		thou	PLN	WIBO R1M+ 0,85%	31-03-2022	the mortgage on land in the amount of 26.824 million PLN and maximum mortgage up to the amount of 6.5 million PLN and the building insurance policy	related to SEZ3 building
BNP Paribas Bank Polska S.A.	Warsaw	44,000		thou	PLN	2,738	620	thou	EUR	WIBO R1M+ 0,95%	29-07-2024	promissory note, the mortgage on land in the amount of 53.815 million PLN and the building insurance policy	related to SEZ4 building, in October, 2011 there was a currency change in this credit
DnB NORD Polska S.A.	Warsaw	22,000		thou	PLN	2,089	473	thou	EUR	WIBO R1M+ 2.65%	30-09-2021	the mortgage on land in the amount of 22 million PLN and maximum mortgage up to the amount of 11 million PLN, the building insurance policy, the investment bank guarantee	related to SEZV building
PEKAO S.A.	Warsaw	15,100		thou	PLN	15,100		thou	PLN	WIBO R1M+ 0.85%	30-04-2012	promissory note, the mortgage on land in the amount of 15.1 million PLN and maximum mortgage up to the amount of 2.5 million PLN,	

												power of attorney to settle borrower's liabilities with the account of Comarch	
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At the balance sheet date short-term part of credit to be paid is worth 24.032 million PLN.

## Note 17 a

OTHER ACCRUALS	thousands of PLN	
	2011	2010
a) costs related to the current period that will be incurred in future	214	0
b) accruals of revenues	5,126	7,475
-current (by titles)	5,126	7,475
-subsidies received	204	999
-accruals due to long-term contracts	4,922	6,474
-other accruals	0	2
Total other accruals	5,340	7,475

## Note 18 a

Book value per single share in column "2011" is equal to book value (equity) divided by number of shares as at 31<sup>st</sup> of December, 2011. Book value per single share in column "2010" is equal to book value (equity) divided by number of shares as at 31<sup>st</sup> of December, 2010.

Diluted book value per single share in column "2011" is equal to book value (equity) divided by number of shares as at 31<sup>st</sup> of December, 2011. Diluted book value per single share in column "2010" is equal to book value (equity) divided by number of shares as at 31<sup>st</sup> of December, 2010.

Pursuant to IAS 33, in calculation of diluted profit per single share (diluted book value per single share) ordinary shares should be regarded as diluting if and only if their conversion to ordinary shares would reduce net profit (book value).

File	Description

## OFF-BALANCE ITEMS COMMENTARY NOTES

## Note 19 a

CONTINGENT LIABILITIES TO RELATED PARTIES (DUE TO)	thousands of PLN	
	2011	2010
a) granted bank guarantees and suretyships	27,333	8,733
-to subsidiaries	27,333	8,733
b) payment for purchase of shares issued within the frame of conditional increase in the share capital of MKS Cracovia SSA, including:	30,000	0
-to subsidiaries	30,000	0
Total contingent liabilities to related parties	57,333	8,733

## INCOME STATEMENT COMMENTARY NOTES

## Note 20 a

NET REVENUES FROM SALES OF PRODUCTS (MATERIAL STRUCTURE-TYPES OF ACTIVITIES)	thousands of PLN	
	2011	2010
-sales of IT services	377,038	356,949
-including: from related parties	100,170	53,501
-sales of proprietary software and licences	76,502	63,168
-including: from related parties	1,558	4,532
-sales of finished goods	14,163	10,946
-other sales	4,914	5,741
-including: from related parties	2,158	0
Total net revenues from sales of products	472,617	436,804
-including: from related parties	103,886	58,033

## Note 20 b

NET REVENUES FROM SALES OF PRODUCTS (GEOGRAPHICAL STRUCTURE)	thousands of PLN	
	2011	2010
a) domestic	305,100	305,489
-including: from related parties	3,036	1,817
b) export	167,517	131,315
-including: from related parties	100,850	56,216
Total net revenues from sales of products	472,617	436,804
-including: from related parties	103,886	58,033

## Note 21 a

NET REVENUES FROM SALES OF GOODS AND MATERIALS (MATERIAL STRUCTURE- TYPES OF ACTIVITIES)	thousands of PLN	
	2011	2010
-computer hardware	28,708	33,338
-including: from related parties	794	286
-proprietary software and licences	50,451	74,889
-including: from related parties	973	59
-other	15,897	14,422
-including: from related parties	477	156
Total net revenues from sales of goods and materials	95,056	122,649
-including: from related parties	2,244	501

## Note 21 b

NET REVENUES FROM SALES OF GOODS AND MATERIALS (GEOGRAPHIC STRUCTURE)	thousands of PLN	
	2011	2010
a) domestic	91,736	121,599
-including: from related parties	150	298
b) export	3,320	1,050
-including: from related parties	2,094	203
Total net revenues from sales of goods and materials	95,056	122,649
-including: from related parties	2,244	501

## Note 22 a

COSTS BY TYPES	thousands of PLN	
	2011	2010
a) depreciation	18,788	18,586
b) consumption of materials and energy	11,498	8,460
c) third party services	99,835	97,764
d) taxes and charges	4,561	3,835
e) remuneration	211,221	191,743
f) social insurance and other benefits	33,838	31,595
g) other (by types)	21,027	20,509
Total costs by types	400,768	372,492
Change in inventories, products and prepayments	-4,461	-19,319
Costs of sales (negative value)	-61,245	-57,320
Administrative costs (negative value)	-40,719	-36,385
Manufacturing costs of products sold	-294,343	259,468

## Note 23 a

OTHER OPERATING REVENUES	thousands of PLN	
	2011	2010
a) provision dissolution (due to)	0	0
-result on disposal, decommissioning of non-financial non-current assets	0	0
-to write-offs that reevaluate materials and finished goods	0	0
b) other, including:	3,520	467
-recovered communication damages	31	41
-refund of VAT that was paid abroad	0	145
-received contractual penalties	11	20
-refunded legal expenses	15	37
-remuneration of taxpayer, refunds from Social Securities Institution	55	107
-cancelled training contracts	6	5
-received volume discounts	0	66
-received outdated advances	315	0
-dissolving write-offs revaluating goods	62	0
-outdated overpayment of invoice	2,873	0
-other	152	46
Total operating revenues	3,520	467

## Note 24 a

OTHER OPERATING COSTS	thousands of PLN	
	2011	2010
a) other, including:	38,033	19,864
-membership fees	344	260
-donations	70	117
-paid penalties	1,740	309
-provisions for penalties and compensation	5,781	0
-costs of projects that are in part financed with subsidies	18,747	11,300
-write-off that reevaluates receivables	0	6,793
-write-off that reevaluates goods	2,367	842
-social costs	116	65

-receivables amortisation	8,297	0
-real estates maintenance costs	442	0
-other	129	178
Total operating costs	38,033	19,864

**Note 25 a**

<b>FINANCIAL REVENUES DUE TO DIVIDENDS AND SHARES IN PROFITS</b>	thousands of PLN	
	2011	2010
a) dividends from related parties, including	509	2,360
-dividends from subsidiaries:	509	2,360
Total financial revenues due to dividends and shares in profits	509	2,360

**Note 25 b**

<b>FINANCIAL REVENUES DUE TO INTEREST</b>	thousands of PLN	
	2011	2010
a) due to granted loans	1,984	1,923
-from related parties, including:	1,984	1,923
-from subsidiaries	1,984	1,923
b) other interest	941	947
-from other parties	971	947
Total financing revenues due to interest	2,925	2,870

**Note 25 c**

<b>OTHER FINANCING REVENUES</b>	thousands of PLN	
	2011	2010
a) other, including:	17,198	900
-executed forward transactions	0	643
-exchange differences	17,198	0
-forward valuation	0	0
-income tax return, written off liabilities	0	197
-other	0	60
Total financing revenues	17,198	900

**Note 26 a**

<b>FINANCING COSTS DUE TO INTEREST</b>	thousands of PLN	
	2011	2010
a) other interest	4,758	3,826
-for subsidiaries	19	17
-for other parties	4,739	3,809
Total financing costs due to interest	4,758	3,826

## Note 26 b

OTHER FINANCING COSTS	thousands of PLN	
	2011	2010
a) other, including:	2,614	2 067
-commissions on guarantees	438	448
-forward valuation	1,068	16
-executed forward contracts	895	0
-provisions for interest on penalties, compensation, claims	232	0
-exchange differences	0	1 576
-other	-19	27
Total other financing costs	2,614	2 067

## Note 27 a

CURRENT INCOME TAX	thousands of PLN	
	2011	2010
1. Gross profit (loss)	62,691	74,669
2. Permanent differences between gross profit (loss) and basis of taxation for income tax	18,182	4,665
3. Temporary differences between gross profit (loss) and basis of taxation for income tax	25,421	14,973
4. Other differences between gross profit (loss) and basis of taxation for income tax, including:	-55,961	-56,457
-income exempt due to activities in Special Economic Zone	-55,961	-56,457
5. Basis of taxation for income tax	50,334	37,850
6. Income tax at the rate of 19 % in Poland and 10 % in Albany	9,506	7,172
7. Income tax recognised in income statement	7,500	6,199
-presented in tax declaration (current tax to be paid)	9,506	7,172
-deferred	-2,006	-973

## Note 27 b

DEFERRED INCOME TAX RECOGNISED IN INCOME STATEMENT:	thousands of PLN	
	2011	2010
-deferred income tax due to temporary differences	-2,006	973
Total deferred income tax	-2,006	973

## Note 28 a

On 29<sup>th</sup> of June, 2011, Annual General Meeting decided that net profit for the period from 1<sup>st</sup> of January, 2010, to 31<sup>st</sup> of December, 2010 in amount of 68,470,447.68 PLN is allocated in entirety for the supplementary capital. Comarch S.A.'s Management Board has not made a decision until publication date of this report concerning a proposed profit-sharing for 2011.

File	Description



## Note 29 a

Net profit per single share in column "2011" is equal to net profit for the period from 1<sup>st</sup> of January, 2011 to 31<sup>st</sup> of December, 2011, divided by weighted average number of shares between 1<sup>st</sup> of January, 2011 and 31<sup>st</sup> of December, 2011, where number of days is the weight. Net profit per single share in column "2010" is equal to net profit for the period from 1<sup>st</sup> of January, 2010 to 31<sup>st</sup> of December, 2010, divided by weighted average number of shares between 1<sup>st</sup> of January, 2010 and 31<sup>st</sup> of December, 2010, where number of days is the weight.

Diluted net profit per single share in column "2011" is equal to net profit for the period from 1<sup>st</sup> of January, 2011 to 31<sup>st</sup> of December, 2011 divided by weighted average number of shares between 1<sup>st</sup> of January, 2011 and 31<sup>st</sup> of December, 2011 that was calculated according to IAS 33. Diluted net profit per single share in column "2010" is equal to net profit for the period from 1<sup>st</sup> of January, 2010 to 31<sup>st</sup> of December, 2010 divided by weighted average number of shares between 1<sup>st</sup> of January, 2010 and 31<sup>st</sup> of December, 2010 that was calculated according to IAS 33. Pursuant to IAS 33, in calculation of diluted profit per single share (diluted book value per single share) ordinary shares should be regarded as diluting if and only if their conversion to ordinary shares would reduce net profit (book value).

File	Description

## CASH FLOW COMMENTARY NOTES

File	Description
Cash flow commentary notes.pdf	Cash flow commentary notes-Appendix no. 7

CASH FLOWS FROM INVESTING ACTIVITIES (INDIRECT METHOD)	in thousands of PLN	
	2011	2010
I. Net profit (loss)	55,191	68,470
II. Total adjustments	7,158	-42,066
1. Depreciation	18,788	18,586
2. Exchange gains (losses)	296	-263
3. Interest and shares in profits (dividends)	3,488	1,974
4. Profit (loss) on investing activities	4,526	-1,629
5. Change in provisions	16,880	4,126
6. Change in inventories	8,061	-13,111
7. Change in receivables	-40,649	-85,170
8. Change in current liabilities, excluding credits and loans	-397	34,639
9. Change in prepayments and accruals	-3,835	-1,218
10. Other adjustments	0	0
III. Net cash used in operating activities (I+/-II)	62,349	26,404

## B. ADDITIONAL COMMENTARY NOTES

File	Description
Additional commentary notes.pdf	Additional commentary notes-Appendix no. 8

## SIGNATURES

<b>SIGNATURES OF ALL MEMBERS OF THE BOARD</b>			
Date	Name and surname	Position	Signature
2012-04-30	Janusz Filipiak	President of the Management Board	
2012-04-30	Piotr Piątosa	Vice-president of the Management Board	
2012-04-30	Paweł Prokop	Vice-president of the Management Board	
2012-04-30	Piotr Reichert	Vice-president of the Management Board	
2012-04-30	Zbigniew Rymarczyk	Vice-president of the Management Board	
2012-04-30	Konrad Tarański	Vice-president of the Management Board	
2012-04-30	Marcin Warwas	Vice-president of the Management Board	

<b>SIGNATURE OF PERSON CHARGED WITH CARRYING ON ACCOUNT BOOKS</b>			
Date	Name and surname	Position	Signature
2012-04-30	Maria Smolińska	Head Accountant	

**REPORT OF THE MANAGEMENT BOARD (REPORT REGARDING THE ACTIVITIES OF ISSUER)**

File	Description
Report of the Management Board.pdf	Report of the Management Board- Appendix no. 9

**REPORT REGARDING THE CORPORATE GOVERNANCE**

File	Description
Report regarding the Corporate Governance.pdf	Report regarding the Corporate Governance- Appendix no. 10

In this report, the following notes have not been filed in:

Property, plant and equipment in use recognised off-balance sheet

Non-current receivables, Change in non-current receivables (by titles), Change in write-offs revaluating non-current receivables

Non-current receivables (currency structure)

Change in intangibles (by types), Interest or shares in related units that are valued by equity method, including: ,

Change in goodwill-subsiaries, Change in goodwill-co subsidiaries, Change in goodwill-associates, Change in negative goodwill-subsiaries, Change in negative goodwill- co subsidiaries, Change in negative goodwill-associates, Interest or shares in other entities

Other current investment (by types), Other current investment (currency structure)

Revaluating write-offs

Proprietary shares (interest), Shares (interest) of issuer that are propriety of related parties

Write-offs from net profit during financial year (due to)

Change in non-current provision for retirement pension and similar (due to), Change in current provision for retirement pension and similar (due to), Change in other non-current provisions (due to)

Non-current liabilities due to issued debts

Current liabilities due to issued debts

Change in negative goodwill

Contingent receivables from related entities (due to)

Profit (loss) on sales of entirety or part of shares of related parties

Extraordinary profits

Extraordinary losses

Total amount of deferred tax, Income tax recognised in income statement related

Other obligatory decreases in profit (increases in losses), due to:

Share in net profits (losses) of related parties that are valued by equity method, including:

## CASH FLOW COMMENTARY NOTES, SA-R 2011 COMARCH S.A. ANNUAL REPORT

### Note 30

#### CASH STRUCTURE (CURRENT YEAR)

	31 December 2011	31 December 2010	Change
Cash in hand	488	628	-140
Cash in banks	54,847	51,875	2,972
<b>Total</b>	<b>55,335</b>	<b>52,503</b>	<b>2,832</b>
<i>-including exchange differences</i>	296	265	31

### Note 31

#### CALCULATION DETAILS OF SELECTED ITEMS IN CASH FLOW STATEMENT (CURRENT YEAR)

##### Operating activities

##### Pos. A II 1 Depreciation

Depreciation of intangible assets	1,801
Depreciation of property, plant and equipment	16,987
<b>Total</b>	<b>18,788</b>

##### Pos. A II 3

Paid-out interest on credits	4,795
Received interest on loans	-798
Received dividend	-509
<b>Total</b>	<b>3,488</b>

##### Pos. A II 4

Revenues from sales of property, plant and equipment	-879
Cost of sold and decommissioned property, plant and equipment in use	884
Revaluation of shares	4,316
Other (Albany)	205
<b>Total</b>	<b>4,526</b>

##### Pos. A II 7

Change in receivables	-39,795
Investment receivables	236
Loans granted	9,933
Loans paid	-11,023
<b>Total</b>	<b>-40,649</b>

<b>Pos. A II 8</b>	
Change in current liabilities excluding loans, credits and other financial liabilities	272
Change in investment liabilities	-1,978
Change in financial liabilities	1,215
Change in Social Services Fund	94
<b>Total</b>	<b>-397</b>

<b>Pos. A II 9</b>	
Change in prepayments	-903
Change in accruals	-2,131
Change in tax asset	-2,230
Other	1,429
<b>Total</b>	<b>-3,835</b>

### Investment activities

#### Inflows

<b>Pos. B I 1</b>	
Revenues from sales of property, plant and equipment	879
Receivables paid	-236
<b>Total</b>	<b>643</b>

#### Outflows

<b>Pos. B II 1</b>	
Purchase of intangible assets and property, plant and equipment	-11,734
Payment of investment liabilities	2,169
<b>Total</b>	<b>-9,565</b>

<b>Pos. B II 2</b>	
Expenses for investment in real estates	-28,688
Investment liabilities	-191
<b>Total</b>	<b>-28,879</b>

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Note 32

FINANCIAL INSTRUMENTS

A) Changes in Financial Instruments (by categories)

Changes in particular categories of financial assets (excluding cash and cash equivalents) from 1<sup>st</sup> of January, 2010 to 31<sup>st</sup> of December, 2010 were as follows:

Change in financial instruments by categories	Financial assets held for trading	Held to maturity financial assets	Granted loans and proprietary receivables	Financial liabilities
<b>1 January 2010</b>	398		50,096	90,448
+ increases	0		12,507	8,638
- decreases	15		9,588	6,602
<b>31 December 2010</b>	<b>383</b>		<b>53,015</b>	<b>92,484</b>
<b>Balance sheet approach</b>				
<b>Non-current financial assets</b>			<b>52,991</b>	
<i>in related parties</i>			52,991	
<i>in other entities</i>			0	
<b>Current financial assets</b>	<b>383</b>		<b>24</b>	
<i>in related parties</i>	0		0	
<i>in other entities</i>	383		24	
<b>Current financial liabilities</b>				<b>7,499</b>
<i>to related parties</i>				603
<i>to other entities</i>				6,896
<b>Non-current financial liabilities</b>				<b>84,985</b>
<i>to related parties</i>				181
<i>to other entities</i>				84,804

Changes in particular categories of financial assets (excluding cash and cash equivalents) from 1<sup>st</sup> of January, 2011 to 31<sup>st</sup> of December, 2011 were as follows:

<b>Change in financial instruments by categories</b>	<b>Financial assets held for trading</b>	<b>Held to maturity financial assets</b>	<b>Granted loans and proprietary receivables</b>	<b>Financial liabilities</b>
<b>1 January 2011</b>	383		53,015	92,484
+ increases	303		12,910	15,035
- decreases	0		9,839	6,848
<b>31 December 2011</b>	<b>686</b>		<b>56,086</b>	<b>100,671</b>
<b>Balance sheet approach</b>				
Non-current financial assets			<b>55,747</b>	
<i>in related parties</i>			55,747	
<i>in other entities</i>			0	
<b>Current financial assets</b>	<b>686</b>		<b>339</b>	
<i>in related parties</i>	0		215	
<i>in other entities</i>	686		124	
<b>Current financial liabilities</b>				<b>25,252</b>
<i>to related parties</i>				534
<i>to other entities</i>				24,718
<b>Non-current financial liabilities</b>				<b>75,419</b>
<i>to related parties</i>				142
<i>to other entities</i>				75,277

#### **Financial assets held for trading**

This refers to forward contracts held 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.

#### **Granted loans and proprietary receivables**

Granted loans are appraised to according to depreciated costs using the effective interest method. When there are no differences significant for valuation, they are recognised according to nominal value accrued interest using interest rate resultant from contracts.

#### **Financial liabilities**

Liabilities are related to investment credit and liabilities due to lease.

**B) Interest on Financial Liabilities for 2011**

	Executed	Not executed with maturity			Total	Interest
		up to 3 months	3-12 months	over 12 months		
Interest on financial liabilities held for trading						
Interest on other current financial liabilities (leasing)	8		5	85	90	98
Interest on non-current financial liabilities (credit)	4,795					4,795
<b>Total</b>	<b>4,803</b>		<b>5</b>	<b>85</b>	<b>90</b>	<b>4,893</b>

**C) Interest on Granted Loans and Debt Financial Instruments for 2011**

	Executed	Not executed with maturity			Total	Interest
		up to 3 months	3-12 months	over 12 months		
Interest on granted loans	797		6	5,475	5,481	6,278
Interest on debts						
<b>Total</b>	<b>797</b>		<b>6</b>	<b>5,475</b>	<b>5,481</b>	<b>6,278</b>

**Note 33****CONTINGENT LIABILITIES**

On 31<sup>st</sup> of December, 2011, 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 35.12 million PLN. On the 31<sup>st</sup> of December, 2010, the value of the bank guarantee and letters of credit issued by banks on order from Comarch S.A. in reference to executed agreements and participation in tender proceedings was 39.26 million PLN, including a bank guarantee in the amount of 1.7 million euro, i.e. 6.73 million PLN, for Bank HVB's benefit, as a suretyship for credit used by Comarch Software und Beratung AG.

Comarch S.A. granted letters of comfort for its subsidiaries: Comarch Software und Beratung AG (valid till the 31<sup>st</sup> of March, 2013) and MKS Cracovia SSA (valid till 30<sup>th</sup> of June, 2013).

As a result of an agreement signed on the 15<sup>th</sup> of December, 2011, between Comarch SA and MKS Cracovia SSA on the purchase of new shares and execution of rights from warrants, Comarch SA is obliged to purchase shares issued within the conditional increase in share capital of MKS Cracovia SSA and pay:

- 15,912,495 PLN for the purchase of the afore-mentioned shares till the 31<sup>st</sup> of March, 2012,
- 4,695,774 PLN till the 31<sup>st</sup> of March, 2013,
- 9,391,548 till the 31<sup>st</sup> of December, 2013.

As a result of execution of the afore-mentioned provisions, on the 24<sup>th</sup> of February, 2012, an agreement was signed between Comarch SA and MKS Cracovia SSA on the purchase of MKS Cracovia SSA series E shares for 15,912,495 PLN (note 42).

As at 31<sup>st</sup> of December, 2011, there were no Comarch S.A.'s suretyships for the debts from lease agreements.

The Comarch Group is the defendant in legal proceedings, in which the potential total amount of third party claims is 15.84 million PLN. Provisions for part of these claims were presented in the balance sheet as of 31<sup>st</sup> of December, 2011 and are worth 0.44 million PLN. They include provisions for claims recognised in 2011 and worth 0.38 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.

Due to legal proceedings conducted in 2011, Comarch S.A. created write-offs that reevaluate receivables and are worth 0.32 million PLN.

Comarch S.A. credit lines:

- a) An investment credit from BNP Paribas Bank Polska SA (previously Fortis Bank Polska S.A.) with its registered office in Warsaw in amount of 20 million PLN for the financing of the first construction stage of production and office buildings in the Special Economic Zone in Krakow. The crediting period may last a maximum of 10 years, i.e. until 2015. This credit has a variable interest rate. On 5<sup>th</sup> of January, 2009, the company revaluated the remaining credit to be paid into EUR. A promissory note, the mortgage on land and the building insurance policy are security for this credit. As at 31<sup>st</sup> of December, 2011, the value of the credit to be repaid amounted to 1.75 million EUR, i.e. 7.73 million PLN.
- b) An investment credit from 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. As at 31<sup>st</sup> of December, 2011, the value of the credit to be repaid amounted to 19.35 million PLN.
- c) An investment credit from BNP Paribas Bank Polska SA (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 30<sup>th</sup> of September, 2008. A promissory note, the mortgage on land and the building insurance policy are security for this credit. As at 30<sup>th</sup> of September, 2011, the value of the credit to be repaid amounted to 35.2 million PLN. On the 5<sup>th</sup> of October, 2011, the company revaluated the remaining credit to be paid into euro (current report no. 21/2011). After this operation, the value of the credit to be repaid amounted to 8.06 million EUR. As at 31<sup>st</sup> of December, 2011, the value of the credit to be repaid amounted to 7.9 million EUR, i.e. 34.52 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, the mortgage on the land is security for this credit. As at 31<sup>st</sup> of December, 2011, 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. 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. As at 31<sup>st</sup> of December, 2011, the credit was used in total. The real estate mortgage (22 million PLN and 11 million PLN), cession of rights in the building insurance policy



and cession of rights in the bank guarantee issued for the debtor are security for this credit. On the 30<sup>th</sup> of December, 2011, the company revaluated the remaining credit to be paid into euro. After this operation, the value of the credit to be repaid amounted to 5.03 million EUR. As at 31<sup>st</sup> of December, 2011, the value of the credit to be repaid amounted to 5.03 million EUR.

**Note 34**

**REVENUES AND COSTS FROM DISCARDED ACTIVITIES – NOT CONCERN**

**Note 35**

**PLANNED INVESTMENT EXPENDITURES**

Comarch S.A. conducted the investment in the SEZ in Krakow and completed it in the fourth quarter of 2011. The building is currently dedicated to offices and activity related to medicine (Centrum Medyczne iMed24 (medical centre)). Formal opening of the medical centre was performed in February, 2012. Book value of the new building amounts to 27.9 million PLN.

As at 31<sup>st</sup> of December, 2011, other property, plant and equipment under construction comprise mostly expenditures for the modernisation works of buildings used by Comarch S.A. as well as the purchase of equipment that is not yet accepted for use.

In 2012, Comarch S.A. plans to buy a building in Łódź for the price of approximately 3.5 million PLN. After modernisation, the building will be dedicated to offices of Comarch Group.

The parent company continues preparation works related to construction of a new building in Krakow Special Economic Zone (SEZVI). Comarch S.A. plans to obtain a construction permit till the end of 2012. Planned investment expenditures related to this investment in 2012 amount to approximately 1 million PLN.

**Note 36****COMARCH S.A.'s REVENUES FROM SALES OF FINISHED GOODS AND SERVICES TO OTHER ENTITIES OF THE GROUP AND ASSOCIATES (thousands of PLN)**

	<b>2011</b>	<b>2010</b>
Comarch AG	60,515	44,121
Comarch SuB Group	1,940	2,768
Comarch SAS	451	866
Comarch R&D S.à r.l.	90	11
Comarch, Inc.	12,614	4,847
Comarch Panama, Inc.	931	645
Comarch Canada, Corp.	78	-
Comarch LLC	2,680	1,529
Comarch Middle East FZ-LLC	325	638
OOO Comarch	1,018	315
Comarch Software (Shanghai) Co. Ltd.	48	268
Comarch Vietnam Company Ltd.	351	407
Comarch Oy	20,152	2
UAB Comarch	-	-
Comarch s.r.o.	-	-
Comarch Luxembourg S.à r.l.	1,750	-
CA Consulting S.A.	2,040	792
SouthForge Sp. z o.o.	175	170
MKS Cracovia SSA	16	56
Comarch Management Sp. z o.o.	10	10
Comarch Corporate Finance FIZ	-	-
Comarch Management Sp. z o.o. SK-A	10	10
iMed24 S.A.	516	272
iFin24 S.A.	62	303
iReward24 S.A.	69	154
Infrastruktura24 S.A.	32	80
iComarch24 S.A.	193	207
Bonus Development Sp. z o.o. SK-A	-	-
Bonus Management Sp. z o.o. SK-A	-	-
Bonus Development Sp. z o.o. II Koncept SK-A	-	-
Bonus Management Sp. z o.o. II Activia SK-A	-	-
CASA Management and Consulting Sp. z o.o. SK-A	-	-
SolInteractive S.A.	63	63
<b>Total</b>	<b>106,129</b>	<b>58,534</b>

Comarch S.A.'s trade receivables from subsidiaries and associates are:

	31 December 2011	31 December 2010
Comarch AG	121,648	77,533
Comarch SuB Group	4,756	4,196
Comarch SAS	1,862	1,230
Comarch R&D S.à r.l.	84	-
Comarch, Inc.	7,130	2,539
Comarch Panama, Inc.	441	398
Comarch Canada, Corp.	112	-
Comarch LLC	1,233	1,266
Comarch Middle East FZ-LLC	271	608
OOO Comarch	498	305
Comarch Software (Shanghai) Co. Ltd.	-	315
Comarch Vietnam Company Ltd.	-	404
Comarch Oy	3,020	3
UAB Comarch	-	-
Comarch s.r.o.	-	-
Comarch Luxembourg S.à r.l.	1,646	-
CA Consulting S.A.	1,863	278
SouthForge Sp. z o.o.	63	111
MKS Cracovia SSA	403	614
Comarch Management Sp. z o.o.	7	3
Comarch Corporate Finance FIZ	-	-
Comarch Management Sp. z o.o. SK-A	3	1
iMed24 S.A.	238	77
iFin24 S.A.	6	24
iReward24 S.A.	39	75
Infrastruktura24 S.A.	1	37
iComarch24 S.A.	133	139
Bonus Development Sp. z o.o. SK-A	-	-
Bonus Management Sp. z o.o. SK-A	-	-
Bonus Development Sp. z o.o. II Koncept SK-A	-	-
Bonus Management Sp. z o.o. II Activia SK-A	-	-
CASA Management and Consulting Sp. z o.o. SK-A	-	-
SolInteractive S.A.	16	61
Comarch S.A.'s branch in Albany	259	185
<b>Total</b>	<b>145,732</b>	<b>90,402</b>

**Note 37****COMARCH S.A.'s PURCHASES FROM OTHER ENTITIES OF THE GROUP AND ASSOCIATES  
(finished goods and services)**

	<b>2011</b>	<b>2010</b>
Comarch AG	2,241	1,481
Comarch SuB Group	105	-
Comarch SAS	2,400	1,328
Comarch R&D S.à r.l.	7,767	3,776
Comarch, Inc.	-	6
Comarch Panama, Inc.	-	-
Comarch Canada, Corp.	-	-
Comarch LLC	510	178
Comarch Middle East FZ-LLC	-	-
OOO Comarch	-	-
Comarch Software (Shanghai) Co. Ltd.	-	-
Comarch Vietnam Company Ltd.	-	-
Comarch Oy	-	-
UAB Comarch	1	-
Comarch s.r.o.	-	-
Comarch Luxembourg S.à r.l.	6	-
CA Consulting S.A.	11,061	14,525
SouthForge Sp. z o.o.	4,923	760
MKS Cracovia SSA	59	-
Comarch Management Sp. z o.o.	-	-
Comarch Corporate Finance FIZ	-	-
Comarch Management Sp. z o.o. SK-A	-	-
iMed24 S.A.	-	-
iFin24 S.A.	196	60
iReward24 S.A.	319	369
Infrastruktura24 S.A.	430	244
iComarch24 S.A.	383	598
Bonus Development Sp. z o.o. SK-A	1,046	893
Bonus Management Sp. z o.o. SK-A	-	-
Bonus Development Sp. z o.o. II Koncept SK-A	-	-
Bonus Management Sp. z o.o. II Activia SK-A	-	-
CASA Management and Consulting Sp. z o.o. SK-A	-	-
SolInteractive S.A.	273	176
<b>Total</b>	<b>31,720</b>	<b>24,394</b>

Comarch S.A.'s trade liabilities to subsidiaries and associates are:

	<b>31 December 2011</b>	<b>31 December 2010</b>
Comarch AG	400	921
Comarch SuB Group	278	170
Comarch SAS	496	399
Comarch R&D S.à r.l.	1,982	342
Comarch, Inc.	6	6
Comarch Panama, Inc.	-	-
Comarch Canada, Corp.	-	-
Comarch LLC	141	1,569
Comarch Middle East FZ-LLC	-	-
OOO Comarch	2	1
Comarch Software (Shanghai) Co. Ltd.	-	-
Comarch Vietnam Company Ltd.	-	-
Comarch Oy	-	-
UAB Comarch	-	-
Comarch s.r.o.	-	-
Comarch Luxembourg S.à r.l.	2	-
CA Consulting S.A.	12,132	11,759
SouthForge Sp. z o.o.	2,735	338
MKS Cracovia SSA	619	737
Comarch Management Sp. z o.o.	-	-
Comarch Corporate Finance FIZ	-	-
Comarch Management Sp. z o.o. SK-A	-	-
iMed24 S.A.	2	-
iFin24 S.A.	810	631
iReward24 S.A.	11	298
Infrastruktura24 S.A.	313	131
iComarch24 S.A.	400	55
Bonus Development Sp. z o.o.	129	68
Bonus Management Sp. z o.o. SK-A	-	-
Bonus Development Sp. z o.o. II Koncept SK-A	-	-
Bonus Management Sp. z o.o. II Activia SK-A	-	-
CASA Management and Consulting Sp. z o.o. SK-A	-	-
SolInteractive S.A.	555	679
<b>Total</b>	<b>21,013</b>	<b>18,104</b>

**Note 38****INFORMATON ON TRANSACTIONS WITH RELATED UNITS AND OTHER RELATED PERSONS ON TERMS DIFFERENT FROM MARKET CONDITIONS – NONE PRESENT****Note 39****AN AVERAGE EMPLOYMENT IN COMARCH S.A.**

<b>2011</b>			
Employees:		Employees:	
- full-time	2,210	- directly production and technical consultants	2,098
- co-workers	480	- marketing and sales	293
		- management and administrative employees	299
<b>Total</b>	<b>2,690</b>	<b>Total</b>	<b>2,690</b>
<b>2010</b>			
Employees:		Employees:	
- full-time	2,257	- directly production and technical consultants	2,168
- co-workers	437	- marketing and sales	255
		- management and administrative employees	271
<b>Total</b>	<b>2,694</b>	<b>Total</b>	<b>2,694</b>

**Note 40****REMUNERATION FOR MANAGING AND SUPERVISING PERSONS (CURRENT PERIOD) IN PLN****Comarch S.A.'s Management Board**

		<b>Paid by Comarch S.A.</b>	<b>Paid by subsidiaries and associates</b>	<b>Total</b>
1	Janusz Filipiak	5,571,683.00	6,284,613.12	11,856,296.12
2	Piotr Piątosza	1,156,731.64	354,179.59	1,510,911.23
3	Paweł Prokop	523,137.47	-	523,137.47
4	Piotr Reichert	1,142,957.92	28,718.86	1,171,676.78
5	Zbigniew Rymarczyk	1,167,475.20	28,718.86	1,196,194.06
6	Konrad Tarański	620,647.11	100,573.14	721,220.25
7	Marcin Warwas	1,334,169.66	6,000.00	1,340,169.66
	<b>Total</b>	<b>11,516,802.00</b>	<b>6,802,803.57</b>	<b>18,319,605.57</b>

**Comarch S.A.'s Supervisory Board**

		<b>Paid by Comarch S.A.</b>	<b>Paid by subsidiaries and associates</b>	<b>Total</b>
1	Elżbieta Filipiak	125,453.00	-	125,453.00
2	Maciej Brzeziński	30,000.00	-	30,000.00
3	Maciej Czapiewski*	15,000.00	-	15,000.00
	Danuta Drobnik*	15,238.10	-	15,238.10
4	Wojciech Kucharzyk	30,000.00	-	30,000.00
5	Anna Ławrynowicz	30,000.00	-	30,000.00
6	Tadeusz Syryjczyk	30,000.00	-	30,000.00
	<b>Total</b>	<b>275,691.10</b>	<b>-</b>	<b>275,691.10</b>

\*) Comarch S.A.'s Annual General Meeting dated the 29<sup>th</sup> of June, 2011, passed resolutions related dismissal of Mr Maciej Czapiewski and appointment of a new member of the Board of Supervisors, Ms Danuta Drobnik.

As at 31<sup>st</sup> of December, 2011, there are no unpaid loans nor guarantees, nor suretyships to members of the Management or Supervisors Board or their relatives.

### **Managerial Option Program for Members of the Management Board and Other Key Employees**

On 28<sup>th</sup> 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 is to additionally motivate members of the Management Board and Key Employees by options on Comarch shares (hereinafter referred to as the "Option") dependent on increases in the value of the company and increase in its capitalisation. The program will be executed through offers of newly-issued shares in the company in 2012, 2013 and 2014 to Key Employees. The value of the Option is to be at all times equivalent to the difference between the average closing price of the company's shares 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 shall be 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 capitalisation.

Pursuant to IFRS2, the company is obliged to calculate the value of the Option and classify it as a cost in the income statement in the Option period, i.e. from its issue date until its expiry date. The company will recognise the value of the particular options beginning from the options' acquiring, i.e. an establishment by the Supervisory Board a list of Key Employees and single option factors for each subsequent year.

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

#### **Note 41.**

#### **SIGNIFICANT EVENTS RELATED TO THE PREVIOUS YEARS - NOT CONCERN**

**Note 42.****EVENTS AFTER BALANCE SHEET DATE****1) Dates of Periodical Financial Reports in 2012**

On the 16<sup>th</sup> of January, 2012 (RB-1-2012) Comarch S.A.'s Management Board set dates of periodical financial reports in 2012:

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

1) Q4 2011 - on 29<sup>th</sup> of February, 2012

2) Q1 2012 - on 15<sup>th</sup> of May, 2012

3) Q2 2012 - Pursuant to § 101 sec. 2 of the Regulation issued by the Minister of Finance on the 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange and on the conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state, Comarch S.A. will not publish quarterly report for the second quarter of 2012

4) Q3 2012 - on 14<sup>th</sup> of November, 2012

ANNUAL AND HALF-YEAR REPORTS:

1) Consolidated half-year report which include condensed consolidated financial statement and condensed financial statement for the first half of 2012 - on 31<sup>st</sup> of August, 2012

2) Annual report for 2011- on 30<sup>th</sup> of April, 2012

3) Consolidated annual report for 2011- on 30<sup>th</sup> of April, 2012

**2) Acquisition of A-MEA**

On 27<sup>th</sup> of January, 2012, Comarch S.A. announced (current report no. 2/2012) that CASA Management and Consulting Sp. z o.o. SK-A ("CASA"), a subsidiary of Comarch SA, purchased 100,000 ordinary bearer's A-MEA Informatik AG ("A-MEA") shares of nominal value of 1 CHF (i.e. 3.5147 PLN). Total acquisition price will not exceed either an amount of 2 million CHF (i.e. 7.03 million PLN) or value of A-MEA net equity as at 31<sup>st</sup> of January, 2012. As a result of the aforementioned transaction, CASA holds 100,000, i.e. 100% A-MEA shares which entitle to 100,000, i.e. 100% of total number of votes at the company's general meeting. A-MEA is a company with a long standing experience in sales and implementation of ERP solutions, including Comarch ERP Enterprise.

**3) Agreement on Purchase of MKS Cracovia SSA Shares**

Z On the 24<sup>th</sup> of February, 2012, an agreement was signed between Comarch SA and MKS Cracovia SSA on the purchase of MKS Cracovia SSA series E shares (current report no. 3/2012 dated the 27<sup>th</sup> February, 2012 and its correction dated the 29<sup>th</sup> of February, 2012). MKS Cracovia SSA invited Comarch SA to purchase 38,631 series E shares of nominal value of 100 PLN. MKS Cracovia SSA invited Comarch SA to purchase the afore-mentioned shares for a total issue price of 15,912,495.21, i.e. for issue price of 411.91 PLN for one series E share. The issue price of the afore-mentioned shares was paid in cash contribution in the amount of 15,912,495.21 PLN which was made by Comarch SA on the 27<sup>th</sup> of February, 2012. As a result of the registration of the increase in MKS Cracovia SSA's share capital, Comarch SA will hold 59.82% votes at the company's general meeting.

**4) Creation of Pledge on Medical Equipment of iMed24**

On the 5<sup>th</sup> of March, 2012, Comarch S.A.'s Management Board received a notice from the District Court for Kraków-Śródmieście, VII Division of the Pledge Register, dated the 15<sup>th</sup> of February, 2012, on pledge registration related to medical equipment belonging to Centrum Medyczne iMed24 (Medical Centre). The basis for this registration is an agreement dated the 29<sup>th</sup> of December, 2011 signed between Bank Polska Kasa Opieki S.A. („Bank”) and iMed24 S.A. („iMed24”), a subsidiary of Comarch S.A. The agreement was concluded to secure the Bank's claims in relations to an investment credit granted by the Bank on the 1<sup>st</sup> of September, 2011, including interests, fees and other receivables of the Bank resulting from the credit agreement. iMed24 has established in the favour of the Bank and the Bank accepts the registered pledge on the assets owned by iMed24 of total value of 13,940,130.82 PLN (thirteen million nine hundred forty thousand one hundred thirty zlotys and 82/100), the price is established on the basis of net purchase price. The registered pledge secures the Bank's claim up to a maximum amount of security, i.e. 23,832,999.63 PLN (twenty-three million eight hundred thirty-two thousand nine hundred ninety-nine



zlotys and 63/100). The created registered pledge will expire when debts resulting from the agreement are paid.

**5) Registration of an Increase in Share Capital of MKS Cracovia SSA**

On the 16<sup>th</sup> of March, 2012, Comarch S.A. received a notice from the District Court for Krakow-Śródmieście in Krakow, IX Economic Division of the National Court Register dated the 14<sup>th</sup> of March, 2012, on registration of an increase in share capital of MKS Cracovia SSA from 14,557,000.00 PLN to 18,420,100.00 PLN. As a consequence, Comarch S.A. holds 59.82% of shares in the share capital of MKS Cracovia SSA which entitle to 59,82% of votes at the annual general meeting of MKS Cracovia SSA.

**6) Purchase of Shares in ESAPROJEKT sp. z o.o.**

On the 27<sup>th</sup> of April, 2012, the Management Board of Comarch S.A. announced that CASA Management and Consulting Sp. z o.o. SK-A ("CASA"), a subsidiary of Comarch SA, purchased 50 shares in ESAPROJEKT sp. z o.o. ("ESAPROJEKT") of nominal value of 2,460 PLN each. Total acquisition price amounted of 12,2 million PLN. As a result of the aforementioned transaction, CASA holds 50 shares, i.e. 100% of shares in ESAPROJEKT which entitle to 100% of total number of votes at the company's general meeting. ESAPROJEKT is a leading Polish producer and IT solution provider for medicine sector.

**7) Forward Contracts Concluded after the Balance Sheet Date**

Between the 1<sup>st</sup> of January, 2012 and the 30<sup>th</sup> of April, 2012, Comarch S.A. concluded forward contracts for the sales of 1.9 million euro and 0.7 million USD. The total net value of open forward contracts as of the 30<sup>th</sup> of April, 2012 amounted to 4.5 million EUR and 1.4 million USD. The open forward contracts as of the 30<sup>th</sup> of April, 2012 were valued at 1.57 million PLN. The contracts will be settled within eighteen 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.

**Note 43.**

**CHANGES IN APPLIED ACCOUNTING PRINCIPLES**

In 2011 the company did not make any significant changes in accounting principles in comparison to the previous year.

**Note 44.**

**DESCRIPTION AND ECONOMIC GOAL OF CONTRACTS NOT PRESENTED IN THE BALANCE SHEET, WHISIN THE SCOPE OF THEIR INFLUENCE ON THE EQUITY AND FINANCIAL SITUATION, AS WELL AS THE FINANCIAL RESULT OF THE COMPANY – NOT CONCERN**

**NOTE 45.****INFORMATION ON PAID OR DUE REMUNERATION OF AN EXPERT AUDITOR OR AN ENTITY ENTITLED TO AUDIT FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR**

<b>Types of services</b>	<b>Remuneration (net value)- paid</b>	<b>Remuneration (net value)- due</b>
<b>2011</b>		
<b>Deloitte Audyt Sp. z o.o.</b>		
1 Obligatory audit of annual financial statements for 2011	-	92,150.00 PLN
2 Other certifying services (review of half-year financial statement for H1 2011)	92,150.00 PLN	-
3 Audits of external Comarch projects	22,600.00 PLN	-
<b>Deloitte Doradztwo Podatkowe Sp. z o.o.</b>		
Workshops	1,500.00 PLN	-
<b>BDO Sp. z o.o.</b>		
1 Obligatory audit annual of financial statements for 2010	120,000.00 PLN	-
2 Other services (transport costs of BDO Sp. z o.o. employees in relation to review and audit of financial statements of Comarch SA for 2010)	7,182.00 PLN	-
3 Advisory and legal services related to Comarch Luxembourg S.à r.l.	7,057.25 EUR	-
4 Advisory and legal services related to Comarch Canada Corp.	15,432.00 CAD	-
<b>2010</b>		
<b>Deloitte Audyt Sp. z o.o.</b>		
Obligatory audit annual financial statement for 2009	113,400.00 PLN	-
Audit of Comarch Group consolidated statement for 2009	32,950.25 PLN	-
<b>Deloitte Doradztwo Podatkowe Sp. z o.o.</b>		
Workshops	800 PLN	-
<b>BDO Sp. z o.o.</b>		
2 Other certifying services (review of half-year SoftM Group financial statement review for H1 2010)	70,000.00 PLN	-
3 Other services (transport costs of BDO Sp. z o.o. employees in relation to review and audit of financial statements of Comarch SA for H1 2010 and 2010)	3,500 PLN	-
<b>BDO auditas ir apskaita</b>		
4 Accountancy services in Comarch UAB (under liquidation proceedings)	5,500 LTL	-
5 Accountancy services in Comarch UAB (under liquidation proceedings)	1,368.45 Euro	-

Krakow, 30<sup>th</sup> of April, 2012

Dear Shareholders,

In 2011, Comarch S.A. yet again increased its level of revenue, mostly due to export sales. Revenue from sales of the company increased by 1.5% and amounted to 567.7 million PLN. Comarch S.A. achieved very favourable financial results in sales of core proprietary products. In 2011, the operating profit of the company amounted to 53.7 million PLN, and net profit reached 55.2 million PLN. EBIT margin amounted to 9.5%.

In 2011, export sales grew by 29.1% and were the main reason for Comarch S.A.'s growth. 2011 also saw the company continue to pursue its long-term growth strategy based on proprietary products and development of foreign activity. The Comarch brand is renowned both domestically and internationally and is associated with technologically advanced IT systems, high quality services and a professional customer-focused approach. Comarch systems support customers from various branches in dozens of countries not only in Poland and Europe, but also in both Americas and in the Middle East. The company's strategic guidelines for the coming year include the continuous strengthening of the company's market position as a global provider of IT products and services, as well as the stable development and improvement of existing IT products. To achieve this, the company plans to continue significant infrastructure investment and to intensify marketing operations in Europe, especially within the DACH region (Germany, Austria and Switzerland). In 2012, Comarch S.A. plans to make further capital investment outside Poland, inter alia in Switzerland and Great Britain. It also invests in an entirely new area: software for medicine. Comarch S.A. is one of the largest IT enterprises on the domestic market and pursues a large number of projects in all sectors of the economy. The main success achieved by the company over the course of the year 2011 resulted in selling proprietary software to telecommunication enterprises (with an increase of 20.8 million PLN in revenue).

Comarch S.A. has placed great emphasis on its investment in human resources, in the most advanced technologies and in novel and innovative products to secure and maintain a long-term competitive advantage. Expenditure on research and development has now exceeded 11% of sales revenue, which has been financed both by proactively seeking out European funds and from the company's own resources. In 2011, Comarch S.A. hired over 70 new employees, mostly IT specialists, as this is a key factor in executing an increased number of contracts, and in the further development of the company.

In 2011, Comarch S.A. continued to expand its production resources. At the end of year the fifth office and production building with total space of approximately 5,228 square metres in the Special Economic Zone was completed. There are some investments outside Krakow, such as works on Comarch branch in Łódź and the construction of new offices and Data Centre in Dresden. Following the completion of these investments, Comarch S.A. will be equipped with high quality workspace enabling seamless execution of IT projects, including more and more popular *cloud computing*.

The Comarch S.A. Management Board shall make every effort to ensure that consistent growth is aligned with gains in the efficiency of operations in order to deliver long-term increases in the value of the Group, along with maintaining the stable diversification and security of conducted activity.

*Professor Janusz Filipiak*

*President of the Management Board  
Comarch S.A.*

# COMARCH

REPORT  
OF COMARCH S.A.'s MANAGEMENT BOARD  
REGARDING THE ACTIVITIES IN 2011

KRAKOW, 30<sup>TH</sup> OF APRIL, 2012

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## 1. General Information about the Company

Name of the company: Comarch Spółka Akcyjna („Spółka”)  
 Address of the company: 31-864 Kraków, Aleja Jana Pawła II 39 A  
 Telephone: (12) 646 10 00  
 Fax: (12) 646 11 00  
 Regon: 350527377  
 Tax identification number (NIP): 677-00-65-406

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

Comarch S.A.'s share capital consists of 8,051,637 shares at total nominal value of 8,051,637 PLN. According to the information possessed by Comarch S.A., as at 31<sup>st</sup> of December, 2011, shareholders holding at least 5% of votes at the company's AGM are Elżbieta Filipiak and Janusz Filipiak.

Shareholders	Number of shares	% of share capital	Number of votes at the company's AGM	% of votes at the company's AGM
Janusz Filipiak	2,620,010	32.54	6,192,010	41.16
Elżbieta Filipiak	846,000	10.51	4,230,000	28.12
Other members of the company's Management Board	103,762	1.29	141,362	0.94
Other shareholders	4,481,865	55.66	4,481,865	29.78
<b>Total</b>	<b>8,051,637</b>	<b>100.00</b>	<b>15,045,237</b>	<b>100.00</b>

### 1.2. Comarch S.A.'s Board of Supervisors and Management Board

#### 1.2.1 Members of Comarch S.A.'s Board of Supervisors as at 31<sup>st</sup> of December, 2011:

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

Comarch S.A.'s Annual General Meeting dated the 29<sup>th</sup> of June, 2011, passed resolutions related dismissal of Mr Maciej Czapiewski and appointment of a new member of the Board of Supervisors, Ms Danuta Drobniak.

#### 1.2.2 Members of Comarch S.A.'s Management Board as at 31<sup>st</sup> of December, 2011:

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

As at the publication date, there were no changes in membership of the Management Board in Comarch S.A.

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

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

On 28<sup>th</sup> 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 program will be executed through offers of newly-issued shares in the company in 2012, 2013 and 2014 to Key Employees. More details were presented in point 14.3 of the consolidated financial statement.

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

None present.

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

Information is included in notes 40 of the consolidated financial statement.

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

As at 31<sup>st</sup> of December, 2011, there are no unpaid loans as well as there are no guarantees nor suretyships granted by Comarch S.A. to members of the Management Board and members of the Supervisory Board and their relatives.

## 2. Basic Economics and Financial Values

### 2.1. Selected Financial Data

	2011	2010	2009	2008	2007	2006	2005
Revenues from sales	567,673	559,453	495,512	615,379	530,326	461,808	425,223
Operating profit	53,748	75,219	59,253	35,448	34,322	41,653	34,565
Net profit	55,191	68,470	51,351	39,144	25,823	42,463	29,088
Profit per share	6.85	8.53	6.45	4.92	3.24	5.74	4.21
Assets	953,265	880,873	772,192	732,520	506,314	427,236	328,188
Book value	609,697	559,208	494,119	456,784	264,948	238,691	157,774
Book value per share	75.72	69.45	62.07	57.38	33.28	31.75	22.68

Over 2011, revenues from sales were higher by 8.2 million PLN, i.e. 1.5% compared to the previous year. Operating profit reached 53.7 million PLN and decreased by 28.5% compared to operating profit in 2010. Net profit diminished by 19.4% compared to that in 2010. As a result, EBIT margin decreased from 13.4% to 9.5% and net margin decreased from 12.2% to 9.7%.

### 2.2. Employment and Production Capacity of the Group

As at 31<sup>st</sup> of December, 2011, in Comarch S.A. there were 2,807 employees compared to 2,735 persons as at 31<sup>st</sup> of December, 2010.

Average employment Comarch S.A. in 2011, 2010, 2009 and 2008 is presented in tables below:

	2011	2010	2009	2008
<b>Number of employees:</b>				
- full-time	2,210	2,257	2,096	2,174
- co-workers	480	437	449	523
<b>Total</b>	<b>2,690</b>	<b>2,694</b>	<b>2,545</b>	<b>2,697</b>

	2011	2010	2009	2008
<b>Employees:</b>				
- production employees and technical consultants	2,098	2,168	2,020	2,137
- marketing and sales	293	255	268	294
- management and administrative employees	299	271	257	266
<b>Total</b>	<b>2,690</b>	<b>2,694</b>	<b>2,545</b>	<b>2,697</b>

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



### 2.3. Comarch S.A. Stock Price Performance



Period	The highest	The lowest
Q1 2011	96.9	88.1
Q2 2011	98.0	71.3
Q3 2011	74.2	46.7
Q4 2011	56.5	47.0

In 2011, the closing rate of Comarch S.A. shares in the Warsaw Stock Exchange decreased by 33.8% from 84 PLN to 55.7 PLN.

### 3. Products and Services Offered by Comarch in 2011

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

#### **TELECOMMUNICATION SECTOR**

Since 1993, Comarch has helped numerous telecommunication service providers to optimize their business, shorten time to market and enhance customer experience, with the help of end-to-end portfolio of products and solutions designed to streamline the crucial areas of the telecom business.

The product portfolio covers all areas of the TMF Telecom Applications Map (TAM):

#### **CUSTOMER MANAGEMENT**

Comarch's tools for optimizing Customer Management include Self Care (for individual customers) and Corporate Self Care (for enterprise customers) that enable you to cut customer service costs and improve customer experience, as well as CRM for Telecoms - a customer information database specifically designed with focus on the telecom business specifics. We also offer a Loyalty Management suite for operating customer loyalty programs and building long lasting customer satisfaction.

- **Comarch Corporate Self Care** provides online ordering, data management and reporting for corporate customers. But it is also a telecom expense management solution increasing the value of a service provider's offer.
- **Comarch CRM for Telecoms** provides a single customer view and automates key sales, marketing and customer care processes. The solution is designed to integrate well with the existing OSS/BSS architecture. This flexible product aims at helping telecommunications service providers sell more services and get closer to their customers.
- **Comarch Loyalty Management** enables managing loyalty programs created for both individual and business customers. It enables defining and administering loyalty programs and provides intuitive servicing of client accounts, contacts, rewards, promotions, and other components. The system supports loyalty program operations in a broad spectrum, from customer profile development, communication with participants, logistics and award management, creation of business rules, analysis of data, cooperation with partners, to integration with external systems.
- **Comarch Self Care** is a web self-service tool enabling communications service providers to provide their end customers with an online portal, where they can manage their profiles and service subscriptions without help of a call centre agent.

#### **REVENUE MANAGEMENT**

Comarch provides you with a toolset of scalable, powerful products for conducting all your revenue management processes. No matter if it is prepaid or post-paid, data, voice or content services - whatever it is, you need to bill and charge for, we have got the right tools. The flagship product trusted by telecoms worldwide - Comarch Convergent Billing delivers real-time charging capabilities and is able to process

huge amounts of data related to any service. Additionally in the offer can be found tools that help to deliver the quality of billing the customers expect - Bill Shock Prevention and Billing Quality Assurance.

- **Comarch AAA Server** is an end-to-end, compact BSS/OSS/CRM platform, for telecommunication operators and service providers for managing and billing their subscribers. This solution covers the entire process of product preparation, defining the details of the services offered to customers, publishing and retailing these services over available sales channels, activating, controlling and billing such services in addition to monitoring and reporting.
- **Comarch Bill Shock Prevention** controls voice, data and SMS services in real-time, and works for both local and roaming services. It supports setting limits of service usage for your customers (expressed in megabytes, minutes or monetary values). The solution also automates communication with the subscribers with regards to continuing or disconnecting the service when the limit is reached. Depending on the service and business model, the methods for interaction with the end user include SMS and email. The solution can be easily integrated with your existing systems and does not require complex changes to current business processes.
- **Comarch BSS Mediation** is a fully scalable, distributed data collection, processing and distribution system supporting any kind of service and providing the chargeable data (including call data records, event data records, etc.) to any billing system.
- **Comarch Billing Quality Assurance (BQA)** is a modern tool dedicated to detecting revenue leakage in operators' "order-to-cash" processes. The solution identifies revenue leaks by monitoring and verifying all critical stages of rating and billing processes.
- **Billing of Cloud Service** provides a service for seamless transformation and migration to the cloud model. The transformation to cloud service includes migration of data, verification of process definitions, sample data generation for testing, reports, migration history, amongst others. The service supports and secures the transformation process through correlation matrixes, anomalies reports and indications based on preconfigured and flexible rules, and data enrichment tools.
- **Comarch Convergent Billing** is a high capacity, scalable billing system for telecom operators, suitable both for traditional and modern business models, including multi-service operators, content providers and MVNOs. As a single convergent platform it provides billing, revenue management and policy management.
- **Voucher and Top-Up Management** is an independent component which supports mobile and IP operators with the management of vouchers and recharging of user accounts. The system can be integrated with existing network infrastructure such as media gateways or delivered with a dedicated IVR module.

## PRODUCT MANAGEMENT

Comarch Central Product Manager facilitates your product lifecycle management and provides a single order capture interface. Through managing offers and specifications in one place the system leads to significant time and costs savings.

- **Comarch Central Product Manager** simplifies IT architecture and speeds up new product launches by providing a single place for managing your product catalogue and product life cycle. The product deals with offers and product specifications, defines relationships between various products, and specifies which of these are exclusive or sold only as a component of a bigger package. It also defines target customers, their locations, and many other parameters. The system is based on the TM Forum Information Framework, also called the Shared Information Data model (SID).

## SERVICE FULFILLMENT

This is a process which creates services based on comprehensive components. Using the data about services stored in the Service Inventory, the module triggers a dynamic fulfillment process, executed via the Comarch OSS Process Management platform. Together with Comarch Service Activation, these tools shorten the time needed to deliver services and guarantee coherence of the offered services with network.

- **Comarch Service Activation** is a fully scalable, distributed system providing all the means necessary for instantaneous deployment and provisioning of convergent services for businesses spanning the traditional areas of telephony, multimedia delivery and network access, as well as hybrid domains.
- **Comarch Service Inventory** enables managing the network from service perspective. The product, pre-integrated with Comarch Service Catalogue, describes the services according to the TMF SID model, which identifies Customer Facing Services (CFS) and Resource Facing Services (RFS).
- **Comarch Service catalogue** enables to centralize service specifications management, which aims to increase automation of the end-to-end service fulfillment and service assurance processes.

## SERVICE ASSURANCE

Comarch provides you with a set of products that go beyond traditional fault management (finding network problems and tracking down root causes) and enable pro-active customer service assurance, by offering a dedicated Customer Experience Management system. Service Quality Management and Service Monitoring systems add the service dimension to Fault Management and Performance Management functionalities, thus ensuring a comprehensive toolkit for providing the highest possible quality of service.

- **Comarch Customer Experience Management** plays an overarching role in service monitoring and service quality management, transforming service management by providing an insight into customers' perception of services. It helps realize the concept of switching from network- / resource-centric operations to customer-focused ones.
- **Comarch Fault Management** monitors all existing elements of the network, displays and efficiently tracks alarms. It helps operators effectively manage network problems and solve issues that are at the root of network faults.
- **Comarch Service Monitoring** enables monitoring of complex services implemented over various network technologies and management domains. The product can be pre-integrated with Comarch Network & Service Inventory for enhanced service management capabilities.
- **Comarch Service Quality Management** allows for measuring the service quality from the perspective of the network impact and is presented on the customer level.
- **Comarch SLA Monitoring** allows telecom operators to define and monitor services and related SLAs (service level agreements), increasing customer satisfaction and minimizing losses resulting from SLA complaints.

## RESOURCE MANAGEMENT

Comarch delivers a set of additional components that cover the whole process of resource management. To plan the network expansion and upgrade towards 4G we equip you with an efficient tool for Network Planning & Design and a Configuration Management system. In order to monetize network upgrades, and appropriately manage network capacity, Comarch provides you with Policy and Charging Rules Function. Additionally, Comarch provides a complete solution for scheduling, staffing, managing, and supporting workforce in the field - Field Service Management.

- **Comarch Auto-discovery & Reconciliation** provides a complete, comprehensive and up-to-date insight into the multi-vendor, multi-domain network, enabling effective network management. The product is pre-integrated with Comarch Network Inventory.
- **Comarch Configuration Management** enables service providers to automate the crucial area of configuration management. The product can be implemented as part of a broader solution for network planning and upgrading – Comarch NG Network Planning.
- **Comarch Field Service Management** is a complete solution for scheduling, staffing, managing, and supporting workforce in the field. Efficiency is achieved by selecting the most suitable resources for each task as well as accounting for scheduling issues. The decision is made taking into consideration modifiable and adjustable ratings, according to a company's unique business model.
- **Comarch Master Resource Management (MRM)** fulfils the role of one central place for the resource inventory database, lifecycle management and logistical support. It is commonly used to manage data such as SIM cards, mobile phones or MSISDNs and is integrated with CRM, point of sale, billing system and self-service applications. This provides these applications with one consistent list of available resources which allow using those resources efficiently by multiple sales channels.
- **Comarch Network Inventory Management** stores the complete information about network resources and presents current, historical and future state of telecommunications/IT networks.
- **Comarch Next Generation Network Planning** is a fully integrated, multi-vendor, multi-technology mobile network management platform. It speeds-up and simplifies network planning, optimization, upgrades procedures, and automatizes network configuration and provisioning. NGNP functionalities cover the complete radio, transport lifecycle and core elements of the mobile network.
- **Comarch OSS Mediation** provides integration of the physical infrastructure of the network (NE or NMS) with Comarch OSS Suite. The system's goal is to reduce network complexity while keeping the service and customer base intact.
- **Comarch Performance Management** plays a significant role as a source of network metrics used by SQM for quality of services calculation, and for providing drill-down capability to pin down network performance issues causing customer experience problems.
- **Comarch Policy & Charging Rules Function (PCRF)** is a solution for controlling network resources, applications and customer experience more efficiently, in order to not only increase a telecom operator's business performance but also enhance his customers' satisfaction. It supports: 3GPP Gx, Gy, DIAMETER and RADIUS.

#### SUPPLIER / PARTNER MANAGEMENT

From Wholesale Billing, through Inter-partner Settlements, to Roaming Agreement Management and Revenue Sharing, Comarch helps you make the most of your business partner relations. With our dedicated set of tools you will be able to handle any service type (including voice, data, premium, content), in any business model (including enabling, reselling, wholesale), for any kind of relationship with national and multi-national partners.

- **Roaming Agreement Management** is a comprehensive suite of tools for managing roaming partners, agreements and other aspects related to this part of a telecom operator's business.

- **Comarch InterPartner Billing** enables service providers to exchange settlements and invoices, and share revenue or costs with other service providers. The system also facilitates managing relations with national and multi-national business partners.
- **Comarch Wholesale Billing** is a complete tool for wholesale departments, supporting them in everyday operations and protecting operator's business interests.

#### APPLICATION INTEGRATION INFRASTRUCTURE

Comarch Application Integration Framework is a component that automates the B2B (Business-to-Business) and A2A (Application-to-Application) integrations.

- **Comarch B2B Gateway** enables telecom operators to make their own BSS systems accessible to their business partners and automate the communication between the service provider and cooperative companies.
- **Comarch OSS Process Management** enables the fully monitored and controlled execution of all management processes. It readily masks the complexity of internal process dependencies and relationships allowing system operators to focus on their tasks.

#### SOLUTIONS THAT SUPPORT SPECIFIC BUSINESS AREA

Comarch offers cost-effective and fast solutions, matching the most crucial business processes. Comarch solutions are created and developed with focus on specific business areas, and use a dedicated set of Comarch COTS products as well as knowledge gained from numerous international project implementations.

- **Comarch Enterprise Customer Management** is comprised of fully integrated modules which are responsible for: complex settlements with partners, self-service, automatization of mass orders, keeping books for operations on accounts and sub-accounts, support for telco 2.0 models, reporting and analysis both in order to optimisation of used resources, verification and controlling of financial and settlement data, as well as monitoring and quality analysis of provided services, and settlements on behalf of partners.
- **Comarch Order-To-Cash Automation** is created to automate and thus speed up the end-to-end process, which starts from customer order capture and goes through service, network provisioning and activation and ends at billing the customer. The solution supports shortening time-to-market for new products and services. This is achieved by building the solution around pre-integrated central product catalogue and service catalogue which serve as a single place for defining products.
- **Comarch M2M Platform** supports mobile operators in entering and succeeding in the M2M market. It enables them to provide Intelligent M2M Connectivity.
- **Comarch Self-Organizing Network (SON)** introduces automation that enables significant OPEX reduction, although it is not the only important benefit. Automation also shortens time to market for new services, and improves customer experience. These goals can be achieved by employing 'plug & play', 'self-optimization' and 'self-healing' SON paradigms.
- **Solutions for mobile devices** comprise services provided all over the world and they are related to architecture, designing, testing, maintenance and software updating, in particular construction of User Interface, service framework and drivers for mobile devices. Comarch activity in this area is connected with the most popular on the market mobile operating systems, such as iOS (iPhone), Android, Windows Mobile, Windows Phone and Bada, however it also applies to software built-in, where we cooperate strictly with producers of consumer electronics devices and



producers from Asia. It is noteworthy that Comarch professionals often undertake tasks significantly exceeding standard development of application and mobile solutions.

- **Comarch Service & Network Convergence** is the pillar of a customer-centric telecom business, is supported by dedicated Comarch products. To achieve full convergence, operators need heterogenic network supporting all sorts of services, including voice services, data transfer, services related to providing contents and applications. Simple management of common transport network is essential, and it should support services provided by stationary or mobile network. This is supported by the following Comarch products:
  - Comarch Network Inventory, pre-integrated with Fault Management and Performance Management enables service providers to easily obtain data that enables correlation of transport alarms with alarms from the mobile and fixed domain,
  - Auto-discovery and Reconciliation auxiliary module allows to keep Network Inventory up-to-date with the FMC network,
  - Comarch Network Planning & Design which supports end-to-end network planning and upgrading for transport, mobile and fixed domains

## SERVICES

IT projects are a complex set of processes, that can make a huge impact on a telecom business. Our services include, among others, consulting, R&D outsourcing and data centre services. Their high quality is additionally supported by experiences gathered from numerous projects carried out for various kinds of enterprises worldwide.

Comarch portfolio of services includes:

- End-to-end solution delivery:
  - requirement analysis and solution design
  - training and best practice exchange
  - implementation and integration
  - maintenance, change management and guaranteed support
- Outsourcing
- BSS/OSS managed transformations
- Mobilizing businesses
- Business process consulting / compliance with industry regulations
- Data centre services
- Comarch vertical solution for telco operators

Broad competences in information flow management – automated management of electronic and paper documents going beyond traditional DMS systems (scanning, automated indexing, electronic archive); this includes outsourcing services in the fields of digitalization of paper archives (archival documentation) as well as complete processing of current documentation.

## FINANCE, BANKING AND INSURANCE SECTOR

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

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

**Comarch Personal Finance Management (PFM)** is a module for online banking. PFM is a solution enabling to manage personal finance and providing account aggregation giving consumers a view of their total financial relationship.

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

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

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

**Comarch Customer Service** module enables maintenance of all bank products within the frame of one system.

**Comarch Data Connect** is an e-banking channel enabling a direct integration of a finance and banking system used by a corporate client with bank.

**Comarch Fraud Detection** is a powerful tool for discovering fraudulent subscriber behaviour in telecommunications networks.

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

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

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

**Comarch CRM Sales Management** is a new generation integrated *front-end* application. It provides comprehensive customer relations support across the entire product range from the moment of winning a new customer, through the programs for cross selling and up-selling to an up-to date operational handling, using the whole scope of the product offer. The system offers functionality for customer care agents in the form of the Sales Application, while for the middle and back office staff responsible for managing the sales process it offers the Department Director and the Central applications.



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

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

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

**Comarch Pricing & Billing** is a flexible tool which allows for the speedy design, testing and implementation of charges and commissions packages. The configuration model answers for the key area of the charge calculation system, thus, for the complex management of the policy which calculates charges and commissions in accord with individually set guidelines within the contract. It creates added value for the client and profit for the bank.

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

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

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

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

**Comarch Credit Monitoring** - the system supports credit contract monitoring processes, especially the monitoring of escrow, repayments, contract conditions as well as the client's financial situation. Thanks to the built-in Comarch Credit Monitoring mechanisms, it automatically generates cases which fulfil the monitoring criteria, e.g. overdue repayments exceeding 7 days. The system works in the context of the client which means that the monitoring has to do with all the client's accounts. Additionally, because the

system is based on the Comarch Business Process Management, application, Comarch Credit Monitoring can automatically send the debt to be collected, restructured or the credit conditions can be changed. The system uses functionalities from the Printout Management module, which makes it possible to generate reminders within the system for clients (together with a note about which reminder it is) as well as integration with the central printing machine (mass correspondence).

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

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

**Comarch Exchange Trading** is a brokerage core trading system characterized by highly efficient trade processing, a flexible and multicurrency register module, effective communication with markets and brokers.

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

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

**Comarch Mobile Investments** is an innovative solution with the possibility of submitting transactions via mobile devices or PDAs / Smartphones with access to wireless Internet.

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

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

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

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

process and accounting services with regards to the filling and valuation of instruments/transactions, the calculation of transactional limits for clients as well as the balance equivalent, and adequacy of the transaction in terms of capital.

**Comarch Investment Advisor** is a solution, which manages client relations and chooses the right investment-pension product, in accord with the client's expectations and possibilities as well as the monitoring of his/her investment.

**Comarch Fund Registers** solution allows for the presentation of data on transactions with participation units and fund shares, customers and distribution channels by interactive reports.

**Comarch Client Reporting & Communication** is a solution that generates reports of the highest calibre, which include the value, profitability and risk of the client's pension-investment product, which is based on investment funds, shares and other financial instruments. It links the process of managing a large database, its design and the generation of, distribution and publication of reports, in accord with the policy of the given institution.

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

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

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

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

**Comarch Health Insurance** is a stable and efficient solution to all health service policies. The system supports health insurance maintenance and ensures the communication provided by the medical service provider.

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

**Comarch Insurance Front End** platform is a mash up solution, where optimum solutions for a customer are gathered. The main task of the platform is the execution of an insurance company within the implementation of sales support and customer service strategy. The advantage of the platform is its simplicity in linking functionalities to meet the business needs of insurance.

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

**Comarch Internet Insurance** provides the functionality of an online insurance account. The solution enables the insured to perform basic insurance operations from the offer preparation and insurance simulation, through insurance claim submission, loss notification to the managing customer investments in terms of policies.

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

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

**Comarch Insurance Scoring** is an IT system based on a flexible and definable rules engine. It allows assessing different kinds of objects (underwriting applications, customers, etc.). Comarch Insurance Scoring is a response to the increasing need for automation of insurance risk processes.

**Comarch Mobile Insurance** was designed to support insurance business companies in using mobile devices in insurance. The system offers wide functionalities for 3 different types of receivers: agents, claims adjusters and customers. Comarch Mobile Insurance gives advantage and ensures effective support for communication with customers.

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

**Comarch MobileID** is a new authentication and authorisation method based on cell phones, which combines reliable and secure, easy to use, inexpensive and technically advanced features in a single solution. The system functions as a stand-alone product and can also be integrated with Comarch Security Access Manager DRACO.

**Comarch Security Access Manager DRACO** supplies identification, authorisation, authentication and accounting that is in line with the latest security trends and adapts to individual customer needs. Comarch Security Access Manager DRACO provides extensive options for a user and their rights managements, as well as access to protected resource management.

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

**Comarch SecureAdmin** is a user activity monitoring system which operates transparently at the level of the network layer (passive and active analysis). These features mean that implementing Comarch

SecureAdmin does not require the modification or reconfiguration of existing applications or systems and its presence is not visible to users.

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

**Comarch SafeDesktop** is Comarch's security solution for end-user workstations in IT systems. Comarch SafeDesktop makes it possible to obtain diverse functionality using microprocessor cards and USB tokens in heterogeneous environments, including the MS Windows 98SE/Me/2000/XP/2003/Vista/7 platform and Linux.

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

**Comarch SmartCard Bio** – the concept, which is based on the use of the fingerprint as an element, which secures access to the private key, which is stored on the cryptographic card (equivalent of the PIN on cash cards).

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

**Comarch T-Pro**, transaction protector token, is a solution developed by Comarch as a response to increasingly emerging malignant software, executing ManInTheBrowser or key logging attacks.

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

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

## **ENTERPRISES AND TRADE AND SERVICES COMPANIES SECTOR**

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

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



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

**Comarch INFOSTORE ECM** is an application within the scope of Enterprise Content Management which allows controlling entity information gathered in business documents in comprehensive way. This universal tool ensures interception and archiving of documents, works over them, safe searching and support of related business process.

**Comarch ECM Professional Services** is a group of advisory, implementation and support services, within Enterprise Content Management for customers owning or implementing solutions built on IBM Filenet products.

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

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

**ECOD** is a complex solution of the EDI (Electronic Document Interchange) type and sales support. In the scope of sales channel management Comarch offers ECOD systems: Operator, Archive, eDOC24, Tracker, Data Share, EMCS, ECOD SA2 Products, Agent 2.0, Distribution and Business Portal

**Comarch ECOD Operator** is a comprehensive Electronic Document Interchange solution enabling automated exchange of business information and documents, such as orders, invoices and sales reports in the form of electronic documents consistent with industry standards. Depending on the needs of a company, this solution enables documents exchange through a Web browser (Comarch ECOD WWW) as well as integration with different IT systems.

**Comarch ECOD Archive** is a module of the ECOD platform designed for e-document storage. Comarch ECOD Archive can store any type of documents indicated by the client, including e-invoices, orders, advice notes, delivery confirmation. It also enables searching for historic documents according to varied criteria and previewing of their legible version, as well as monitors the operation of these documents depending on user rights.

**Comarch ECOD eDOC24** is a solution designed for invoices (and other types of electronic documents) in the digital signature technology. Within Comarch ECOD eDOC24 our customers receive a tool supporting processes: issuing of electronic documents (electronic signature through Drawer or an entitled Comarch employee), supporting Receiver documents (varied communication channels), and documents archive with a statutory period (documents archive from Drawer and a Receiver).

**Comarch ECOD Data Share** is a tool allowing the clients who send e-documents through the ECOD platform to freely use the information contained in these document. This application allows quick access to key information (i.e. on delivery, flow of related documents).

**Comarch ECOD Tracker** is an ECOD platform module which enables constant control of the movement of electronic documents that are exchanged with business partners.

**Comarch ECOD EMCS** is a solution enabling effective integration with EMCS PL (Excise Movement and Control System) which is directed to entities who participate in movements of excise products, such as alcohol, tobacco and energetic products when excise is suspended. Comarch ECOD EMCS platform

enables exchange of a dozen or so statements which are essential in excise products exchange (i.e. e-AD document, e-AD project, e-AD cancellation, receipt report).

**Comarch ECOD Agent 2.0** is a comprehensive, professional sales support system of the Sales Force Automation class, which provides comprehensive operation of a point of sale by mobile sales representatives.

**Comarch ECOD Distribution** is a communication-integration platform enabling daily reporting to the producer on important business information from the distribution channel.

**Comarch ECOD Business Portal** is a B2B solution for communication and reporting, as well as executing by business partners operations related to merchandise and sales.

**Comarch Security Management** enables creating, developing and managing security policies for all networks and tools used independently on localisation and architecture. In addition, Comarch has a full range of products comprising certification and authentication, public key infrastructure as well as security and content management.

**Comarch ALTUM** – the first, intelligent ERP platform that comprehensively supports all key business processes in medium and large commercial and service companies, as well as trading networks. This solution is tailored to the needs of the Polish market as well as foreign ones. The system is also available in the Software as a Service model (SaaS) – Comarch iALTUM24.

**Comarch CDN XL** – the most frequently chosen ERP system in Poland for many years now. Until the end of 2011, the software was chosen by over 3700 companies from various industries. The solution meets the specific needs of production as well as trade and service companies. The system is also available in the Software as a Service model (SaaS) – Comarch CDN iXL24.

**Comarch OPT!MA** – the program supports sales, management, bookkeeping and payroll. It is designed for micro, small and medium businesses with different activity profiles. Along with the additional module, Accounting Office, and the portal Accounting Offices iKsięgowość24 Community, Comarch OPT!MA is a tool that guides and promotes accountancy offices and tax advisory firms. The program is also available in the Software as a Service model (SaaS) - Comarch iOPT!MA24.

**iFaktury24** is a modern online application for invoicing and storage simplifying accounts and available through a Web browser. The solution is dedicated to micro and small businesses and is available only in the Software as a Service model (SaaS).

**Comarch Retail** – a standalone system for conducting retail sales which allows to efficiently managing a commercial network in a comprehensive manner, starting from the front-office through the back-office and to point of sale (POS).

**Comarch Mobile** – an application that allows the user to work on mobile devices (smartphone, mobile phone, data collector). This solution supports the work of managers, salesmen, and warehousemen

**Comarch Business Intelligence** – a system based on data warehouse technology, designed for large and medium-sized companies and international corporations. The solution supports decision-making processes and tasks related to reporting services. It is dedicated to the following industries: financial and insurance institutions, FMCG, services and manufacturing.

**iBard24 Backup Online** – a solution for online data archiving and backup, which allows to access files from anywhere in the world, 24 hours a day. Data is stored in the Comarch Data Centre or on client servers (in the iBard24 BOX option). iBard24 also allows you to archive Comarch ERP databases.

**iKsięgowość24** – accounting services for businesses, conducted by accountants using Comarch OPT!MA and Comarch iOPT!MA24.

**Comarch iSklep24** – an online store application integrated with the Comarch ERP system, which cooperates with price comparison sites, integrated with Allegro.pl and iMall24.pl, online payment services, instalment systems, and allows for sales on Facebook.

**iMall24.pl** is Poland's first online shopping mall which allows selling directly online from the ERP system, without an online shop and without any fees or commissions. Products in iMall24 can vendor only those companies that have Comarch software.

## **PUBLIC ADMINISTRATION SECTOR**

### **Solutions for Public Administration**

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

#### **Comarch Semiramis**

It is the ERP II class solution developed for comprehensive support of business processes. The system was developed using Java technology, which guarantees the compatibility with various databases and operation in three-tier architecture. The system is fitted with a broad range of frameworks (groups of functionalities) supporting processes in trade and production companies in a complex way. Apart from standard production functions, logistics or finances, the system has an integrated data warehouse.

#### **Comarch Workflow**

It supports electronic (and paper) documents management in enterprises and institutions (industry versions were developed for various recipients).

#### **Comarch Portal**

Besides information publishing, Content Management System enables advanced communication and data interchange. The system allows co-operation with social media and e-learning. With video-chats, forums and the FAQ option, the system supports wide-range information interchange.

#### **Comarch e-Investor**

It is a modern system to support investors (individuals, institutions and enterprises). It is used in many fields of investments (information, research, organisation, spatial management and transport).

#### **Comarch e-Tourist**

It is the interactive platform for multi-level promotion of popular tourist destinations. Interactive maps may include visualisations of tourist trails, descriptions of night accommodation and places of active rest, as well as the weather forecast. The system may allow booking of services (group guides, attractions and support in selected languages) for individual tourists and groups.

#### **Comarch Egeria**

This is an integrated ERP system which supports company management and decision making processes. This is a comprehensive and flexible solution which may be adjusted to individual needs of every client. It is offered in different types of enterprises and institutions (government administration, utilities, health services, etc.).

#### **Comarch Egeria Education**

It is a tool dedicated to provide support for higher education facilities. The system consists of the FrontOffice tool to support academic processes, student and academic issues, and the BackOffice tool



responsible for support of the college facility administration. The system is equipped with developed reporting tools.

### **Comarch Egeria Leasing**

This is an integrated IT system which supports companies providing finance services, including leasing. It supports the sale of financial products with calculators, templates and tools which allow adjustment of the offer to changing market requirements.

### **Comarch Work Expenditures Recording**

The system assists in planning tasks for the employees, re-cording the attendance and executing the entrusted tasks. This solution offers settlement of labour costs, optimization of employee effectiveness and friendly reporting.

### **Comarch e-government**

Comarch e-government is a platform of on-line public services which contains a set of modules enabling the realisation of tasks assigned to a local government unit by the legislator. The intuitive tools enable autonomous management of the application ensuring the support of creation and publication of contents. Comarch e-Government consists of the following modules: Digital Office, Public Information Bulletin, Information Portal and Intranet.

### **Comarch CBO Turnover - for media trading companies and distributed recipients**

It ensures quick access to the data collected from various sources (for example distribution companies, Independent Reading Operator), tracking utility consumption and multiplane analysis of the received data. The system data is a reliable source for the settlement of accounts, planning purchases and conducting proactive business activities. The system supports forecasting requirements, tariff analysis and client segmentation.

### **Comarch CBO Distribution - for media distribution companies**

It enables the enterprise to carry out the function of a measurement operator. It provides a number of mechanisms to help acquire data that is optimised for effectiveness and scalability, verification, supplementing, making it accessible and for multidimensional analysis. It makes it easier to integrate systems used by companies in managing their network property, billings and other items important to their activities. This solution allows reading measurements from electricity meters and other utility meters. It allows storage and management of data related to the measuring infrastructure (for example identification numbers of devices, addresses and places of installation, points of consumption).

### **Comarch System of Management of Network Assets**

This is a solution dedicated to network enterprises, such as electricity distribution companies, gas distribution companies or water and sewage companies. The system ensures complete registry and management of data concerning a company's network infrastructure and improves an execution of main business processes, such as recipients connecting, planning and realisation of investment and modernisation, network exploitation, service of applications, network complaints, emergency events and exclusions.

### **Comarch IT Cost & Risk Analysis**

It is a tool that determines the total costs of providing IT support versus the lack of IT support. The system allows calculation of cost and risk related to migration of business processes support. It offers assessment of economic indexes related to profitability of providing IT support for example ROI, NPV and IRR. It allows simulation of the results for processes, systems and whole models of providing IT support.

### **Comarch Business Intelligence**

Comarch theme data base warehouses comprise diverse range of data and realise manifold purposes. We created warehouses being knowledge bases, tools for medical and financial analysis, supporting business activity. Our solutions are best for management of high number of data from many systems and localisations.

**Comarch Database Archive**

It is a tool used to optimise and manage archived data. It provides a way to create new data partitions by selecting them out from active partitions, properly restructuring or re-building databases, partition disconnection and archiving, and authorisation of data deletion and restoring.

**IT SERVICES**

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

**CRM & Marketing** – the main objective of using this class of solutions is to provide support for marketing activities and relations with the client in the retail industry and in the sector of trans-port and tourism, Comarch CRM & Marketing is divided into Comarch EMM and Comarch Travel CRM.

**SOLUTIONS FOR MANAGEMENT OF MARKETING ACTIVITIES**

**Comarch Retail EMM (Enterprise Marketing Management)** is a comprehensive platform for support of marketing activities and relations with clients. It is a part of **Comarch CRM & Marketing**.

**Comarch Loyalty Management** is a world-class system for comprehensive management over loyalty programmes of different size, both multi-partner and executed in a stand-alone model. Comarch Loyalty Management is a system proven in over 15 countries, functioning in various industries like retail trading, fuel networks, banking and finances, telecommunications.

**Comarch Campaign Management** is a system dedicated for management of multi-stage marketing campaigns, processes automation for their execution, monitoring and analyses of results from individual marketing actions.

**Comarch Smart Analytics** is a Business Intelligence class system which allows obtaining and simultaneously using information about clients, their behaviour or preferences.

**Solutions for the travel and transport industries**

**Comarch Travel CRM** is a suite of integrated applications aimed at gathering and analysis of data on clients of firms of the transport and travel industries. It is profiled to response to needs from airlines, railway carriers, airports and travel agencies. It includes: **Comarch Travel CRM Airline Suite, Comarch Travel CRM Airport Suite, Comarch Travel CRM Hotel Suite, Comarch Travel CRM Railway Suite** and **Comarch Travel CRM Car Rental Suite**.

**Solutions for document management and processes**

**Comarch ECM (Enterprise Content Management)** - the main objective of using this class of solutions is effective management over information in the company, collected in paper and electronic documents, and optimisation of business processes.

**Comarch ECM (Electronic Data Interchange)** is a platform for comprehensive communication with business partners, through which a group of over 15,000 users from 30 countries interchanged 140m

documents in 2011. Portfolio Comarch EDI provides control over all processes in the supply chain (including e-invoicing, Purchase-to-Pay, traceability, reporting).

**Comarch ECM Services** – IBM FileNet – services related to consulting, support, integration and solution implementation on FileNet platform.

**Comarch ECM Services** – MS SharePoint – services related to consulting, support, integration and solution implementation on MS SharePoint.

**Comarch EDI** (Electronic Data Interchange) is a platform for quick and secure electronic data interchange. It enables to reduce costs and optimise business processes in a short period of time. It includes: **Comarch EDI E-Invoicing, Tracking, Reporting, Financing, EMCS and SA2 Products.**

### **Solutions to support sales and distribution**

**Comarch SFA** is a comprehensive platform to provide sales support for trade organisations. Within Comarch SFA, we offer Mobile Sales Force Applications systems and Online Sales Support Applications

**Mobile Sales Force Applications** is the Sales Force Automation class system ensuring full support for points of sale, executed by mobile field employees.

**Comarch SFA Online Sales Support Applications** is a sophisticated B2B platform integrating business partners: producers, distributors and shops, and ensuring support for departments of sale and marketing in a trade organization.

### **Solutions within the IT infrastructure**

#### **Comarch Outsourcing IT**

There are two product groups in the Outsourcing IT area, within which a wide range of continuous services is provided, related to IT processes and IT infrastructure of the client: Comarch Outsourcing IT and Comarch Management Services.

#### **Comarch IT integration**

There are three product groups in the area of IT Integration, within which implementation and integration services as well as migrations and audits are offered: Comarch Systems Integration, Comarch IT Audits and Comarch Business Continuity.

#### **Comarch IT Networks**

##### **Comarch WAN networks:**

- **Comarch Network Managed Services** - the service of the complete network infrastructure offered in the model of full or partial outsourcing
  - **CNMS Global Network** – the data transmission service dedicated for the retail clients, mostly for those operating entirely or in part in shopping centres,
  - **CNMS Retail** – package of supplementary services related to security on WAN network. CWS may be applied both to already existing networks and to implemented solutions,
- **Comarch WAN Security** - the data transmission service dedicated for the clients with branches distributed geographically in more than one country.

##### **Comarch LAN Networks**

Within the wide range of Comarch services, Comarch delivers solutions for LAN network. Within LAN Networks solutions, Comarch offers: Comarch Wi-Fi, Comarch Campus LAN.

**Comarch Monitoring IT**

Comarch Monitoring IT is a comprehensive solution perfectly suited for technical support for all types of businesses and institutions. Our service constitutes valuable support for administrators and IT managers due to a developed functionality, automated and reliable system of monitoring IT environment.

**Comarch Support & Maintenance**

Support & Maintenance is a solution dedicated mostly to provide state-of-the-art support and services in the post-guarantee period. It is dedicated to clients whose network infrastructure was created on Cisco devices.

**Comarch Contact Centre**

The offer of telecommunications solutions includes a wide range of products, which main task is to improve communication inside organisation, with business partners and clients, including Unified Communications, Comarch Contact Centre, Comarch Contact Centre as A Service, IP telephony, Comarch Interactive Suite.

**Comarch Data Centre**

Comarch has been providing Data Centre services since 2001. In the years 2001-2002, Comarch opened its own Data Centre in Warsaw and Krakow. Since then, the Comarch Data Centre offer is continuously expanded, with new services introduced, and new DCs constructed abroad (Germany, France, etc.), we also rent external DCs in other countries (USA). Comarch Data Centre includes Colocation (Server Housing), Hosting (PaaS), Comarch Cloud Computing (Virtual Platform), SaaS, DRC.

**Comarch IT Security**

IT security constitutes a separate category of solutions. Each company needs secure and reliable solutions, because guarantee for IT solutions is essential for proper business. Comarch offers IT systems solutions monitoring and protecting against hazards, both external and internal: Comarch Secure Internet, Comarch Station Protection, Comarch DLP, Comarch Security Management and Comarch Mobile Business.

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

Due to the type of IT systems offered by Comarch S.A., medium-size and large companies (who are the largest clients of advanced IT solutions all over the world) constitute the main group of clients. Majority of company's products are addressed to specific groups of customers, while IT services are of universal nature and are offered to all groups of customers. The company's offer is dedicated to both Polish and foreign customers. Currently, the company's strategy is based on the sale of an increasing number of products on international markets, especially in Western Europe. Sale in the company is highly diversified, with no dependency on one major client. In 2011, the share of none of the customer exceeded 10% of the sale in Comarch S.A. sales.

Due to the specific nature of the industry, in which Comarch S.A. manages its operations, international concerns, which are producers of computer systems and programmers tools, Polish branches and representatives of such concerns, as well as Polish distributing companies and subcontractors for systems, have to be considered sources of supply. In 2011, no supplier provided products and merchandise at the value exceeding 10% of Comarch S.A. proceeds on sale.

#### **5. Sales Structure**

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

	<b>2011</b>	<b>%</b>	<b>2010</b>	<b>%</b>	<b>2009</b>	<b>%</b>
Domestic	396,836	69.9%	427,088	76.3%	405,659	81.9%
Export	170,837	30.1%	132,365	23.7%	89,853	18.1%

<b>Total</b>	<b>567,673</b>	<b>100.0%</b>	<b>559,453</b>	<b>100.0%</b>	<b>495,512</b>	<b>100.0%</b>
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In 2011, revenues from the company's sales increased by 8.2 million PLN, i.e. 1.5%, which is related to an increase of 38.5 million PLN, i.e. 29.1% in export sales compared to the previous year. Export sales increased due the acquisition of new foreign recipients directly by Comarch S.A. and due to the acquiring higher number of export contracts by Comarch's subsidiaries. Domestic sales decreased by 30.3 million PLN, i.e. 7.1%. The weakening of PLN vs. EUR and USD had a significant impact on sales and results in the third and fourth quarters of 2011. The balance sheet valuation of unrealised currency exchange differences as at 31<sup>st</sup> of December, 2011, increased Comarch S.A.'s financial result achieved in 2011 by 13.9 million PLN. The geographical sales structure has remained at the stable level throughout the year.

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

	<b>2011</b>	<b>%</b>	<b>2010</b>	<b>%</b>	<b>2009</b>	<b>%</b>
Telecommunication, Media, IT	158,249	27.9%	137,489	24.6%	109,498	22.1%
Finance and Banking	120,148	21.2%	129,546	23.2%	110,624	22.3%
Trade and Services	61,540	10.8%	86,886	15.5%	49,073	9.9%
Industry & Utilities	58,580	10.3%	67,140	12.0%	104,957	21.2%
Public Sector	90,214	15.9%	65,543	11.7%	58,341	11.8%
Small and Medium Enterprises	72,566	12.8%	67,547	12.1%	58,165	11.7%
Others	6,376	1.1%	5,302	0.9%	4,854	1.0%
<b>Total</b>	<b>567,673</b>	<b>100.0%</b>	<b>559,453</b>	<b>100.0%</b>	<b>495,512</b>	<b>100.0%</b>

In 2011, there were noticeable changes in the market's sales structure. There was a substantial decrease in sales to the trade and services sector (a decrease of 25.3 million PLN, i.e. 29.2%) and their share in total sales diminished from 15.5% to 10.8% in 2011. This is a consequence of one-time high-valued delivery of third party software in the fourth quarter of 2010. There was an increase in sales to the telecommunication, media and IT sector (an increase of 20.8 million PLN, i.e. 15.1%) and to the public sector (an increase of 24.7 million PLN, i.e. 37.6%). At the same time, their share in total sales increased compared to the previous year. There was also an increase in sales to customers in the SME (an increase of 5 million PLN, i.e. 7.4%) and their share in total sales was at the previous year's level. Sales to the finance and banking sector and to the industry and utilities sector decreased (a decrease of 9.4 million PLN, i.e. 7.3% and 8.6 million PLN, i.e. 12.7% respectively). Their share diminished slightly compared to the previous year.

Looking back over the entire year, the structure of sales by the customer segment remained at a consistent level. What is noticeable, there is a continuous growth in share of sales to the telecommunication, media and IT sector in total sales. Furthermore, a slightly higher volume of sales to the public sector in the third and the fourth quarters is a consequence of completion of an increased number of IT projects executed in this period for customers in this sector.

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

	2011	%	2010	%	2009	%
Services	391,682	69.0%	370,951	66.3%	324,322	65.5%
Proprietary Software	90,665	16.0%	74,114	13.2%	60,075	12.1%
Third party Software	50,451	8.9%	74,889	13.4%	88,586	17.9%
Hardware	28,708	5.0%	33,338	6.0%	18,482	3.7%
Others	6,167	1.1%	6,161	1.1%	4,047	0.8%
<b>Total</b>	<b>567,673</b>	<b>100.0%</b>	<b>559,453</b>	<b>100.0%</b>	<b>495,512</b>	<b>100.0%</b>

Sales of IT services are still the largest and continuously developing part of Comarch S.A.'s revenue year by year. In 2011, there was a growth of 20.7 million PLN, i.e. 5.6% in these sales and they constituted 69% in overall sales. Sales of Comarch own software also grew (an increase of 16.6 million PLN, i.e. 22.3%). Sales of computer hardware and third party software decreased compared to the previous year's levels (a decrease of 4.6 million PLN, i.e. 13.9% and a decrease of 24.4 million PLN, i.e. 32.6% respectively). Looking back at 2011, the structure of sales by product type remained at a stable level.

**6. Factors Essential for Development of the Issuer****6.1. Internal Factors**

- a) Increase in export sales and significance of foreign sales,
- b) Position and reputation of the company affecting the nature of clients acquired;
- c) Commercial operations of Comarch S.A. in the special economic zone in Krakow;
- d) Significant share of standard (repetitive) products offered for sale, which means:
  - lower costs, especially variable costs related to a single contract,
  - the possibility of significant increase in profitability of a single contract with simultaneous reduction in charges for clients (license fees),
  - broader and more diversified circle of clients, which means a broader scale of activities;
- e) Attractive training policy and attractive work conditions offered for employees of the company;
- f) Increasing awareness of the Comarch brand among prospective clients by promotion managed through MKS Cracovia SSA, TSV 1860 Munich and AS Nancy;
- g) Necessity of continuous investment in human resources to maintain the company's competitive edge in future years;
- h) High levels of investment expenditure designated for research and development activity, and development of new products and IT services;
- i) High level of investment expenditure designated for the development of production sources in Poland (material investment) and for expansion on foreign markets (capital investment).

**6.2. External Factors**

- a) Enhanced requirements from clients for IT systems. There is an increase in demand for large, complex IT systems dedicated for specific users. This gives advantage to large IT companies such as Comarch S.A., which offer a number of different technologies and products and which are able to provide technologically advanced solutions;
- b) Development of Internet banking and more frequent usage of the Internet as a new distribution channel for financial products;
- c) Change in business models in many branches as well as change in business strategies of many companies related to technological progress and economic growth, which shape the demand for new IT systems, broadening software sales in the *cloud computing* model means an increase in capital and resources requirements for IT companies;
- d) An access of Polish companies to resources from structural funds related to Polish membership in European Union that will be dedicated in part to develop IT systems and finance research and development works;
- e) Growing competition, causing decrease in achieved margins; competition between IT companies;
- f) Pressure on increase in remuneration in IT sector;



- g) The international economic situation, taking into particular consideration the situation on financial markets that effects levels of demand for products and IT services;
- h) Exchange rate levels fluctuations, especially EUR/PLN and USD/PLN, and which affect the profitability of export sales.

## **7. Other Significant Factors, including Risks and Threats**

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

### **7.1. Financial Risk**

#### **7.1.1. Credit Risk**

Comarch S.A. 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 Comarch's sales to a significant number of customers in different branch of economy, in different world's regions.

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

The company is exposed to the risk of changes in interest rates related to cash and cash equivalents, as well as 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 EURIBOR index. The group has not been hedging this interest rate risk; however it monitors market situation in this scope. The influence of interest rate changes on the amount of interest on credit paid is partly compensated for by a change in the amount of interest received on cash and cash equivalents.

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

The company is exposed to foreign exchange risk in relation to export sales and sales denominated in foreign currencies, especially in relation to foreign exchange of EURO/PLN and USD/PLN. At the same time, part of the dominant unit's costs are also expressed in, or related to, exchange rates for foreign currencies. In individual cases, the company hedges future payments with forward contracts, as well as tries to use natural hedging through adjusting structures of assets, liabilities and equity denominated in foreign currencies (for example through a change of a credit's currency). The balance sheet value of assets and financial liabilities of the Group denominated in foreign currencies is related to receivables and liabilities due to deliveries and services as well as cash as at the balance sheet date.

#### **7.1.4. Financial Liquidity Risk**

The company 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 company are fixed, while revenue from sales, as is typical for a services company, fluctuates. The company 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.

## **8. Perspectives of Development in the Company and Anticipated Financial Situation in 2012**

In the company's opinion, the decrease in demand for IT products and services which is related to the economic slowdown, was present at the end of the first half of 2011. Demand for IT products and services improved at the end of the third quarter of 2011 and maintained the satisfactory level in the fourth quarter of 2011. Economic situation may have a continuous detrimental impact on Comarch's development, and simultaneously, on the financial results achieved by the Group. The consistently executed strategy of positioning itself on the market as a technological and product-based company reaps results in the form of

an annually increasing client base; most of these being international companies. It allows for the limitation of activities' risk during a period of economic slowdown. After Poland's integration with the European Union, more and more international companies operates in Poland, thus broadening the circle of prospective clients for IT systems. At the same time, activity of Comarch in international markets should additionally increase sales volume and enhance the image of Comarch among international corporations, thus strengthening the competitive position of Comarch. Execution of Comarch strategy largely depends on macroeconomic conditions, beyond the Group, especially on the level of IT investments in medium-size and large companies in Poland and abroad and on the fact that competition in the IT sector becomes more and more fierce. At the same time, effective management of operational risks is the necessary condition for execution of the strategy.

The most important risks related to the company's operations are:

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

The Group does not expect of significant changes in its financial situation.



## 9. Financial Analysis

	2011	%	2010	%	2011/2010	%
<b>I. Non-current assets</b>	<b>529,740</b>	<b>55.6%</b>	<b>487,305</b>	<b>55.3%</b>	42,435	8.7%
1. Intangible assets	6,717	0.7%	2,414	0.3%	4,303	178.3%
2. Property, plant and equipment	202,178	21.2%	214,405	24.3%	-12,227	-5.7%
3. Long-term investment	316,762	33.3%	268,495	30.5%	48,267	18.0%
4. Non-current prepayments	4,083	0.4%	1,991	0.2%	2,092	105.1%
<b>II. Current assets</b>	<b>423,525</b>	<b>44.4%</b>	<b>393,568</b>	<b>44.7%</b>	29,957	7.6%
1. Inventories	33,204	3.5%	41,265	4.7%	-8,061	-19.5%
2. Current receivables	321,474	33.7%	286,240	32.5%	35,234	12.3%
3. Short-term investment	55,706	5.8%	53,963	6.1%	1,743	3.2%
4. Current prepayments	13,141	1.4%	12,100	1.4%	1,041	8.6%
<b>Total assets</b>	<b>953,265</b>	<b>100.0%</b>	<b>880,873</b>	<b>100.0%</b>	72,392	8.2%

As of the end of 2011, the value of the company's assets grew by 8.2% as compared to 2010 from 880.9 million PLN to 953.3 million PLN. This is the result of both an increase of 8.7% in non-current assets and an increase of 7.6% in current assets. The growth of 42.4 million PLN in non-current assets is mostly the result of an increase in long-term investment from 268.5 million PLN to 316.8 million PLN and this is mostly a consequence of purchases of interest and shares in subsidiaries as well as placing in service of another office building in the SEZ, which is used as a medical centre by iMed24 SA, a company in the Comarch Group and by other subsidiaries. The share of particular items of non-current assets in the total structure of assets has remained at a similar level to those in 2010. The increase of 30 million PLN in current assets is mostly a consequence of an increase of 12.3% in current receivables from 286.2 million PLN to 321.5 million PLN (mostly in relation to receivables from related entities due to deliveries and services with payment date within 12 months). The share of other items of current assets in the total structure of assets has remained at a similar level to those in 2010.

	2011	%	2010	%	2011/2010	%
<b>I. Equity</b>	<b>609,697</b>	<b>64.0%</b>	<b>559,208</b>	<b>63.5%</b>	50,489	9.0%
1. Share capital	8,051	0.9%	8,051	0.9%	0	0.0%
3. Supplementary capital	415,032	43.5%	346,562	39.3%	68,470	19.8%
4. Revaluation reserve	130,502	13.7%	135,204	15.4%	-4,702	-3.5%
5. Other reserve capitals	745	0.1%	745	0.1%	0	0.0%
6. Previous years' profit (loss)	176	0.0%	176	0.0%	0	0.0%
7. Net profit (loss)	55,191	5.8%	68,470	7.8%	-13,279	-19.4%
<b>II. Liabilities and provisions for liabilities</b>	<b>343,568</b>	<b>36.0%</b>	<b>321,665</b>	<b>36.5%</b>	21,903	6.8%
1. Provisions for liabilities	96,248	10.1%	80,471	9.1%	15,777	19.6%
2. Non-current liabilities	75,418	7.9%	84,985	9.6%	-9,567	-11.3%
3. Current liabilities	166,562	17.5%	148,734	16.9%	17,828	12.0%
4. Accruals	5,340	0.6%	7,475	0.9%	-2,135	-28.6%
<b>Total equity and liabilities</b>	<b>953,265</b>	<b>100.0%</b>	<b>880,873</b>	<b>100.0%</b>	72,392	8.2%

Over the course of 2011, the share structure of total equity and liabilities has not changed significantly. Equity grew over the year 2011 by 9%, which was mostly the result of high net profit generated in 2010. The share of equity in total equity and liabilities has remained at a comparable level to that in 2010 (64% in 2011 compared to 63.5% in 2010). Liabilities and provisions for liabilities constituted 36% in total equity and liabilities compared to 36.5% in the previous year. Like in previous years, there was an increase of 17.8 million PLN in current liabilities resulting mostly from changes in values of bank credits and loans. Provisions for liabilities grew by 19.6%, i.e. 15.8 million PLN, mostly as a result of an increase in provisions for premiums and contracts' costs. Value of non-current liabilities decreased almost by 10

million PLN, among others due to change in presentation of a long-term credit, which is currently presented in current liabilities as a result of its repayment date in 2012. Other items of total liabilities and charges maintained the previous year's level, and their share in total liabilities and charges did not change significantly. The share of particular items of this part of total equity and liabilities in their structure has remained at a similar level to those in 2010.

	2011	%	2010	%	2011/2010	%
I. Net revenues from sales of products, finished goods and materials	567,673	100.0%	559,453	100.0%	8,220	1.5%
II. Cost of products, finished goods and materials sold	377,500	66.5%	371,109	66.3%	6,391	1.7%
III. Gross profit (loss) from sales (I-II)	190,173	33.5%	188,344	33.7%	1,829	1.0%
IV. Costs of sales	61,245	10.8%	57,320	10.2%	3,925	6.8%
V. Administrative costs	40,719	7.2%	36,385	6.5%	4,334	11.9%
VI. Profit (loss) on sales (III-IV-V)	88,209	15.5%	94,639	16.9%	-6,430	-6.8%
VII. Other operating revenues	3,572	0.6%	467	0.1%	3,105	664.9%
VIII. Other operating costs	38,033	6.7%	19,887	3.6%	18,146	91.2%
IX. Profit (loss) on operating activities (VI+VII-VIII)	53,748	9.5%	75,219	13.4%	-21,471	-28.5%
X. Financial revenues	20,632	3.6%	6,130	1.1%	14,502	236.6%
XI. Finance costs	11,689	2.1%	6,680	1.2%	5,009	75.0%
XII. Profit (loss) on business activities (IX+X-XI)	62,691	11.0%	74,669	13.3%	-11,978	-16.0%
XIII. Gross profit (loss) (XII)	62,691	11.0%	74,669	13.3%	-11,978	-16.0%
XIV. Income tax	7,500	1.3%	6,199	1.1%	1,301	21.0%
XV. Net profit (loss) (XIII-XIV)	55,191	9.7%	68,470	12.2%	-13,279	-19.4%

Over 2011, revenues from sales were higher by 8.2 million PLN, i.e. 1.5% compared to the previous year. Operating profit reached 53.7 million PLN and decreased by 28.5% compared to operating profit in 2010. Net profit diminished by 19.4% compared to that in 2010. The decrease in operating profit is mostly a consequence of an increased level of other operating costs resulting from redemption of Comarch AG receivables, creating provisions for penalties and claims, as well as recognition of a write-off revaluing goods. As a result, EBIT margin decreased from 13.4% to 9.5% and net margin decreased from 12.2% to 9.7%.

<b>Profitability Analysis:</b>	2011	2010	2009	2008	2007	2006	2005
Margin on sales	33.5%	33.7%	30.2%	26.0%	24.5%	25.9%	21.6%
EBIT margin	9.5%	13.4%	12.0%	5.8%	6.5%	9.0%	8.1%
Gross margin	11.0%	13.3%	11.5%	7.4%	5.2%	10.0%	7.1%
Net margin	9.7%	12.2%	10.4%	6.4%	4.9%	9.2%	6.8%
Return on assets	5.8%	7.8%	6.7%	5.3%	5.1%	9.9%	9.7%
Return on equity	10.0%	14.0%	11.6%	9.4%	10.8%	21.6%	22.6%

Profitability analysis in 2011 indicates that the company achieved very favourable results. Although, margins diminished slightly compared to those in 2010, however they have maintained the satisfactory levels.

<b>Liquidity analysis*:</b>	2011	2010	2009
Current ratio	2.46	2.52	2.59
Quick ratio	2.19	2.18	2.24
Cash to current liabilities ratio	0.32	0.35	0.55

\*) Due to changes in the presentation performed in 2009, the company ran liquidity analysis only for the reporting period beginning from 2009.

In 2011, the company maintained very good financial liquidity. In the Management Board's opinion, the company has no problems with meeting contracted financial liabilities on-time. Temporarily free funds are invested by the company in safe financial instruments like bank deposits and shares in financial investment funds.

<b>Turnover analysis</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Current asset turnover ratio	1.34	1.42	1.60	2.41	1.91	1.90	2.25
Receivables turnover ratio (days)	204	184	147	98	115	113	80
Inventories turnover ratio (days)	25	32	25	19	25	17	24
Liabilities turnover ratio (days)	182	181	164	121	143	129	122
Liabilities turnover excluding liabilities due to investment credit ratio (days)	125	115	94	62	83	83	70

Turnover ratios confirm the effective use of the company's funds. In 2011, the receivables turnover ratio increased; however at the same time the liabilities turnover ratio, the liabilities turnover excluding liabilities due to non-current credits ratio, also increased. The inventory turnover ratio decreased in comparison to the previous year due to a decrease in inventories. A decrease in the current assets turnover ratio is a consequence of an increase in trade receivables as of the balance sheet date (a consequence of very high revenue in December, 2011 and significant level of trade receivables from subsidiaries).

<b>Debt analysis:</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Debt ratio	36.0%	36.5%	36.0%	37.6%	47.7%	44.1%	51.9%
Debt ratio due to non-current credits	7.9%	9.6%	10.8%	12.2%	15.4%	12.2%	17.32%
Debt/equity ratio	56.4%	57.5%	56.3%	60.4%	91.1%	79.0%	108.0%

In 2011, debt ratios diminished slightly compared to the previous year's levels. Debt/equity ratio decreased from 57.5% to 56.4% and debt ratio due to non-current credits decreased from 9.6% to 7.9%. 64% of the company's funds come from internal financing and 36% come from outside financing.

### **Methods of Calculation of Financial Ratios**

#### **Debt ratio**

$$\text{Debt ratio} = \frac{\text{Liabilities and provisions for liabilities}}{\text{Total equity and liabilities}}$$

$$\text{Debt ratio due to non-current credits} = \frac{\text{Non-current liabilities}}{\text{Total equity and liabilities}}$$

$$\text{Debt/equity ratio} = \frac{\text{Liabilities and provisions for liabilities}}{\text{Equity}}$$

**Profitability Ratios**

$$\text{Return on equity} = \frac{\text{Net profit}}{\text{Equity} - \text{Net profit}}$$

$$\text{Margin on sales} = \frac{\text{Gross profit from sales}}{\text{Net revenues from sales of products, finished goods and materials}}$$

$$\text{EBIT margin} = \frac{\text{Operating profit}}{\text{Net revenues from sales of products, finished goods and materials}}$$

$$\text{Gross margin} = \frac{\text{Gross profit}}{\text{Net revenues from sales of products, finished goods and materials}}$$

$$\text{Net margin} = \frac{\text{Net profit}}{\text{Net revenues from sales of products, finished goods and materials}}$$

**Liquidity ratios**

$$\text{Current ratio} = \frac{\text{Current assets}}{\text{Current liabilities} + \text{Prepayments}}$$

$$\text{Quick ratio} = \frac{\text{Current investment} + \text{Current receivables}}{\text{Current liabilities} + \text{Prepayments}}$$

$$\text{Cash to current liabilities ratio} = \frac{\text{Current investment}}{\text{Current liabilities} + \text{Accruals}}$$

**Turnover ratios**

$$\text{Current asset turnover ratio} = \frac{\text{Net revenues from sales of products, finished goods and materials}}{\text{current assets}}$$

$$\text{Receivables turnover ratio (days)} = \frac{(\text{current receivables}) * 360}{\text{Net revenues from sales of products, finished goods and materials}}$$

$$\text{Inventories turnover ratio (days)} = \frac{\text{inventory} * 360}{\text{costs of products, goods and materials sold} + \text{costs of sales} + \text{administrative costs}}$$

$$\text{Liabilities turnover ratio (days)} = \frac{(\text{non-current liabilities} + \text{current liabilities}) * 360}{\text{costs of products, goods and materials sold} + \text{costs of sales} + \text{administrative costs}}$$

$$\text{Liabilities turnover excl. liabilities due to invest. credit ratio (days)} = \frac{(\text{current liabilities}) * 360}{\text{costs of products, goods and materials sold} + \text{costs of sales} + \text{administrative costs}}$$

## 10. Credits, Loans, Suretyships, Bank Guarantees

### 10.1. Bank Guarantees

On 31<sup>st</sup> of December, 2011, 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 35.12 million PLN. On the 31<sup>st</sup> of December, 2010, the value of the bank guarantee and letters of credit issued by banks on order from Comarch S.A. in reference to executed agreements and participation in tender proceedings was 39.26 million PLN, including a bank guarantee in the amount of 1.7 million euro, i.e. 6.73 million PLN, for Bank HVB's benefit, as a suretyship for credit used by Comarch Software und Beratung AG.

### 10.2. Suretyships

As at 31<sup>st</sup> of December, 2011, there were no Comarch S.A.'s suretyships for the debts from lease agreements.

a) Due to conclusion in August, 2010, of a contract with E-Plus, issuer has granted a guarantee for the benefit of E-Plus Mobilfunk GmbH&Co. KG. This guarantee has been provided for the duration of the contract with E-Plus and guarantees the satisfactory fulfilment of any obligations resulting from the contract by Comarch AG, a subsidiary of Comarch S.A. The value of the guarantee equals the value of the contract with E-Plus, and in the first period of the term of the agreement amounts to 42,025,286 EUR i.e. 166,953,854 PLN. The financial conditions, that the guarantee was provided on, do not differ from the market conditions.

b) Due to DnB Nord Polska SA granting a credit line for bank guarantees to CA Consulting SA, a Comarch S.A. subsidiary, on the 13<sup>th</sup> of May, 2010, the issuer granted a surety for the benefit of DnB Nord Polska SA in order to guarantee the fulfilment of any obligations resulting from the credit agreement by CA Consulting SA. The value of the surety equals 2,000,000 PLN and is valid until the 28<sup>th</sup> of March, 2014. On the 2<sup>nd</sup> of February, 2012, and in relation to an extension of credit line validity, this surety was extended until the 28<sup>th</sup> of February, 2017.

c) Due to an order for products delivered from Veracomp S.A. and placed by SouthForge Sp. z o. o., a Comarch S.A.' subsidiary, on the 24<sup>th</sup> of February, 2011, the issuer granted a surety for the benefit of Veracomp S.A. in order to guarantee the fulfilment of any obligations resulting from the credit agreement by SouthForge Sp. z o. o. The value of the surety equalled 191,580.01 PLN and was valid until the 30<sup>th</sup> of April, 2011.

d) Due to the purchase of specialised medical equipment made by iMed24 S.A., a Comarch S.A. subsidiary, on the 31<sup>st</sup> of March, 2011, the parent company granted a surety for the above mentioned obligations of iMed24 S.A. The value of the surety equals 14.1 million PLN and is valid until iMed24 S.A. has paid the total due remuneration. After the balance sheet date, i.e. on the 7<sup>th</sup> of November, 2011, iMed24 made a payment of the above-mentioned remuneration, therefore the surety expired.

e) Due to conclusion of lease agreements by Comarch Software und Beratung AG, a Comarch S.A. subsidiary, the parent company granted a surety for the obligations resulting from these contracts for the benefit of IBM Deutschland Kreditbank GmbH and IBM Deutschland GmbH. The value of the surety equals 0.3 million EUR and is valid until the 31<sup>st</sup> of August, 2012.

f) Due to conclusion of a contract for implementation, hosting and maintenance of loyalty system, signed between Enterprise Holdings Inc. and Comarch Inc., a subsidiary of Comarch S.A., on the 28<sup>th</sup> of April, 2011, Comarch SA granted a surety for the benefit of Enterprise Holdings Inc. in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch Inc. The value of the surety equals a maximum of 3 million USD and is valid until the November, 2016.

g) Due to conclusion of contracts for fuel cards service signed between BP Europa SE and iMed24 SA, iFin24 SA, iReward24 SA and CA Consulting SA, subsidiaries of Comarch S.A., on the 30<sup>th</sup> of May,

2011, Comarch SA granted a surety for the benefit of BP Europa SE in order to guarantee the fulfilment of any obligations resulting from the contracts by iMed24 SA, iFin24 SA, iReward24 SA and CA Consulting SA. The value of the surety equals 0.18 million PLN and is valid until the 31<sup>st</sup> of May, 2012.

h) Due to conclusion of a contract for sales of licences and implementation of Comarch Network & Service Inventory, Comarch Next Generation Service Assurance and Comarch OSS Mediations, as well as sales of licences for Comarch SLA Management, signed between Comarch AG, a subsidiary of Comarch S.A., and Belgacom International Carrier Services (Belgium), on the 11<sup>th</sup> of August, 2011, Comarch SA granted a surety for the benefit of Belgacom International Carrier Services (Belgium) in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals contracts value and is valid until the 31<sup>st</sup> of March, 2014.

i) Due to Bank Pekao SA granting a loan in the amount of 15,888,666.42 PLN to iMed24 SA, a Comarch S.A. subsidiary, on the 1<sup>st</sup> of September, 2011, Comarch SA granted a surety in order to guarantee the fulfilment of any obligations resulting from the contract. The value of the surety equals 23,832,999.63 PLN and is valid until the 31<sup>st</sup> of December, 2021.

j) Due to conclusion of a lease agreement by Comarch Software und Beratung AG, a subsidiary of Comarch S.A., on the 1<sup>st</sup> of January, 2012, the parent company granted a surety for the benefit of IBM Deutschland GmbH in order to guarantee the fulfilment of any obligations resulting from the contract. The value of the surety equals 0.15 million EUR and is valid until the 31<sup>st</sup> of March, 2015.

### **10.3. Credits**

As at the 31<sup>st</sup> of December, 2011, Comarch S.A. had liabilities due to credits in the amount of 99.08 million PLN.

- a) An investment credit from BNP Paribas Bank Polska SA (previously Fortis Bank Polska S.A.) with its registered office in Warsaw in amount of 20 million PLN for the financing of the first construction stage of production and office buildings in the Special Economic Zone in Krakow. The crediting period may last a maximum of 10 years, i.e. until 2015. This credit has a variable interest rate (EURIBOR1M+0,95%). On 5<sup>th</sup> 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 31<sup>st</sup> of December, 2011, the value of the credit to be repaid amounted to 1.75 million EUR, i.e. 7.73 million PLN.
- b) An investment credit from 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 (WIBOR1M+0,85%). A promissory note, the mortgage on land and the building insurance policy are security for this credit. As at 31<sup>st</sup> of December, 2011, the value of the credit to be repaid amounted to 19.35 million PLN.
- c) An investment credit from BNP Paribas Bank Polska SA (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 (EURIBOR1M+0,95%). It was taken out by 30<sup>th</sup> of September, 2008. A promissory note, the mortgage on land and the building insurance policy are security for this credit. On the 5<sup>th</sup> of October, 2011, the company revaluated the remaining credit to be paid into euro (current report no. 21/2011). After this operation, the value of the credit to be repaid amounted to 8.06 million EUR. As at 31<sup>st</sup> of December, 2011, the value of the credit to be repaid amounted to 7.9 million EUR, i.e. 34.52 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 (WIBOR1M+0,85%). A promissory note, the mortgage on the land is security for this credit. As at 31<sup>st</sup> of December, 2011, 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. 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 (EURIBOR1M+2,65%). As at 31<sup>st</sup> of December, 2011, the credit was used in total. The real estate mortgage (22 million PLN and 11 million PLN), cession of rights in the building insurance policy and cession of rights in the bank guarantee issued for the debtor are security for this credit. On the 30<sup>th</sup> of December, 2011, the company revaluated the remaining credit to be paid into euro. After this operation, the value of the credit to be repaid amounted to 5.03 million EUR. As at 31<sup>st</sup> of December, 2011, the value of the credit to be repaid amounted to 5.03 million EUR.

#### 10.4. Loans

As at 31<sup>st</sup> of December, 2011, there were no unpaid home loans granted to employees of Comarch S.A.

As at 31<sup>st</sup> of December, 2011, the following companies of the Capital Group were indebted towards Comarch S.A. for loans granted:

Company	Due date	Value	Currency	Interest	Value in PLN
Comarch AG	31.12.2016	6,000,000.00	EUR	3.76%	26,500,800.00
	31.12.2016	2,000,000.00	EUR	3.80%	8,833,600.00
	31.12.2013	600,000.00	EUR	3.74%	2,650,080.00
	31.12.2013	200,000.00	EUR	3.74%	883,360.00
OOO Comarch	31.01.2013	150,000.00	USD	2.46%	512,610.00
Comarch SAS	19.03.2013	200,000.00	EUR	3.80%	883,360.00
	31.12.2013	100,000.00	EUR	3.80%	441,680.00
	31.12.2013	150,000.00	EUR	3.77%	662,520.00
MKS Cracovia SSA	30.06.2013	1,000,000.00	PLN	6.20%	1,000,000.00
	30.06.2013	1,400,000.00	PLN	6.50%	1,400,000.00
	30.06.2013	1,000,000.00	PLN	6.50%	1,000,000.00
	30.06.2013	1,300,000.00	PLN	7.59%	1,300,000.00
	30.06.2013	500,000.00	PLN	7.59%	500,000.00
	30.06.2013	500,000.00	PLN	6.46%	500,000.00
	30.06.2013	600,000.00	PLN	6.17%	600,000.00
	30.06.2013	400,000.00	PLN	6.18%	400,000.00
	30.06.2013	1,300,000.00	PLN	6.15%	1,300,000.00
	30.06.2013	450,000.00	PLN	6.27%	450,000.00
	30.06.2013	300,000.00	PLN	5.86%	300,000.00
	30.06.2013	3,450,000.00	PLN	5.81%	3,450,000.00
	30.06.2013	500,000.00	PLN	6.07%	500,000.00
30.06.2013	500,000.00	PLN	6.29%	500,000.00	
30.06.2013	200,000.00	PLN	6.30%	200,000.00	
30.06.2013	750,000.00	PLN	6.95%	750,000.00	

	30.06.2013	300,000.00	PLN	6.98%	300,000.00
	30.06.2013	100,000.00	EUR	3.40%	441,680.00
iReward24 S.A.	30.06.2012	50,000.00	PLN	6.85%	50,000.00
	30.06.2012	35,000.00	PLN	6.93%	35,000.00
	30.06.2012	28,000.00	PLN	6.96%	28,000.00
	30.06.2012	100,000.00	PLN	6.97%	100,000.00
<b>Total</b>					<b>56,472,690.00</b>

The value of the revaluation write-off of the above-mentioned loans amounts to 0.51 million PLN and is related to OOO Comarch.

## 11. The Most Important Events in 2011 and after the Balance-Sheet Date

### 11.1. Contracts the most Significant for Issuers' Activities

The most important contracts signed in 2011 are:

#### 11.1.1. Annex to Contract with Łęgrzem Sp. z o.o. for the Realisation of the Fourth Stage of Construction in the Investment of the Special Economic Zone in Krakow

As a result of the annexes (current report no. 17/2011 dated the 29<sup>th</sup> of July, 2011 and current report no. 20/2011 dated the 3<sup>rd</sup> of October, 2011) to the contract with Łęgrzem Sp. z o.o. for the realisation of the fourth stage of construction in the investment of the Special Economic Zone in Krakow, its completion date, its scope and its value were rescheduled. The completion date of this investment was rescheduled to the 31<sup>st</sup> of December, 2011, and due to extension of the contract's scope, contract's net value was increased to 23.35 million PLN.

#### 11.1.2. Annex to Contract for Investment Credit

On the 12<sup>th</sup> of September, 2011 an annex was signed related to the credit agreement with Bank DnB NORD Polska SA for the financing of the fourth construction stage of production and office buildings in the Special Economic Zone in Krakow. The annex changed the credit's amount from 20 million PLN to 22 million PLN and it should be taken out by 29<sup>th</sup> of December, 2011 (previously: 30<sup>th</sup> of September, 2011). The real estate mortgages in the amounts of 22 million PLN (previously: 20 million PLN) and 11 million PLN (previously: 10 million PLN), cession of rights in the building insurance policy and cession of rights in the bank guarantee issued for the debtor are security for this credit. The company announced details in current report no. 19/2011 dated the 13<sup>th</sup> of September, 2011.

#### 11.1.3. Revaluation of the Investment Credit from Fortis Bank Polska SA

In relation to current report no. 33/2006 dated the 9<sup>th</sup> of June, 2006 relating to the investment credit from Fortis Bank Polska SA (currently BNP Paribas Bank Polska S.A.) for the financing of the third construction stage of production and office buildings in the Special Economic Zone in Krakow, updated on the 11<sup>th</sup> of December, 2007 with current report no. 53/2007, Comarch S.A.'s Management Board announced in current report no. 21/2011 dated the 5<sup>th</sup> of October, 2011, that on the 5<sup>th</sup> of October, 2011, the company revaluated the remaining credit to be paid into EURO.

#### 11.1.4. Agreement on Purchase of Shares in an Increased Capital of MKS Cracovia SSA

On the 15<sup>th</sup> of December, 2011, an agreement was signed between Comarch S.A. and MKS Cracovia SSA on the purchase of new shares and execution of rights from warrants. Comarch SA is obliged to purchase shares issued within the conditional increase in share capital of MKS Cracovia SSA in the following ways:

-38,631 ordinary registered series E shares as a result of the execution of rights resulting from purchase of 38,631 registered series A warrants; the purchase of series A warrants will take place till the 31<sup>st</sup> of March, 2012,



-11,400 ordinary registered series F shares as a result of the execution of rights resulting from purchase of 11,400 registered series B warrants; the purchase of series B warrants will take place till the 31<sup>st</sup> of March, 2013,

-22,800 ordinary registered series G shares as a result of the execution of rights resulting from purchase of 22,800 registered series C warrants; the purchase of series C warrants will take place till the 31<sup>st</sup> of December, 2013.

Comarch SA is obliged to purchase the afore-mentioned shares in cash contribution which will be in the form of a payment of 29,999,817 zlotys as follows:

-15,912,495 zlotys as a result of purchase of the afore-mentioned shares till the 31<sup>st</sup> of March, 2012,

-4,695,774 zlotys as a result of purchase of the afore-mentioned shares till the 31<sup>st</sup> of March, 2013,

-9,391,548 zlotys as a result of purchase of the afore-mentioned shares till the 31<sup>st</sup> of December, 2013.

As a result of the execution of the afore-mentioned agreement, the share of Comarch SA in MKS Cracovia SSA's share capital will increase from 49.15% to 66.11%.

The company announced details in current report no. 25/2011 dated the 16<sup>th</sup> of December, 2011.

## **AFTER THE BALANCE SHEET DATE**

### **11.1.5. Agreement on Purchase of MKS Cracovia SSA Shares**

On the 24<sup>th</sup> of February, 2012, an agreement was signed between Comarch SA and MKS Cracovia SSA on the purchase of MKS Cracovia SSA series E shares (current report no. 3/2012 dated the 27<sup>th</sup> February, 2012 and its correction dated the 29<sup>th</sup> of February, 2012). MKS Cracovia SSA invited Comarch SA to purchase 38,631 series E shares of nominal value of 100 PLN. MKS Cracovia SSA invited Comarch SA to purchase the afore-mentioned shares for a total issue price of 15,912,495.21, i.e. for issue price of 411.91 PLN for one series E share. The issue price of the afore-mentioned shares was paid in cash contribution in the amount of 15,912,495.21 PLN which was made by Comarch SA on the 27<sup>th</sup> of February, 2012. As a result of the registration of the increase in MKS Cracovia SSA's share capital, Comarch SA will hold 59.82% votes at the company's general meeting.

## **12. Major Domestic and Foreign Investment (Securities, Financial Instruments, Intangible Assets and Real Estate), including Capital Investment Made outside the Group of Related Parties, as well as a Description of their Financing, as well as an Appraisal of Ability for Executing Investment Plans, Including Capital Investment Compared to the Amount of Resources Owned**

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

Within the following years, the Comarch Group will continue investment projects which will enable further expansion of the company to new commercial areas and new markets. They will be financed with the means accorded by the companies at the Comarch Group, and bank credits.

### **12.1. Capital Investment**

On the 28<sup>th</sup> of April, 2011, a company named Comarch Luxembourg S.à r.l. was registered in Luxemburg in Luxemburg.

On the 1<sup>st</sup> of June, 2011, a company named ComArch Canada, Corp. was registered in New Brunswick in Canada.

On the 8<sup>th</sup> of June, 2011, an agreement on purchase of Comarch AG shares was signed. It is related to purchase of 1,000,000 Comarch AG shares by Comarch SA from Vintage Investment Holdings S.A. with its registered seat in Luxemburg. A nominal value of 1 share amounts to 1 EUR and all purchased shares amount to 1,000,000.00 EUR of total nominal value. They constitute 40% of Comarch AG share capital. After this agreement conclusion, Comarch S.A. holds 2,500,000 Comarch AG's shares of total nominal value of 2,500,000 EUR. They constitute 100% of the company's share capital and give 2,500,000 or a 100% share of the total votes at Comarch AG's annual general meeting.

On the 26<sup>th</sup> of July, 2011, a decrease from 6.48 million EUR to 2.16 million EUR in share capital of Comarch Software und Beratung AG was registered in line with the resolution passed at the general meeting of the 8<sup>th</sup> of June, 2011. On the 9<sup>th</sup> of August, 2011, the Management Board of Comarch Software und Beratung AG, with the agreement of the Supervisory Board, approved an increase to a maximum of 6.48 million EUR in share capital, in line with the resolution passed at the general meeting of 8<sup>th</sup> of June, 2011, by way of a maximum 4.32 million shares issue. The shares will be offered to current shareholders for the price of 1.7 EUR per 1 share so as to 1 share entitles to 2 shares of new share issue. Subscription was performed between 18<sup>th</sup> and 31<sup>st</sup> of August, 2011. In consequence of the completion of the subscription for Comarch Software und Beratung AG shares, Comarch AG, and Comarch SA's subsidiary, acquired 3,988,288 Comarch SuB shares for the total price of 6,780,089.6 EUR (1.7 EUR per 1 share) and as of today holds 5,735,713 Comarch SuB shares and 92.32% in Comarch SuB share capital. They entitle to 5,735,713 votes at the company's general meeting (92.32% of total votes) (current report no. 18/2011 dated the 8<sup>th</sup> of September, 2011). Comarch AG financed the purchase of Comarch SuB shares with its internal means and with the increased supplementary capital (paid by Comarch S.A.).

On the 16<sup>th</sup> of August, 2011, a resolution was passed that changed share capital and seat of Comarch SAS. The company's share capital was increased from 1.3 million EUR to 1.8 million EUR by way of cash contribution made by Comarch S.A. New registered office of the company is in Lezennes. The above-mentioned changes come into force on the date the resolution is passed.

On the 16<sup>th</sup> of March, 2012, Comarch S.A. received a notice from the District Court for Krakow-Śródmieście in Krakow, IX Economic Division of the National Court Register dated the 14<sup>th</sup> of March, 2012, on registration of an increase in share capital of MKS Cracovia SSA from 14,557,000.00 PLN to

18,420,100.00 PLN. As a consequence, Comarch S.A. holds 59.82% of shares in the share capital of MKS Cracovia SSA which entitle to 59,82% of votes at the annual general meeting of MKS Cracovia SSA.

On the 20<sup>th</sup> of March, 2012, a company Comarch UK Ltd. with its registered office in London was registered in the Companies House.

## **12.2. Real Estates**

In Dresden, Comarch AG is conducting a renovation of an existing building and adapting it for office purposes. Comarch AG is also constructing a building where the new Comarch Data Centre will be located. Investment works were begun at the end of the first quarter of 2011. The estimated value of this investment amounts to approximately 10 million EUR. The investment completion is planned for the fourth quarter of 2012. This will be financed with the Comarch Group's internal means and using bank credits. The value of expenses incurred as at the 31<sup>st</sup> of December, 2011, amounted to 2.15 million EUR, i.e. 9.48 million PLN.

## **13. Resolutions of the AGM and the Board of Supervisors**

### **13.1. Corporate Governance Principles**

Pursuant to the rule number 3) included in the third part, point 1 of the "Corporate Governance Principles", in current report no. EBI 1/2011, Comarch S.A.'s Management Board reported that on the 18<sup>th</sup> of May, 2011, Supervisory Board of Comarch S.A. passed the resolution no. 10/5/2011 in which projects of the resolutions at the AGM, to be held on the 29<sup>th</sup> of June, 2011, are given positive opinions.

Pursuant to the rule number 1) and 2) included in the third part, point 1 of the "Corporate Governance Principles", in current report no. EBI 2/2011, Comarch S.A.'s Management Board presented 2010 activities' report of Comarch S.A.'s Supervisory Board and assessment of the company's situation in 2010 including assessment of the company's internal system control and risk management of the company.

### **13.2. Annual General Meeting – 29.06.2011**

#### **a) Convention of the AGM, Agenda of the Meeting and Information on Participation in the Company's General Meeting**

On the 19<sup>th</sup> of May, 2011, pursuant to article 398, 399, 402<sup>1</sup> and 402<sup>2</sup> of the Commercial Companies' Code and pursuant to § 14 of the company's Statute, the Management Board of Comarch S.A. convened the Annual General Shareholders' Meeting of Comarch S.A., to be held at 10:00 o'clock on the 29<sup>th</sup> of June, 2011, at Aleja Jana Pawła II 41e in Krakow, Poland. Agenda of the meeting and projects of resolutions to be presented on AGM were also published on the 19<sup>th</sup> of May, 2011. Pursuant to art. 402<sup>2</sup> of the Commercial Companies Code, the company's Management Board has presented information on participation in the company's General Meeting, including:

- Shareholder's right to demand the inclusion of specific issues in the agenda of the nearest General Meeting,
- A shareholder's right to introduce projects of resolutions,
- Method of exercising the right to vote by proxy,
- The possibility and the method of participating in the General Meeting using means of electronic communication,
- The method of giving one's opinion during the General Meeting using means of electronic communication,
- The method of exercising a voting right in by correspondence or by using means of electronic communication,
- Date of registration for participation in the General Meeting: 13<sup>th</sup> of June, 2011,
- Information about the right to participate in the General Meeting,
- List of shareholders,
- Access to documentation,
- The company's website and e-mail address.

The company announced details in current report no. 9/2011.

b) Petition of BZ WBK Towarzystwo Funduszy Inwestycyjnych S.A. (Investment Funds)

With the notion dated the 7<sup>th</sup> of June, 2011, BZ WBK Towarzystwo Funduszy Inwestycyjnych S.A. demanded for inclusion in the agenda of the next Comarch S.A. shareholders' meeting the point related to dismissal of a member of the Supervisory Board and appointment of a new member of the Supervisory Board. The company announced details in current report no. 10/2011.

c) Content of the Resolutions Passed at the AGM

On the 29<sup>th</sup> of June, 2011, the AGM passed the resolutions related to:

- election of Chairman of the General Meeting;
- removing from the agenda of the meeting the point regarding the election of the Returns Committee;
- passing the agenda of the meeting;
- approving the company's financial statement for the fiscal year 1.01.2010 - 31.12.2010;
- approving the report of the Management Board regarding the activities of the company in 2010;
- approving the financial statement of the Capital Group for the fiscal year 1.01.2010 - 31.12.2010;
- approving the report of the Management Board of Comarch S.A. regarding the activities of the Capital Group in 2010;
- approving the activity report of the company's Board of Supervisors for the fiscal year 2010, including assessment of the company's situation;
- distribution of the company's net profit for the fiscal year 1.01.2010 - 31.12.2010;
- acknowledging the fulfilment of duties by the members of the Management Board and the Supervisory Board in the fiscal year 1.01.2010 - 31.12.2010;
- dismissal and election of the Supervisory Board's and Management Board members.

The full content of the resolutions was published on 29<sup>th</sup> of June, 2011, in the current report no. 12/2011. Information about dismissal of Mr Maciej Czapiewski and appointment of a new member of the Board of Supervisors, Ms Danuta Drobniak were published in the current reports no. 13 and 14/2011.

d) The List of Shareholders Participating the Annual General Shareholders Meeting

Accordingly to the list of shareholders participating the Annual General Shareholders Meeting of Comarch S.A. on the 29<sup>th</sup> of June, 2011, Elżbieta Filipiak, Janusz Filipiak and Arka BZ WBK Shares Open Investment Subfund held at least 5% of the total number of votes represented at this Meeting:

1. Janusz Filipiak - 893,000 registered preference shares which gave 4,465,000 votes at the AGM, which constituted 46.9% of the all votes at this AGM and which constituted 29.68% of the total number of votes;
2. Elżbieta Filipiak - 846,000 registered preference shares which gave 4,230,000 votes at the AGM, which constituted 44.43% of the all votes at this AGM and which constituted 28.12% of the total number of votes;
3. Arka BZ WBK Shares Open Investment Subfund - 545,000 ordinary bearer shares which gave 545,000 votes at the AGM, which constituted 5.73% of the all votes at this AGM and which constituted 3.62% of the total number of votes.

The total number of votes from all emitted Comarch S.A. shares is 15,045,237. Shareholders participating the Annual General Shareholders Meeting of Comarch S.A. on the 29<sup>th</sup> of June, 2011 held shares giving 9,519,523 votes.

## 14. Operations on Comarch S.A Shares

### 14.1. Purchase/Disposal Transactions on Comarch S.A. Shares Made by BZ WBK AIB Asset Management S.A. and BZ WBK AIB TFI S.A.

#### a) 3 January 2011

BZ WBK AIB Asset Management S.A. informed that, as a result of the sales of the shares on 3<sup>rd</sup> of January, 2011, customers of the company decreased their share of the total number of votes at Comarch S.A.'s annual general meeting by more than 2%.

On the 3<sup>rd</sup> of January, 2011, there were 2,458,037 Comarch S.A. shares in the managed securities accounts of BZ WBK AIB Asset Management S.A. customers, which constituted 30.53% of the company's share capital. This gave 2,458,037 or a 16.34% share of the total votes at Comarch S.A.'s annual general meeting.

The company announced details in current report no. 1/2011 dated the 14<sup>th</sup> of January, 2011.

#### b) 9 February 2011

BZ WBK AIB Asset Management S.A. informed that, as a result of the sales of the shares on 9<sup>th</sup> of February, 2011, customers of the company held less than 15% of the total number of votes at Comarch S.A.'s annual general meeting.

On the 9<sup>th</sup> of February, 2011, there were 2,166,577 Comarch S.A. shares in the managed securities accounts of BZ WBK AIB Asset Management S.A. customers, which constituted 26.91% of the company's share capital. This gave 2,166,577 or a 14.4% share of the total votes at Comarch S.A.'s annual general meeting.

The company announced details in current report no. 3/2011 dated the 16<sup>th</sup> of February, 2011.

#### c) 28 March 2011

BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A., on behalf of Arka BZ WBK Open Investment Fund and Lukas Open Investment Fund (hereinafter referred to as the "Funds") informed that, as a result of the sales of the shares on the 28<sup>th</sup> of March, 2011, the Funds held less than a 10% share of the total number of votes at Comarch S.A.'s General Shareholders' Meeting. At the same time, the Funds decreased their share of the total number of votes at Comarch S.A.'s annual general meeting by more than 2%.

On the 28<sup>th</sup> of March, 2011, the Funds held 1,305,855 Comarch S.A. shares which constituted 16.22% of the company's share capital. This gave 1,305,855 or an 8.68% share of the total votes at Comarch S.A.'s General Shareholders' Meeting.

The company announced details in current report no. 4/2011 dated the 1<sup>st</sup> of April, 2011.

BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A., on behalf of Arka BZ WBK Open Investment Fund (hereinafter referred to as the "Fund") informed that, as a result of the sales of the shares on the 28<sup>th</sup> of March, 2011, the Fund holds less than a 10% share of the total number of votes at Comarch S.A.'s General Shareholders' Meeting. At the same time, the Fund decreased its share of the total number of votes at Comarch S.A.'s annual general meeting by more than 2%.

On the 28<sup>th</sup> of March, 2011, the Fund held 1,236,802 Comarch S.A. shares which constituted 15.36% of the company's share capital. This gave 1,236,802 or an 8.22% share of the total votes at Comarch S.A.'s General Shareholders' Meeting.

The company announced details in current report no. 5/2011 dated the 1<sup>st</sup> of April, 2011.

BZ WBK AIB Asset Management S.A. with its registered seat in Poznań informed that, as a result of the sales of the shares on 28<sup>th</sup> of March, 2011, customers of the company decreased their share of the total number of votes at Comarch S.A.'s annual general meeting by more than 2%.

On the 28<sup>th</sup> of March, 2011, there were 1,643,817 Comarch S.A. shares in the managed securities accounts of BZ WBK AIB Asset Management S.A. customers, which constituted 20.42% of the company's

share capital. This gave 1,643,817 or a 10.93% share of the total votes at Comarch S.A.'s annual general meeting.

The company announced details in current report no. 6/2011 dated the 1<sup>st</sup> of April, 2011.

d) 6 April 2011

BZ WBK Asset Management S.A. with its registered seat in Poznań informed that, as a result of the sales of the shares on 6<sup>th</sup> of April, 2011, customers of the company hold less than a 10% share of the total number of votes at Comarch S.A.'s annual general meeting.

On the 6<sup>th</sup> of April, 2011, there were 1,416,423 Comarch S.A. shares in the managed securities accounts of BZ WBK Asset Management S.A. customers, which constituted 17.59% of the company's share capital. This gave 1,416,423 or a 9.41% share of the total votes at Comarch S.A.'s annual general meeting.

The company announced details in current report no. 7/2011 dated the 12<sup>th</sup> of April, 2011.

e) 7 October 2011

BZ WBK Towarzystwo Funduszy Inwestycyjnych S.A. ("Investment Funds"), on behalf of Arka BZ WBK Open Investment Fund (hereinafter referred to as the "Fund" ) informed that, as a result of the sales of the shares on the 7<sup>th</sup> of October, 2011, the Fund holds less than a 5% share of the total number of votes at Comarch S.A.'s General Shareholders' Meeting. Between 6<sup>th</sup> and 7<sup>th</sup> of October, 2011, the other funds managed by Towarzystwo held no Comarch SA shares.

On the 7<sup>th</sup> of October, 2011, the Fund held 745,313 Comarch S.A. shares which constituted 9.26% of the company's share capital. This gave 745,313 or a 4.95% share of the total votes at Comarch S.A.'s General Shareholders' Meeting.

The company announced details in current report no. 22/2011 dated the 14<sup>th</sup> of October, 2011.

f) 22 November 2011

BZ WBK Asset Management Spółka Akcyjna with its registered office in Poznań informed that, as a result of the sales of the shares on the 22<sup>nd</sup> of November, 2011, customers of the Company hold less than 5% share of the total number of votes at Comarch S.A.'s annual general meeting.

On 22<sup>nd</sup> of November, 2011, there were 680,779 Comarch S.A. shares in the managed securities accounts of BZ WBK Asset Management S.A. customers, which constituted 8.46% of the company's share capital. This gave 680,779 or a 4.52% share of the total votes at Comarch S.A.'s annual general meeting.

The company announced details in current report no. 24/2011 dated the 29<sup>th</sup> of November, 2011.

#### **14.2. Other Disposal/Purchase Transactions of the Company's Shares**

None present.

#### **14.3. Managerial Option Program for Members of the Management Board and Other Key Employees**

On 28<sup>th</sup> 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 is to additionally motivate members of the Management Board and Key Employees by options on Comarch shares (hereinafter referred to as the "Option") dependent on increases in the value of the company and increase in its capitalisation. The program will be executed through offers of newly-issued shares in the company in 2012, 2013 and 2014 to Key Employees. The value of the Option is to be at all times equivalent to the difference between the average closing price of the company's shares 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 shall be 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 capitalisation.

Pursuant to IFRS2, the company is obliged to calculate the value of the Option and classify it as a cost in the income statement in the Option period, i.e. from its issue date until its expiry date. The company will recognise the value of the particular options beginning from the options' acquiring, i.e. an establishment by the Supervisory Board a list of Key Employees and single option factors for each subsequent year.

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

The initially determined Option's value was adjusted in the third quarter of 2011 as a result of verification of the Option's valuation model. Currently determined Option's value amounts to 1.57 million PLN and was recognised in the income statement for 2011.

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

## 15. Other Events in 2011 and after the Balance Sheet Date

### 15.1. Dates of Periodical Financial Reports in 2011

Pursuant to § 103 sec. 1 of the Regulation issued by the Minister of Finance on the 19<sup>th</sup> of February, 2009, concerning current and periodical information pertaining to companies listed on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state, with current report no. 2/2011, Comarch S.A.'s Management Board presented terms of periodical financial reports in 2011.

### 15.2. The List of Comarch S.A. Current Reports and Financial Statements Made Public in 2010

On 12<sup>th</sup> of May, 2011, Management Board of Comarch S.A. presented the list of Comarch S.A.'s current reports and financial statements made public in 2010 (current report no. 8/2011). The originals of these documents are located at al. Jana Pawła II 41e, Krakow, Poland. They are also available at <http://www.comarch.pl/relacje-inwestorskie/raporty-biezace/params/date/2010>  
<http://www.comarch.com/investors/investor-reports/params/date/2010>

### 15.3. Declaration Regarding the Acceptance of the Corporate Governance Principles

Pursuant to §29 section 5 of the Rules for Warsaw Stock Exchange, the Management Board of Comarch S.A. presented declaration of the Management Board regarding the acceptance of the corporate

governance principles in the company as attachment to the annual statement published on 29<sup>th</sup> of April, 2011.

#### **15.4. Selection of an Auditor Entitled to Audit and Review Financial Statements**

With resolution no. 1/7/2011, dated the 19<sup>th</sup> of July, 2011, the Supervisory Board of Comarch S.A. selected Deloitte Audyt Sp. z o. o., with its registered seat in Warsaw at ul. Piękna 18 (currently at ul. Jana Pawła II 19), registered at no. 73 in the list of entities entitled to audit financial statements, to audit and review the financial statements of Comarch S.A.

Comarch S.A. has used the services of Deloitte Audyt Sp. z o. o. within the scope of reviewing the financial statements for the first 6 months of 2006, 2007, 2008 and 2009, as well as auditing the annual financial statements of Comarch S.A. and the annual consolidated financial statements of Comarch S.A. for 2006, 2007, 2008 and 2009.

The Supervisory Board selected the expert auditor according to article 19 section 2 point 5) of the company's Statute, pursuant to binding law and professional standards. A two-year agreement shall be concluded within the scope of:

- a) Reviewing the financial statement of Comarch S.A. and the consolidated financial statement of Comarch S.A. for the first 6 months of 2011 and the first 6 months of 2012;
- b) Auditing the annual financial statement of Comarch S.A. and the annual consolidated financial statement of Comarch S.A. for 2011 and 2012.

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

#### **15.5. Dates of Periodical Financial Reports in 2012**

On the 16<sup>th</sup> of January, 2012 (RB-1-2012) Comarch S.A.'s Management Board set dates of periodical financial reports in 2012:

- 1) Q4 2011 - on 29<sup>th</sup> of February, 2012
- 2) Annual report for 2011- on 30<sup>th</sup> of April, 2012
- 3) Consolidated annual report for 2011- on 30<sup>th</sup> of April, 2012
- 4) Q1 2012 - on 15<sup>th</sup> of May, 2012
- 5) Consolidated half-year report which include condensed consolidated financial statement and condensed financial statement for the first half of 2012 - on 31<sup>st</sup> of August, 2012
- 6) Q3 2012 - on 14<sup>th</sup> of November, 2012

#### **15.6. Creation of Pledge on Medical Equipment of iMed24**

On the 5<sup>th</sup> of March, 2012, Comarch S.A.'s Management Board received a notice from the District Court for Kraków-Śródmieście, VII Division of the Pledge Register, dated the 15<sup>th</sup> of February, 2012, on pledge registration related to medical equipment belonging to Centrum Medyczne iMed24 (Medical Centre). The basis for this registration is an agreement dated the 29<sup>th</sup> of December, 2011 signed between Bank Polska Kasa Opieki S.A. („Bank”) and iMed24 S.A. („iMed24”), a subsidiary of Comarch S.A. The agreement was concluded to secure the Bank's claims in relations to an investment credit granted by the Bank on the 1<sup>st</sup> of September, 2011, including interests, fees and other receivables of the Bank resulting from the credit agreement. iMed24 has established in the favour of the Bank and the Bank accepts the registered pledge on the assets owned by iMed24 of total value of 13,940,130.82 PLN (thirteen million nine hundred forty thousand one hundred thirty zlotys and 82/100), the price is established on the basis of net purchase price. The registered pledge secures the Bank's claim up to a maximum amount of security, i.e. 23,832,999.63 PLN (twenty-three million eight hundred thirty-two thousand nine hundred ninety-nine zlotys and 63/100). The created registered pledge will expire when debts resulting from the agreement are paid.

#### **15.7. Registration of an Increase in Share Capital of MKS Cracovia SSA**

On the 16<sup>th</sup> of March, 2012, Comarch S.A. received a notice from the District Court for Krakow-Śródmieście in Krakow, IX Economic Division of the National Court Register dated the 14<sup>th</sup> of March, 2012, on registration of an increase in share capital of MKS Cracovia SSA from 14,557,000.00 PLN to



18,420,100.00 PLN (current report no. 5/2012 dated the 16<sup>th</sup> of March, 2012). As a consequence, Comarch S.A. holds 59.82% of shares in the share capital of MKS Cracovia SSA which entitle to 59.82% of votes at the annual general meeting of MKS Cracovia SSA.

### **15.8. Forward Contracts Concluded after the Balance Sheet Date**

Between the 1<sup>st</sup> of January, 2012 and the 30<sup>th</sup> of April, 2012, Comarch S.A. concluded forward contracts for the sale of 1.9 million EUR and 0.7 million USD. The total net value of open forward contracts as of the 30<sup>th</sup> of April, 2012 amounted to 4.5 million EUR and 1.4 million USD. The open forward contracts as of the 30<sup>th</sup> of April, 2012 were valued at plus 1.57 million PLN. The contracts will be settled within eighteen 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.

## **16. Achievements within Research and Development**

Globalisation of world economy, as well as liberalisation of trade, result in disappearance of barriers for companies and their products. The IT market becomes an open and global market where prices and quality of available products are continuously compared against each other. Along with increase in the presence of foreign capital in Poland, even IT companies conducting operations solely in the Polish market must offer competitive products from the point of view of the global market. Comarch, since the very beginning of its operations, has had reputation of a technological company developing and successfully selling products competitive internationally. Therefore, the main strategic objectives of the company are still development of new competitive products to enable further development of Comarch and, as a result, increasing its value. Maintaining dynamics of sales requires expenditures for development of products as well as their proper promotion and marketing. This applies to both modifications of already existing products and technologies as well as developing new products.

The present policy of Comarch assumes running research and development work related to implementation of new products and standardisation of products from the very beginning of their preparation for the client. Thus, even in cases when a product was developed for the needs of a particular client, a part or whole of software / code may be then used for preparation of a standard product. This results in higher profitability of particular contracts and expansion of the client base. Expenses for research and development works amounted to 66.97 million PLN, thus exceeded 10% of revenue in 2011. Comarch allocated there internal funds as well as acquired actively European funds. In 2011, Comarch S.A. continued 13 contracts signed in 2010 within the Operational Programme Innovative Economy 1.4 – 4.1 (December 2010). The research and development projects financed within the OPIE include:

- ✓ Innovative Platform for Developing Business Applications in the SaaS model,
- ✓ Comarch Shopping Mall e-Platform,
- ✓ Automated Information Exchange Between Telecommunications Operators,
- ✓ Secure Internet Transaction Authorization System Based on External Devices,
- ✓ Implementation of an Environment Dedicated to Analysing Financial Instruments and the Effectiveness of Portfolio Management,
- ✓ Comarch Mobile Finance,
- ✓ Customer Relationship Management System,
- ✓ Innovative IT System for the Factoring Process,
- ✓ Comprehensive Interfaces for the Electronic Data Interchange System,
- ✓ Advanced Marketing Information Management Platform,
- ✓ Innovative Mobile Sales Support Platform ECOD Agent 3.0,
- ✓ Reporting and Customers Service platform for Traditional Distribution Channels, ECOD Distribution 3.0,
- ✓ Customizable and Interactive Graphical User Interface for an ERP System Comarch OPT!MA.

In addition, in 2011, Comarch continued the biggest project co-financed by the European Union: "Innovative Platform for Market Research Analysis " funded through the IniTech initiative. The project is implemented on the basis of the agreement with the National Centre for Research and Development (NCBiR).

## 17. Capital Affiliations

### 17.1. Organisational Structure of Comarch Group

On 31<sup>st</sup> of December, 2011, 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 (100.00%),
  - Comarch R&D S.à r.l. with its registered office in Montbonnot-Saint-Martin in France (70.00% votes held by Comarch AG),
  - Comarch Software und Beratung AG with its registered office in Munich in Germany (92.32% subsidiary of Comarch AG),
    - Comarch Schilling GmbH with its registered office in Bremen in Germany (100.00% subsidiary of Comarch Software und Beratung AG),
    - Comarch Solutions GmbH with its registered office in Vienna in Austria (100.00% subsidiary of Comarch Software und Beratung AG),
    - SoftM France S.à r.l. with its registered office in Oberhausbergen in France (100.00% subsidiary of Comarch Software und Beratung AG),
    - Comarch Swiss AG with its registered office in Buchs in Switzerland (100.00% subsidiary of Comarch Software und Beratung AG),
- Comarch S.A.S. with its registered office in Lezennes in France (100.00%),
- Comarch Luxembourg S.à r.l. with its registered office in Luxembourg in Luxembourg (100.00%),
- Comarch, Inc. with its registered office in Rosemont in United States of America (100.00%),
  - Comarch Panama, Inc. with its registered office in Panama in Panama (100.00% subsidiary of Comarch, Inc.),
- Comarch Canada, Corp. with its registered office in New Brunswick in Canada (100.00%),
- Comarch Middle East FZ-LLC with its registered office in Dubai in United Arab Emirates (100.00%),
- Comarch LLC with its registered office in Kiev in Ukraine (100.00%),
- OOO Comarch with its registered office in Moscow in Russia (100.00%),
- Comarch Software (Shanghai) Co. Ltd. with its registered office in Shanghai in China (100.00%),
- Comarch Vietnam Company Ltd. (Comarch Co., Ltd.) with its registered office in Ho Chi Minh City in Vietnam (100.00%),
- Comarch Oy with its registered office in Espoo in Finland (100.00%),
- UAB Comarch with its registered office in Vilnius in Lithuania (100.00%),
- Comarch s.r.o. with its registered office in Bratislava in Slovakia (100.00%),
- SouthForge Sp. z o.o. with its registered office in Krakow in Poland (100.00%),
- CA Consulting S.A. with its registered office in Warsaw in Poland (99.90%),
- Comarch Management Sp. z o.o. with its registered office in Krakow in Poland (100.00%),
- Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty with its registered office in Krakow in Poland („CCF FIZ”) (Comarch S.A. holds 100.00% of issued investment certificates),
  - Comarch Management Sp. z o.o. SK-A with its registered office in Krakow in Poland (64.85% votes held by CCF FIZ; 35.15% 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 (100.00% votes held by CCF FIZ),
  - Bonus Development Sp. z o.o. SK-A with its registered office in Krakow in Poland (100.00% votes held by CCF FIZ),
  - Bonus Management Sp. z o.o. II Activia SK-A with its registered office in Krakow in Poland (100.00% votes held by CCF FIZ),
  - Bonus Development Sp. z o.o. II Koncept SK-A with its registered office in Krakow in Poland (100.00% votes held by CCF FIZ),
  - iMed24 S.A. with its registered office in Krakow in Poland (100.00% votes held by CCF FIZ),
  - iFin24 S.A. with its registered office in Krakow in Poland (100.00% votes held by CCF

- FIZ),
  - iReward24 S.A. with its registered office in Krakow in Poland (100.00% votes held by CCF FIZ),
  - Infrastruktura24 S.A. with its registered office in Krakow in Poland (100.00% votes held by CCF FIZ),
  - iComarch24 S.A. with its registered office in Krakow in Poland (100.00% votes held by CCF FIZ),
  - CASA Management and Consulting Sp. z o.o. SK-A with its registered office in Krakow in Poland (100.00% votes held by CCF FIZ),
- MKS Cracovia SSA with its registered office in Krakow in Poland (49.15%).

Associate of the parent company is:

- through Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty:  
SolInteractive S.A. with its registered office in Krakow in Poland (30.72% votes held by CCF FIZ).

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

## 17.2. Changes in Ownership and Organisational Structure in 2011

On the 17<sup>th</sup> of March, 2011, the District Court for Warsaw, XII Economic Division of the National Court Register registered a name change for SoftM Polska Sp. z o.o. to SouthForge Sp. z o.o.

On the 20<sup>th</sup> of April, 2011, Bonus Development Spółka z o. o. SK-A purchased 10,000 own shares to be redeemed for 8 million PLN. The redemption was registered on the 17<sup>th</sup> of June, 2011.

On the 28<sup>th</sup> of April, 2011, a company named Comarch Luxembourg S.à r.l. was registered in Luxembourg in Luxembourg.

On the 9<sup>th</sup> of May, 2011, Comarch Management Spółka z o. o. SK-A purchased 40,840 own shares from CCF FIZ to be redeemed for 10 million PLN.

On the 1<sup>st</sup> of June, 2011, a company named ComArch Canada, Corp. was registered in New Brunswick in Canada.

On the 8<sup>th</sup> of June, 2011, an agreement on purchase of Comarch AG shares was signed. It is related to purchase of 1,000,000 Comarch AG shares by Comarch SA from Vintage Investment Holdings S.A. with its registered seat in Luxembourg. A nominal value of 1 share amounts to 1 EUR and all purchased shares amount to 1,000,000.00 EUR of total nominal value. They constitute 40% of Comarch AG share capital. After this agreement conclusion, Comarch S.A. holds 2,500,000 Comarch AG's shares of total nominal value of 2,500,000 EUR. They constitute 100% of the company's share capital and give 2,500,000 or a 100% share of the total votes at Comarch AG's annual general meeting.

On the 22<sup>nd</sup> of June, 2011, an increase of 0.5 million PLN to 1 million PLN in share capital of iMed24 SA was registered by way of shares issue.

On the 5<sup>th</sup> of July, 2011, the District Court for Kraków-Śródmieście, XI Economic Division of the National Court Register registered a decrease of 168.87 million PLN in share capital of Comarch Management Sp. z o.o. SK-A.

On the 26<sup>th</sup> of July, 2011, a decrease from 6.48 million EUR to 2.16 million EUR in share capital of Comarch Software und Beratung AG was registered in line with the resolution passed at the general meeting of the 8<sup>th</sup> of June, 2011. On the 9<sup>th</sup> of August, 2011, the Management Board of Comarch Software und Beratung AG, with the agreement of the Supervisory Board, approved an increase to a maximum of 6.48 million EUR in share capital, in line with the resolution passed at the general meeting of 8<sup>th</sup> of June, 2011, by way of a maximum 4.32 million shares issue. The shares will be offered to current shareholders for the price of 1.7 EUR per 1 share so as to 1 share entitles to 2 shares of new share issue. Subscription

was performed between 18<sup>th</sup> and 31<sup>st</sup> of August, 2011.

In consequence of the completion of the subscription for Comarch Software und Beratung AG shares, Comarch AG, and Comarch SA's subsidiary, acquired 3,988,288 Comarch SuB shares for the total price of 6,780,089.6 EUR (1.7 EUR per 1 share) and as of today holds 5,735,713 Comarch SuB shares and 92.32% in Comarch SuB share capital. They entitle to 5,735,713 votes at the company's general meeting (92.32% of total votes) (current report no. 18/2011 dated the 8<sup>th</sup> of September, 2011).

On the 1<sup>st</sup> of August, 2011, an increase in share capital of Bonus Development Sp. z o.o. II Koncept SK-A by way of 8,000 shares issue (acquired by CCF FIZ). As a result the company's share capital increased from 0.5 million PLN to 1 million PLN.

On the 16<sup>th</sup> of August, 2011, a resolution was passed that changed share capital and seat of Comarch SAS. The company's share capital was increased from 1.3 million EUR to 1.8 million EUR by way of cash contribution made by Comarch S.A. New registered office of the company is in Lezennes. The above-mentioned changes come into force on the date the resolution is passed.

In the third quarter of 2011, Comarch Solutions GmbH relocated its office from Vienna to Kirchbichl.

On the 8<sup>th</sup> of September, 2011, the District Court for Kraków-Śródmieście, XI Economic Division of the National Court Register registered a transformation of the company SolInteractive Sp. z o.o. (a limited liability company) into SolInteractive S.A. (a joint stock company).

On the 3<sup>rd</sup> of October, 2011, the District Court for Krakow-Śródmieście, XI Economic Division of the National Court Register registered a decrease in share capital of Bonus Management Sp. z o.o. SK-A from 4,100,000 PLN to 2,763,101 PLN.

On the 10<sup>th</sup> of October, 2011, SoftM France SARL, a subsidiary of Comarch SA, filed a bankruptcy petition with the TRIBUNAL DE GRAND INSTANCE, Chambre Commerciale 1, Quai Finkmatt, 67000 STRASBOURG (current report no. 23/2011 dated the 14<sup>th</sup> of October, 2011). SoftM France SARL has not been operating since 2009.

### **17.3. Changes in Ownership and Organisational Structure after the Balance Sheet Date**

On the 9<sup>th</sup> of January, 2012, the District Court for Krakow-Śródmieście, XI Economic Division of the National Court Register registered a company CA Finance Sp. z o.o.

On 27<sup>th</sup> of January, 2012, Comarch S.A. announced (current report no. 2/2012 dated the 27<sup>th</sup> of January, 2012) that CASA Management and Consulting Sp. z o.o. SK-A ("CASA"), a subsidiary of Comarch SA, purchased 100,000 ordinary bearer's A-MEA Informatik AG ("A-MEA") shares of nominal value of 1 CHF (i.e. 3.5147 PLN). Total acquisition price will not exceed a sum of 2 million CHF (i.e. 7.03 million PLN) and value of A-MEA equity as of 31<sup>st</sup> of January, 2012. The transaction will be settled till the end of the first quarter of 2013. As a result of the aforementioned transaction, CASA holds 100,000, i.e. 100% A-MEA shares which entitle to 100,000, i.e. 100% of total number of votes at the company's general meeting. A-MEA is a company with a long standing experience in sales and implementation of ERP solutions, including Comarch ERP Enterprise.

On the 9<sup>th</sup> of March, 2012, the Amtsgericht Dresden registered an increase of 6.5 million EUR in share capital of Comarch AG. New shares were purchased by Comarch S.A. In the first quarter of 2012, Comarch S.A. made payments in the total amount of 13 million EUR into supplementary capital of Comarch AG.

On the 15<sup>th</sup> of March, 2012, the District Court for Krakow-Śródmieście, IX Economic Division of the National Court Register registered a name change of iFin24 S.A. to Comarch Polska S.A.

On the 16<sup>th</sup> of March, 2012, Comarch S.A. received a notice from the District Court for Krakow-Śródmieście in Krakow, IX Economic Division of the National Court Register dated the 14<sup>th</sup> of March, 2012, on registration of an increase in share capital of MKS Cracovia SSA from 14,557,000.00 PLN to 18,420,100.00 PLN. As a consequence, Comarch S.A. holds 59.82% of shares in the share capital of MKS Cracovia SSA which entitle to 59,82% of votes at the annual general meeting of MKS Cracovia SSA.

On the 20<sup>th</sup> of March, 2012, a company Comarch UK Ltd. with its registered office in London was registered in the Companies House.

On the 10<sup>th</sup> of April, 2012, the District Court for Krakow-Śródmieście in Krakow, IX Economic Division of the National Court Register registered an increase of 250,000 PLN in share capital of iMed24 S.A.

On the 10<sup>th</sup> of April, 2012, Comarch AG informed Comarch Software und Beratung AG on exceeding of 95% share in share capital of Comarch SuB AG and demanded calling the company's annual general meeting in order to resolve on Comarch AG's purchases of shares held by current shareholders (minorities) for a proper reward.

On the 27<sup>th</sup> of April, 2012, the Management Board of Comarch S.A. announced that CASA Management and Consulting Sp. z o.o. SK-A ("CASA"), a subsidiary of Comarch SA, purchased 50 shares in ESAPROJEKT sp. z o.o. ("ESAPROJEKT") of nominal value of 2,460 PLN each. Total acquisition price amounted of 12,2 million PLN. As a result of the aforementioned transaction, CASA holds 50 shares, i.e. 100% of shares in ESAPROJEKT which entitle to 100% of total number of votes at the company's general meeting. ESAPROJEKT is a leading Polish producer and IT solution provider for medicine sector.

## **18. Branches of Comarch S.A.**

As at 31<sup>st</sup> of December, 2011, Comarch S.A. had branches in the following cities:

- Tirana (branch in Albany),
- Bielsko-Biała,
- Gdańsk,
- Katowice,
- Kraków,
- Lublin,
- Łódź,
- Poznań,
- Warszawa,
- Wrocław.

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

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

None present.

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

The company has not published the results forecast for 2011.

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

None present.

**22. Changes in Methods of Company Management and Its Capital Group Management**

None present.

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

With resolution no. 1/7/2011, dated the 19<sup>th</sup> of July, 2011, the Supervisory Board of Comarch S.A. selected Deloitte Audyt Sp. z o. o., with its registered seat in Warsaw at ul. Piękna 18 (currently at ul. Jana Pawła II 19), registered at no. 73 in the list of entities entitled to audit financial statements, to audit and review the financial statements of Comarch S.A. Comarch S.A. has used the services of Deloitte Audyt Sp. z o. o. within the scope of reviewing the financial statements for the first 6 months of 2006, 2007, 2008 and 2009, as well as auditing the annual financial statements of Comarch S.A. and the annual consolidated financial statements of Comarch S.A for 2006, 2007, 2008 and 2009.

The Supervisory Board selected the expert auditor according to article 19 section 2 point 5) of the company's Statute, pursuant to binding law and professional standards. A two-year agreement shall be concluded within the scope of:

- a) Reviewing the financial statement of Comarch S.A. and the consolidated financial statement of Comarch S.A. for the first 6 months of 2011 and the first 6 months of 2012;
- b) Auditing the annual financial statement of Comarch S.A. and the annual consolidated financial statement of Comarch S.A for 2011 and 2012.

**24. Systems that Control Employees Shares Programmes**

None present.

## 25. Significant Legal, Arbitration or Administrative Proceedings

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

None present.

### 25.2. Two or More Proceedings Related to Liabilities or Receivables of Issuer's or a Subsidiary, which Total Value Constitutes at least 10% of Equities and the Issuer's Opinion on the Matter

None present.

Krakow, 30<sup>th</sup> of April, 2012

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



**REPORT REGARDING THE ACCEPTANCE  
OF CORPORATE GOVERNANCE PRINCIPLES  
IN COMARCH S.A. IN 2011**



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## 1. Corporate Governance Principles that Apply to an Issuer

The Warsaw Stock Exchange Supervisory Board by motion of the WSE Management Board adopted the new corporate governance rules compiled in the "Best Practices of WSE Listed Companies" on 4<sup>th</sup> of July, 2007

<http://www.corp-gov.gpw.pl/assets/library/polish/publikacje/dpsn2010.pdf>

<http://www.corp-gov.gpw.pl/assets/library/english/publikacje/dpsn%202010%20enx.pdf>

There were changed with the following resolutions of the Warsaw Stock Exchange Supervisory Board: resolution dated the 19<sup>th</sup> of May, 2010 (affective from 1<sup>st</sup> of July, 2010), resolution dated 31<sup>st</sup> of August, 2011 (effective from 1<sup>st</sup> of January, 2012) and resolution dated 19<sup>th</sup> of October, 2011 (effective from 1<sup>st</sup> of January, 2012). Currently binding document may be found at:

[http://www.corp-gov.gpw.pl/assets/library/polish/regulacje/dobre\\_praktyki\\_19\\_10\\_2011\\_final.pdf](http://www.corp-gov.gpw.pl/assets/library/polish/regulacje/dobre_praktyki_19_10_2011_final.pdf)

[http://www.corp-](http://www.corp-gov.gpw.pl/assets/library/english/regulacje/bestpractices%2019_10_2011_en.pdf)

[gov.gpw.pl/assets/library/english/regulacje/bestpractices%2019\\_10\\_2011\\_en.pdf](http://www.corp-gov.gpw.pl/assets/library/english/regulacje/bestpractices%2019_10_2011_en.pdf)

The Best Practices include 4 sections:

- I. Recommendations for Best Practices of Listed Companies;
- II. Best Practices of Management Boards of Listed Companies;
- III. Best Practices of Supervisory Board Members;
- IV. Best Practices of Shareholders.

Pursuant to § 29, section 5 of the Rules of the Warsaw Stock Exchange, the Management Board of Comarch S.A. presented declaration of the Management Board regarding the acceptance of the corporate governance principles in the company as attachment to the annual statement published on 29<sup>th</sup> of April, 2011.

## 2. Recommendations for Corporate Governance Principles not Implemented by the Issuer along with an Explanation of the Circumstances and Reasons surrounding the Decision not to Implement a Particular Principle

### a) Recommendations for Best Practices of Listed Companies

1. *„A company should pursue a transparent and effective information policy using both traditional methods and modern technologies ensuring fast, secure and broad access to information. Using such communication methods to the broadest extent possible, a company should ensure adequate communication with investors and analysts, enable on-line broadcasts of General Meetings over the Internet, record General Meetings, and publish the recordings on the company website.”*

The company doesn't enable the on-line broadcast of General Meetings over the Internet and doesn't publish the recordings on the website. However, it will consider that recommendations made after changes in the company's statute would be made.

2. *A company should have a remuneration policy and rules of defining the policy. The remuneration policy should in particular determine the form, structure, and level of remuneration of members of supervisory and management bodies. Commission Recommendation of 14 December 2004 fostering an appropriate regime for the remuneration of directors of listed companies (2004/913/EC) and Commission Recommendation of 30 April 2009 complementing that Recommendation (2009/385/EC) should apply in defining the remuneration policy for members of supervisory and management bodies of the company.*

Comarch S.A. has a remuneration policy which specifies form, structure and level of employees' remuneration, including members of management and supervisory boards. Management board's compensation scheme ensures linkage between remuneration, company's financial results and performed services of salaried persons.

A significant part of the rules resulting from the Recommendation of 14<sup>th</sup> of December, 2004, fostering an appropriate regime for the remuneration of directors of listed companies (2004/913/EC) and Commission Recommendation of 30<sup>th</sup> of April, 2009, complementing that Recommendation (2009/385/EC) has been included in the compensation scheme applied at Comarch S.A. They are:

- a) The total remuneration and other benefits for members of the company's management and supervising staff are presented in annual financial statements,
- b) Option programmes are approved at the company's general meeting and detailed information related to the managerial option programme is presented in financial statements,
- c) The compensation scheme specifies variable and non-variable components of the management's remuneration, and a variable component is linked to specified in-advance performance criteria,
- d) The value of termination payments does not exceed the equivalent of two-years of the non-variable component of the remuneration,
- e) Shares do not constitute the remuneration form for non-executive directors nor members of the supervisory board,

However, the company's remuneration policy does not include some recommendations of the European Commission, such as:

- a) Compensation scheme is not a subject to the prior approval of the annual general shareholders' meeting,
- b) The company does not disclose „the remuneration statement” on its website (detailed information in relation with that subject are included in the financial statement),
- c) Share-based property rights, when executing share options, may be effective before 3 years from the date of their receiving, and it is not mandatory to hold a specific number of shares during the time of fulfilling the function of a managing person,
- d) There is no Remuneration Committee in the company,

Managing persons may be also employed on a labour contract, under provisions specified in regulations binding in the company and Work Code. Values of remuneration for employment contracts of the members of the management board and the amount of the lump sum for the meeting of the management board shall be determined by the Supervisory Board according to an adopted resolution.

Remuneration of the supervisory board are established by a resolution at the company's general shareholders' meeting.

In time to come, the company does not anticipate any changes in applied remuneration policy.

*3. The WSE recommends to public companies and their shareholders that they ensure a balanced proportion of women and men in management and supervisory functions in companies, thus reinforcing the creativity and innovation of the companies' economic business.*

The company makes every effort to ensure balanced share of women and men in performing functions of management and supervisory boards' members in companies. Compliant with Working Rules for employees in Comarch SA, employer is obliged to: „*counteract discrimination in employment, in particular in relation to gender, age, disability, race, religion, nationality, political beliefs, union affiliation, ethnic origin, creed, sexual orientation.*” Moreover, employees in Comarch SA „*should be treated equally within the scope of beginning and terminating work, employment conditions, promotion and trainings availability in order to improve professional qualification, in particular regardless of gender, age, disability, race, religion, nationality, political beliefs, union affiliation, ethnic origin, creed, sexual orientation, and regardless whether employed definite or indefinite time, full-time or part-time.*” Comarch SA policy does not create any barriers in relation to gender, views, sexual orientation, ethnic or race origin within the scope of employing and personal policy. It does not contribute to direct or indirect discrimination due to gender, age, disability, race, religion, nationality, politic beliefs, union affiliation, ethnic origin, creed and sexual orientation.

There are two women within a 6-person membership of the Comarch SA Supervisory Board. All 7 members of the Comarch SA Management Board are men, which is mostly the result of the nature of the activities conducted by the company and the specification of the IT branch, where men constitute a significant majority. It is noteworthy that current members of the Management Board in Comarch SA are persons related to the company for many years (at least 3 years as

management board members) with broad IT technology knowledge and with high qualifications necessary to their held posts. Having that in mind one should assume that in the nearest future there will be no change in women's membership in this management body.

In Comarch SA there is a bias towards increasing the number of employed women, qualifications are considered the most important, not gender, as men have equal chances to be employed for the post. Women constitute approximately 25% of Comarch SA employees, and 19% of executive posts, which is a high share in total employment, especially considering the technical nature of the IT company.

### 3. Shareholders Holding Directly or Indirectly Significant Shares in Votes at the General Shareholders Meeting as at 30<sup>th</sup> of April, 2012

Shareholders	Number of shares	% of share capital	Number of votes at the company's AGM	% of votes at the company's AGM
Janusz Filipiak	2,620,010	32.54	6,192,010	41.16
Elżbieta Filipiak	846,000	10.51	4,230,000	28.12
Other members of the Board	103,762	1.29	141,362	0.94
Other shareholders	4,481,865	55.66	4,481,865	29.78
<b>Total</b>	<b>8,051,637</b>	<b>100.00</b>	<b>15,045,237</b>	<b>100.00</b>

### 4. Owners of Securities Entitling them to Special Control Rights as well as a Description of these Rights

Janusz Filipiak, President of the Management Board, holds 893,000 registered share preference votes (1:5). These entitle him to 4,465,000 votes at the company's general shareholders' meeting. Elżbieta Filipiak, Chairman of the Supervisory Board, holds 846,000 registered share preference votes (1:5). These entitle her to 4,230,000 votes at the company's general shareholders' meeting. Pawel Prokop, Vice-President of the Management Board, holds 9,400 registered share preference votes (1:5). These entitle him to 47,000 votes at the company's general shareholders' meeting.

### 5. All Restrictions Relating to Execution of Voting Rights, i.e. Restriction of Voting Rights through Holding a Particular Share or Number of Votes, Time Restrictions regarding Voting Rights or Records according to which, in Collaboration with the Company, Capital Rights Related to Securities are Separated from Securities Holdings

None present.

### 6. All Restrictions Regarding Transferring the Holding Rights of an Issuer's Securities

According to art. 8 point 5 of Comarch S.A.'s statute  
*„5. Disposing registered shares requires consent of the Management Board provided in writing. In case of refusal of disposing, the Management, within 2 months of filing with the Company of the intention of assigning shares, appoints the purchaser and price of shares. Price of shares may not be lower than average stock exchange price from the three recent months preceding the month of filing, provided that shares of the Company are in stock exchange trading. Otherwise, price of shares may not be lower than the book value per share as of the last balance sheet date. Price is due within one month of the date of resolution of the Management indicating the purchaser of shares.”*

## **7. Principles for the Appointing and Dismissing of Management and their Rights, notably the Right for Decision Making on Shares Issue or Buyout**

### **A) Principles for Appointing and Dismissing**

According to the Statute of the company, the Management Board of the company consists of 2 to 8 persons appointed and dismissed by the Annual General Meeting. Members of the Management Board are appointed for the common term of office of three years. The AGM defines salaries for the Management Board, provided that this competency may be passed on in part or in entirety to the Supervisory Board. The Supervisory Board suspends on important reasons, selected or all members of the Management Board in their duties and delegating members of the Supervisory Board for the period not longer than 3 months for temporary execution of activities of those members of the Management Board who have been dismissed, who resigned or who cannot execute their duties on other reasons.

### **B) Rights according to art. 9, 20 - 22 of the Comarch S.A.'s Statute and the Commercial Companies Code**

- The Management Board may appoint proxies.
- President of the Management Board single-handedly or two members of the Management Board acting jointly or one member of the Management Board acting jointly with a proxy are authorised for making statements on behalf of the company and representing the company in Court and off Court.
- In agreements between the company and members of the Management Board and in disputes with them, the company is represented by the Supervisory Board or by a proxy appointed with a resolution of the General Meeting. The Supervisory Board may authorise, by way of a resolution, one or more members of the Supervisory Board to perform such legal actions.
- The Management Board defines internal organisation of the company.
- According to art. 445 and 446 of the Commercial Companies Code, the General Meeting passes a resolution on amendments to the statutes, providing for the authorisation for the management board to increase the share capital within the limits of the authorised capital. According to art. 9 sec. point 5 of the Comarch S.A.'s statute, within the target capital, the Management Board of the Company may issue shares only in conversion for cash contributions and may not issue preferential shares or allocate personal rights for the shareholder, referred to in Article 354 of the Code of Trade Companies. In the scope of all the issues related to increasing the share capital within the target capital, in particular on excluding or limiting collection right and determining the issue price, obtaining consent of the Supervisory Board is required.

## **8. Description of Principles for Changes in Statute or an Issuer's Deed of Partnership**

A General shareholders' Meeting may pass a resolution regarding changes in statute, including an increase or a decrease in share capital, and a resolution on a significant change in the company's subject matter.

## **9. Description of Operating Principles for General Meetings and Their Essential Rights and Shareholders' Rights as well as Modality, in particular Principles resulting from Rules for General Shareholders' Meeting if such Rules were passed, unless these Information Results from Law**

1. Annual General Shareholders' Meetings may be ordinary or extraordinary.
2. An ordinary General Meeting of the Management Board shall be called no later than the end of June each year.
3. General meetings shall be called in accordance with the Polish Commercial Companies Code, the company's Statute and with the Rules for General Shareholders' Meeting dated the 28<sup>th</sup> of June, 2010.
4. Meetings shall take place at the company's headquarters.
5. At least two members of the company's Management Board and at least two members of its Supervisory Board should take part in the Annual General Shareholders' Meeting.

6. If the subject of debate is to concern the financial affairs of the company an auditor shall be present.
7. Representatives of the media may attend the General Shareholders' Meeting as observers..
8. Only persons who are company shareholders 16 (sixteen) days prior the date of the General Meeting are entitled to participate in the General Meeting.
9. Shareholders who are physical persons may take part in the Annual General Shareholders' Meeting as well as exercise their right to vote themselves or via a proxy.
10. Shareholders who are not physical persons may take part in the Annual General Shareholders' Meeting as well as exercise their right to vote via a person empowered to submit a declaration of intent in their name, or via a proxy.
11. The chairman of the Annual General Shareholders' Meeting conducts debates, takes decisions in matters of the agenda and procedure, and is authorized to interpret the present rules.
12. The duties of the chairman of the Annual General Shareholders' Meeting include:
- Ensuring that debates are conducted in accordance with the agenda and procedure as stipulated,
  - Directing the debate: deciding who shall speak and in what order,
  - Receiving proposed and draft resolutions and opening them to debate and,
  - Organizing and conducting the voting.
13. The Annual General Shareholders' Meeting shall choose a three-person returns committee from the candidates notified by the chairman. The returns committee shall ensure that each vote is correctly conducted, supervise the practical aspects of the vote and check, confirm and declare the results. Where the Annual General Shareholders' Meeting is attended by a small number of shareholders a returns committee shall not be selected unless a shareholder or proxy submits a request for a returns committee to be selected. Where a returns committee is not selected its functions shall be performed by the chairman of the Annual General Shareholders' Meeting.
14. The Annual General Shareholders' Meeting shall take decisions in the form of resolutions adopted by open voting except:
- Voting on an issue of selecting or deselecting members of bodies of the company, or liquidators,
  - Motions to prosecute members of bodies of the company or liquidators,
  - In personal matters,
  - At the request of at least one shareholder,
  - In other circumstances stipulated in the regulations currently binding.
15. Shareholders shall notify the chairman of the Annual General Shareholders' Meeting of their candidates for membership of the Supervisory Board in writing or verbally.
16. Proposals for Supervisory Board candidates should be supported in detail with particular emphasis placed on the candidate's education, qualifications and professional experience.
18. The Company may organise the General Meeting in such a way as to enable shareholders to participate at the General Meeting using means of electronic communication.

#### **10. Membership, Changes in Membership during Last Financial Year and Rules of Operations of the Company's Managing and Supervising Persons as well as Their Committees**

##### **A) Members of the Comarch S.A.'s Supervisory Board as at 31<sup>st</sup> of December, 2011:**

<b>Name and Surname</b>	<b>Position</b>
Elżbieta Filipiak	Chairman of the Supervisory Board
Maciej Brzeziński	Vice-Chairman of the Supervisory Board
Danuta Drobnik*	Member of the Supervisory Board
Maciej Czapiewski	Member of the Supervisory Board
Wojciech Kucharzyk	Member of the Supervisory Board
Anna Ławrynowicz	Member of the Supervisory Board
Tadeusz Syryjczyk	Member of the Supervisory Board

*\*) Comarch S.A.'s Annual General Meeting dated the 29<sup>th</sup> of June, 2011, passed resolutions related dismissal of Mr Maciej Czapiewski and appointment of a new member of the Board of Supervisors, Ms Danuta Drobnik.*

The Supervisory Board shall undertake constant supervision of all areas of the company's operations. The Supervisory Board shall operate according to the regulations of the Polish

Commercial Companies Code, the company's Statute, the Corporate Governance Principles in force at the company and the Rules for the Supervisory Board dated 30 June 2003 approved at the Annual General Shareholders' Meeting (and amendments). The detailed operations of the Supervisory Board were presented in the above-mentioned documents.

**The most important rules included in the Rules for the Supervisory Board are:**

1. The Supervisory Board shall contain three to seven people chosen by the Annual General Shareholders' Meeting. The Meeting shall, by a resolution, specify the number of members of the Supervisory Board before voting commences to select candidates for that Board.
2. Supervisory Board members shall be appointed for a common term of office lasting three years.
3. Members of the Supervisory Board shall perform their rights and duties directly and in person. Any member of the Supervisory Board may be dismissed before their term of office has been completed. Members of the Supervisory Board may be re-elected.
4. General Shareholders' Meeting shall appoint from among members of the Supervisory Board the Chairperson, the Vice Chairperson, and also the Secretary of the Supervisory Board, as needed.
5. The chairman of the Supervisory Board:
  - a) convenes meetings of the Supervisory Board,
  - b) conducts meetings of the Supervisory Board,
  - c) opens debates at the Annual General Shareholders' Meeting.
6. When the chairman is absent his place shall be taken by the vice-chairman of the Supervisory Board.
7. The Supervisory Board may select supervisory committees from amongst its members for specific sectors of the company's operations. In particular, this shall concern an auditing committee.
8. These committees may sit separately and may vote on resolutions. These may concern the findings of inspections and audits concerning the way the company operates.
9. Meetings of the Supervisory Board shall be convened by the chairman of the Supervisory Board. The Management Board or another member of the Supervisory Board may demand that the chairman convene a meeting of the Supervisory Board. This demand should be accompanied by a proposed agenda. The chairman of the Supervisory Board shall convene a meeting within two weeks of receiving the demand. If the meeting is not convened in accordance with the procedure stipulated above, the petitioner may himself call the meeting.
10. The agenda of meetings of the Supervisory Board shall be stipulated by the convener and, along with any relevant materials, be sent to members of the Supervisory Board three (3) days before the planned date of the meeting unless circumstances arise to justify shortening this period.
11. The agenda of meetings of the Supervisory Board may only be changed or supplemented.
12. Meetings of the Supervisory Board should be convened at least four times in each financial year.
13. Resolutions of the Supervisory Board shall be adopted by a majority of the votes present. Where there is a tie the chairman shall have the deciding vote.
14. A resolution of the Supervisory Board shall be valid where all its members have been invited and where more than half the members of the Supervisory Board, including the chairman or vice-chairman of the Supervisory Board, are present.
15. Provided all members of the Supervisory Board express their written agreement to this, resolutions of the Supervisory Board may be adopted by written ballot without a meeting being convened.
16. Meetings of the Supervisory Board may also be conducted using resources for remote communication, such as the telephone, facsimile machines, electronic mail and teleconferencing, by using the Internet in another manner and by the use of other telecommunications resources.
17. Members of the Supervisory Board may take part in voting on resolutions of the Supervisory Board by voting in writing via another member of the Supervisory Board.
18. The mode of voting on resolutions by the Supervisory Board specified above is not acceptable in the matters set out in art. 388 paragraph 4 of the Polish Commercial Companies Code. These are:
  - a) The selection of the chairman and vice-chairman of the Supervisory Board,
  - b) The appointment and dismissal of a member of the Management Board,
  - c) The suspension of a member of the Management Board

19. Members of the Management Board may take part in meetings of the Supervisory Board. The Management Board shall be informed of all dates and agendas of meetings of the Supervisory Board.

20. The Supervisory Board may invite members of the Management Board to take part in a meeting.

21. At each of its meetings the Supervisory Board shall be informed by the company of the current individual and consolidated financial results of the company and of significant matters concerning the company's operations. Where this is justified by the company's situation, this shall include the risk associated with operations and ways to manage this risk.

22. Members of the Management Board shall not take part in those sections of meetings of the Supervisory Board which concern the dismissal, scope of responsibility, or pay and conditions of Management Board members.

23. Meetings of the Supervisory Board shall be minuted. The minutes should include the agenda for debate, the name and surname of all the Supervisory Board members present and the results of the votes on resolutions.

24. The Supervisory Board conducts the overall supervision of the company's operations.

25. The specific competences of the Supervisory Board are as follows:

a) Assessing the company's annual financial statement and the consolidated financial statement of the Comarch capital group;

b) Assessing the Management Board's reports on the company's operations and on the Comarch capital group and, in addition, assessing the Management Board's conclusions on distributing profits and covering losses;

c) Submitting a written report containing the information required by points a) and b) of the present section;

d) Scrutinizing the work of the Management Board in effecting resolutions adopted at the Annual General Shareholders' Meeting;

e) Selecting statutory auditors for the financial statements of the company and of the Comarch capital group. The Supervisory Board may adopt a resolution to apply stricter criteria for the statutory auditor's independence than are demanded by the legal regulations;

f) Appointing and dismissing members of the Management Board, stipulating the compensation attracted by performing the function of member of the Management Board, suspending – for substantial reasons – individual members, or all members, of the Management Board, designating members of the Supervisory Board to temporarily perform the functions of members of the Management Board, or suspending the Management Board itself;

g) Giving consent to increase share capital within the context of authorized capital;

h) Giving consent to acquire and dispose of real estate or shares in real estate;

i) Giving consent to conclude an agreement with an issue underwriter in accordance with the provisions set out in art. 433 paragraph 3 of the Polish Commercial Companies Code;

j) Exercising, in respect of members of the Management Board and on behalf of the company, rights and privileges arising from an employment relationship;

k) Approving the company's growth strategy;

l) Expressing its opinion on draft resolutions for the Annual General Shareholders' Meeting sent to it by the Management Board and shareholders.

26. Once every year the Supervisory Board must adopt a resolution in the matter of its assessment of the company's situation. This document shall be passed on to the Annual General Shareholders' Meeting.

27. To aid it in performing its function, the Supervisory Board has the right to see all the company's documents and may demand reports and explanations from the Executive Board and from company employees. The Supervisory Board may also conduct a review of the state of the company's assets.

28. The Supervisory Board operates as a collective body but may, however, delegate its individual members to particular supervisory activities.

29. Members of the Supervisory Board should hold the interests of the company as their highest priority.

30. Members of the Supervisory Board shall be bound to inform other members of the Supervisory Board of any conflict of interest arising and, following this, not take place in the debate concerning the matter that is subject to a conflict of interest. Where it is uncertain whether a conflict of interest has arisen, the Supervisory Board shall vote on a resolution to resolve this uncertainty.



31. Members of the Supervisory Board shall keep secret all information they acquire in the course of their duties concerning the company's activities and the activities of companies within the Comarch capital group.

32. Within fourteen days of their selection a member of the Supervisory Board shall make a written submission of any economical, familial or other involvements with a shareholder holding five per cent or more of the votes at the Annual General Shareholders' Meeting. The Management Board shall inform the Supervisory Board in writing at that board's next meeting of any case where any entity acquires five per cent or more of the votes at the Annual General Shareholders' Meeting. Where information of this nature is passed to them, the members of the Supervisory Board shall submit – within fourteen days of the sitting of the Supervisory Board at which they were informed – written information concerning any conflict of interest arising. Should the involvements referred to in the present section change, members of the Supervisory Board are obliged – without summoning the company to meet – to provide details of these changes within fourteen days.

33. Members of the Supervisory Board delegated to long-term, individual supervisory duties may not, unless the company gives permission, involve themselves in competing business interests or participate in the business of a competitor company as a partner or associate, or as a member of a body of a joint-stock company. Further, they may not participate in the business of a competitor company in a different legal personality as a member of a company body. Additionally, members of the Supervisory Board are forbidden to participate in a competitor capital group where they hold ten per cent or more of the shares or participation rights, or where they enjoy the right to appoint at least one member of the Management Board.

34. Permission for members of the Supervisory Board delegated to long-term, individual supervisory duties to pursue competing commercial interests shall be granted according to a decision of the Supervisory Board.

35. Duties and Responsibilities of members of the Supervisory Board:

a) Members of the Supervisory Board shall inform the company and Financial Supervision Authority when they or related persons, on their own account, acquire or dispose of shares in the company or when they acquire or dispose of shares in a company, derivatives related to the company's shares and other financial instruments related to these securities, admitted to regulated stock exchange or being in the process of seeking admission to such trading, where this exceeds 5000 EURO in one year or a transaction exceeds 5000 EURO. Members of the Supervisory Board shall submit this information within five working days of the date of transaction. Whenever the sum of transactions, mentioned in the section 1, do not exceed 5000 EURO in one year, providing the information mentioned in the section 1 shall be done by 31 January of the year following the year of the transaction.

b) Members of the Supervisory Board delegated to long-term supervisory tasks shall submit a monthly, written report detailing their activities to the Supervisory Board.

c) Members of the Supervisory Board should not resign their positions in mid-term where this would make it impossible for the Supervisory Board to function or where, especially, this would delay the adoption of vital resolutions.

d) Members of the Supervisory Board shall receive compensation according to terms stipulated by the Annual General Shareholders' Meeting.

e) Two members of the Supervisory Board shall participate in the debates at the Annual General Shareholders' Meeting. Members of the Supervisory Board shall themselves select these delegates to represent the Board at the Annual General Shareholders' Meeting.

f) Members of the Supervisory Board should make all efforts to participate in Supervisory Board meetings.

g) Members delegated to long-term, individual supervisory tasks have the right to participate in meetings of the Management Board.

36. The compensation for members of the Supervisory Board delegated to long-term, individual supervisory tasks shall be stipulated by the Supervisory Board.

37. The company shall cover the costs of the Supervisory Board's operation.

38. The Supervisory Board shall use the company's office space, equipment and material.

39. The company's Management Board shall provide the Supervisory Board with administrative and technical support.

## Audit Committee

According to a resolution of the Supervisory Board, a new Audit Committee was called and all members of the Supervisory Board became members. According to information possessed by the company, four members of the Audit Committee fulfil independency conditions and at least one of them is qualified in accountancy and financial review.

Tasks of the Audit Committee are, in particular:

- 1) Monitoring the process of financial reporting;
- 2) Monitoring the effectiveness of internal control systems, internal audits and risk management;
- 3) Monitoring financial reviews;
- 4) Monitoring the independency of the export auditor and the entity entitled to audit financial statements;
- 5) The Audit Committee make recommendations to the Supervisory Board or to an alternate supervisory organisation in relation to the entity entitled to audit financial statements.

Comarch SA provides the Audit Committee with information related to the accountancy policy, finance, company's operating activity and information on settlement methods of significant one-off events. On the Audit Committee's request, the Finance Director participates in its meetings.

### **B) Members of Comarch S.A.'s Management Board as at 31<sup>st</sup> December, 2011:**

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

The Management Board leads the affairs of the company and operates according to the provisions of the Polish Commercial Companies Code, the company's Statute, resolutions of the Supervisory Board, resolutions of the Annual General Shareholders' Meeting, the Rules for the Management Board dated 15<sup>th</sup> of February, 2010 (update of document dated 30<sup>th</sup> of June, 2003) and to the generally binding legal regulations. The detailed operations of the Management Board were presented in the above-mentioned documents.

### **The most important rules included in the Rules for the Management Board are:**

1. The Management Board performs its functions jointly and takes resolutions at meetings of the Management Board and in the manner stipulated below.
2. Meetings of the Management Board shall be held at least once every month. Meetings of the Management Board shall be held on the company's premises at Al. Jana Pawła 41e in Krakow.
3. A meeting of the Management Board shall be called by the President of the Management Board or, in his absence, a member of the Management Board acting as the President of the Management Board.
4. Where all members of the Management Board are present at a meeting of the Management Board, a meeting of the Management Board may be called informally.
5. The President of the Management Board or, in his absence, the person acting as President of the Management Board, may call a meeting of the Management Board at the request of any member of that Board and with the agenda specified by the member making the request. Meetings of the Management Board called in this way shall, however, not be restricted exclusively to this agenda and may consider other items placed on the agenda.
6. Meetings of the Management Board shall be chaired by the President of the Management Board, a person acting as the President of the Management Board or a person nominated by the President of the Management Board.
7. The Management Board shall take decisions in the form of resolutions adopted by open vote.
8. The chairman shall order a secret vote where even one member of the Management Board taking part in the meeting requests this.
9. Resolutions shall be adopted by an absolute majority of votes.

10. A resolution adopted at a meeting of the Management Board is valid only where at least four members of the Management Board, including the President of the Management Board or the person acting as the President of the Management Board, are present.

11. The Management Board may adopt a resolution outside meetings of the Management Board in the following ways:

a) By written vote – in this case each member of the Management Board votes in writing and gives this to the President of the Management Board or to the person acting as President of the Management Board;

b) By written vote – each member of the Management Board signs the contents of the resolution and gives this to the President of the Management Board or to the person acting as the President of the Management Board;

c) Voting by facsimile or Internet.

d) Votes cast in the manner set forth in a-c) shall be recorded in the book of resolutions and appended to the minutes of the meeting of the Management Board.

e) Where adopted in the manner set out in point c), a resolution shall require the votes of all members of the Management Board to be valid.

12. Non-members of the Management Board may be invited to attend its meetings.

13. All meetings of the Management Board require that minutes be taken. These should include at least:

a) The date and place of the meeting.

b) The agenda of the meeting.

c) The names and surnames of the members of the Management Board present at the meeting.

d) The names and surnames of people invited to the meeting of the Management Board and present at the meeting.

e) The exact content of resolutions.

f) The number of votes cast for and against resolutions including the number of abstentions.

g) The subjects discussed.

h) A written record of dissenting opinions expressed.

i) The signatures of the members of the Management Board present at the meeting.

14. The minutes of Management Board meetings shall be kept in the Minutes Book. The Minutes Book shall be maintained by the CEO secretariat.

15. The minutes of Management Board meetings shall be drawn up immediately by CEO secretariat.

16. Where there is a direct or indirect conflict between the interests of a member of the Management Board and those of the company, that member shall inform the company's Supervisory Board that this is the case.

17. Two members of the Management Board shall participate in the debates of the Annual General Shareholders' Meeting. Members of the Management Board shall themselves decide on which of their number should represent them at the Annual General Shareholders' Meeting.

#### **11. A Description of the Basic Features of the Internal Control and Risk Management Systems the Issuer Uses and How These Relate to the Process of Preparing the Financial Statements**

The company's Management Board is responsible for the company's accounting in accordance with the Act on Accounting of 29 September (Journal of Laws No. 121, item 591 with amendments) and compliant with the requirements specified in the Regulation issued by the Minister of Finance on 18<sup>th</sup> of October, 2005 concerning information presented in financial statements and consolidated financial statements, required in a prospectus for issuers with its registered seat in Poland, to whom Polish accounting principles are proper ones (Journal of Laws No. 209 pos. 1743) and the Regulation issued by the Minister of Finance on 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state (Journal of Laws No. 33 pos. 259).

When preparing financial statements and consolidated financial statements internal control and risk management at Comarch S.A. are effected in accordance with the company's internal procedures for drawing up and approving financial statements. In accordance with the Act on Accounting of 29<sup>th</sup> of September, 1994, the company maintains documents describing the accounting principles it has adopted. These include, but are not limited to, information on the methods for valuing assets, for valuing equity and liabilities, for determining the financial result, for maintaining the accounting ledgers and for the protection and security of data and

sets of data. The accounting for all economic events is computerized and uses a system called EGERIA. This system is protected against unauthorized access and access limitations set according to the function a person performs or the post a person occupies.

Both financial statements and consolidated financial statements are prepared jointly by people working in control, the finance department and accountancy under the authority of the Head Accountant and Chief Financial Officer. Financial statements and consolidated financial statements are audited by an expert auditor elected by the company's Supervisory Board, and biannual financial statements are reviewed by an independent auditor.

## The Management Board's statement regarding the independent auditor

The Management Board of Comarch S.A. states that the entity entitled to audit the annual financial statement for the year 2011 was selected compliant with the law and that the entity and expert auditors who audited this statement perform under conditions to provide an unbiased and independent opinion, compliant with binding law and according to the standards for performance of the expert auditor profession.

Krakow, 30<sup>th</sup> of April, 2012

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

## The Management Board's statement regarding the reliability of the financial statement

The Management Board of Comarch S.A. states that to the best of our knowledge, the annual financial statement for the year 2011 and comparable data are prepared compliant with binding accounting principles and present the true, fair and clear financial standing of the issuer and its financial results. Furthermore, the annual report regarding the issuer's activities truly describes the development image and achievements as well as the issuer's situation including basic threats and risk.

Krakow, 30<sup>th</sup> of April, 2012

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