

CORPORATE

COMARCH
INFORMATION TECHNOLOGY

Comarch H1 2008

Konrad Tarański

Vice-President of the Management Board,
Chief Financial Officer

18 August 2008, Warsaw



Financial Results Q2 2008

	Q2 2008	Q2 2007
Revenue	164,720	172,033
Operating profit	4,245	10,178
Net profit	1,704	7,888

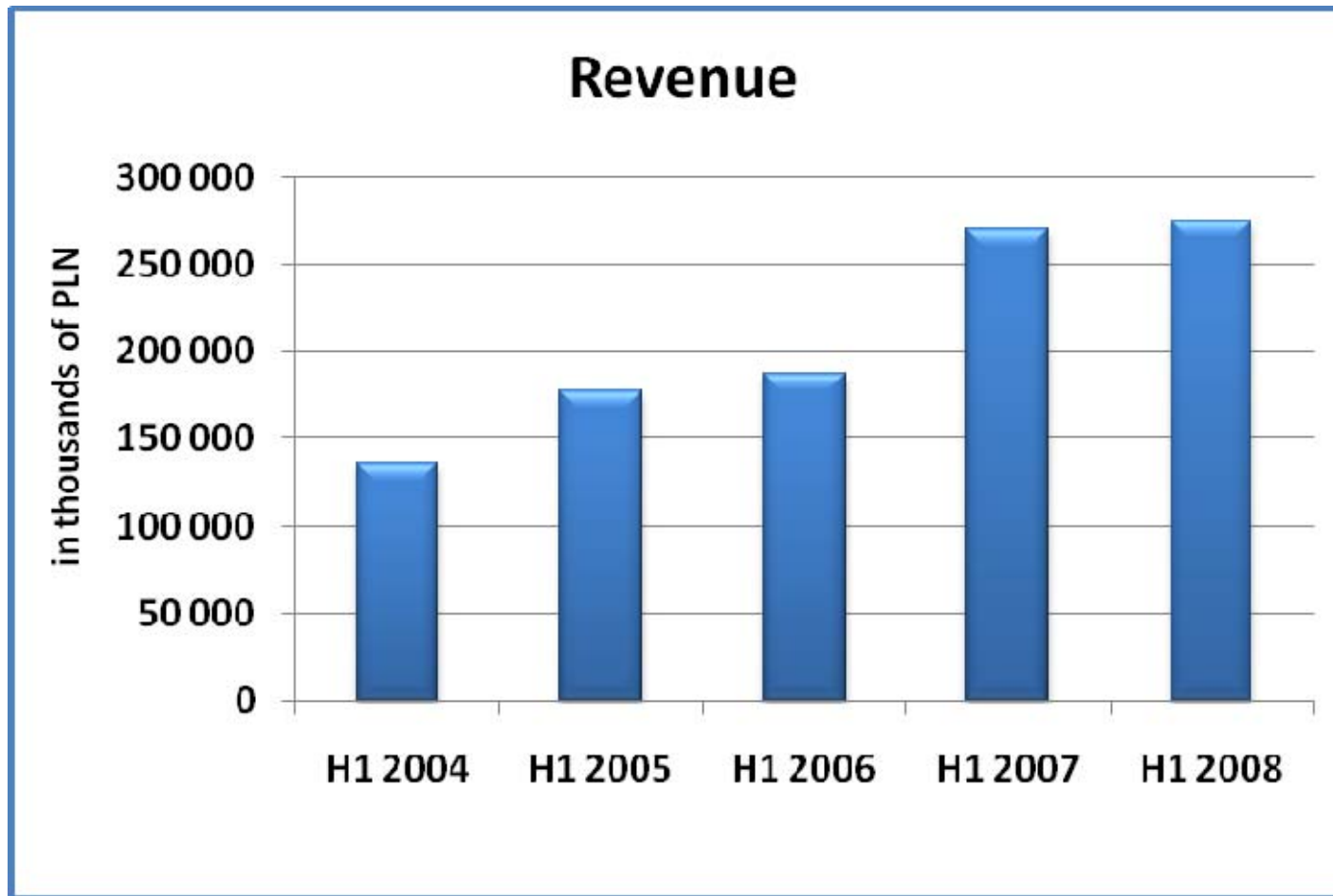
In thousands of PLN

Financial Results H1 2008

	H1 2008	H1 2007
Revenue	275,052	270,409
Operating profit	9,808	19,033
Net profit	166,840	17,886

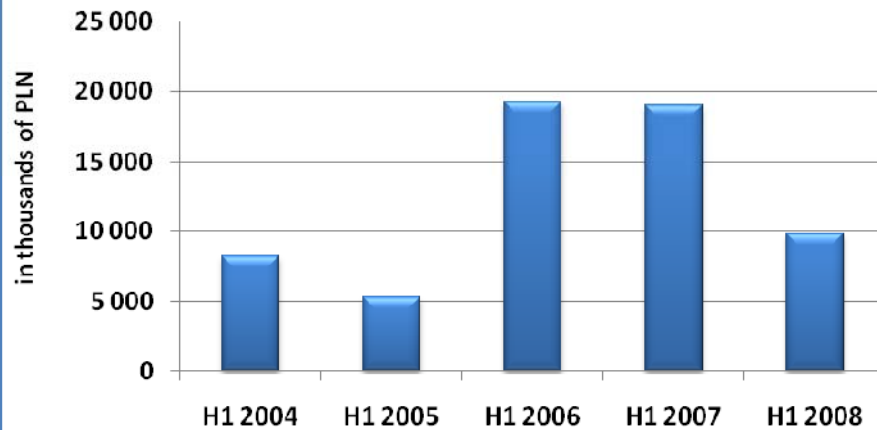
In thousands of PLN

In H2 2008 revenues from sales slightly exceeded revenues from sales achieved in H1 2007

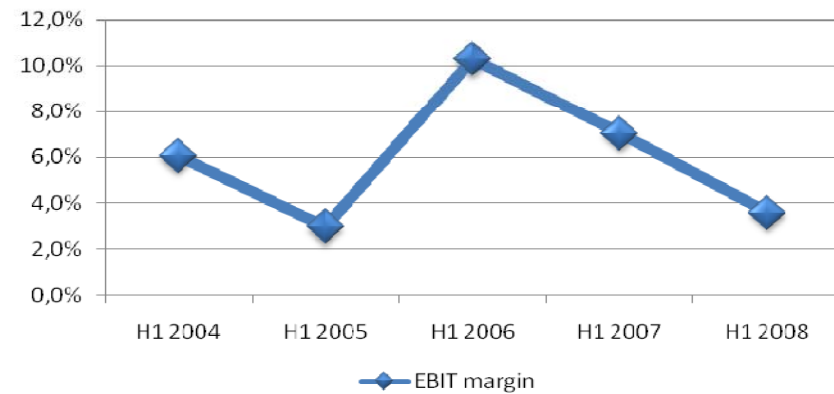


Operating Margin H1 2004 – H1 2008

Operating Profit

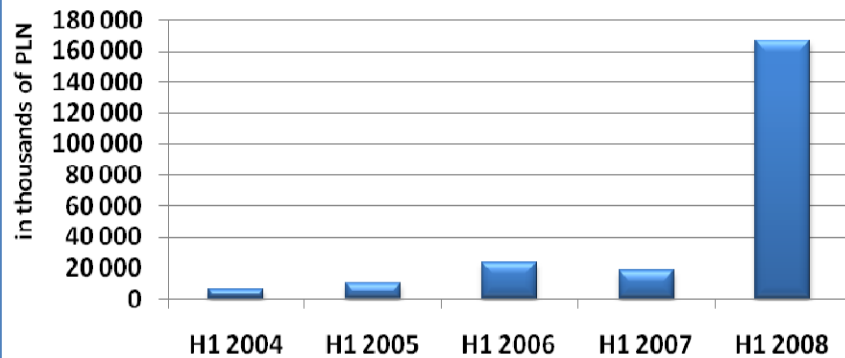


**Operating Margin
H1 2004-2008**

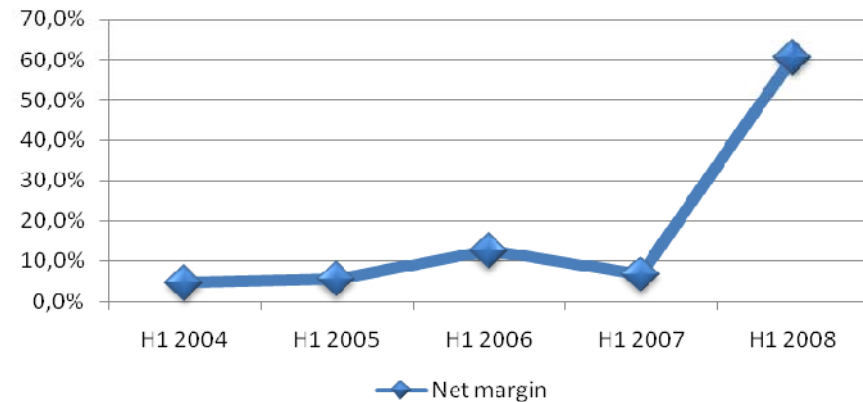


Net Margin H1 2004 - H1 2008

Net Profit attributable to the Company's Shareholders



Net Margin H1 2004-2008



Comparison of the Financial Results for Q2 2008 and Q2 2007

Comarch Group	Q2 2008	Q2 2007	Change %
Revenue	164,720	172,033	-4.3%
Depreciation	4,798	4,162	15.3%
Nominal operating profit (according to the IFRS)	4,245	10,178	-58.3%
Nominal net profit attributable to the company's shareholders (according to the IFRS)	1,704	7,888	-78.4%
Nominal EBIT margin	2.6%	5.9%	
Nominal net margin	1.0%	4.6%	
Nominal EBITDA (operating profit + depreciation)	9,043	14,340	-36.9%
Nominal EBITDA margin	5.5%	8.3%	

Comparison of the Financial Results for Q2 2008 and Q2 2007 after Eliminating One-Off Events

Comarch Group	Q2 2008	Q2 2007	Change %
Nominal operating profit (according to the IFRS)	4,245	10,178	-58.3%
Impact of the managerial option costs on earnings	-1,484	-277	
Impact on earnings of the companies established by Comarch Corporate Finance FIZ	-789	0	
Impact on earnings of the provisions for premiums due to net profit achieved by the Group in 2008	-7,900	0	
Adjusted operating profit	14,418	10,455	37.9%
Nominal net profit (according to the IFRS)	1,704	7,888	- 78.4 %
Impact of asset and provision on earnings due to deferred tax	-3,041	-2,039	
Impact on earnings of financial revenues achieved by Comarch Management Sp. z o.o. SKA	4,158	0	
Impact of associate profit sharing on earnings	0	1,009	
<i>+ - other adjustments</i>			
Adjusted net profit	11,316	9,171	23.4%
Adjusted EBIT margin	8.8%	6.1%	
Adjusted net margin	6.9%	5.3%	
Adjusted EBITDA (operating profit + depreciation)	19,216	14,617	31.5%
Adjusted EBITDA margin	11.7%	8.5%	

Comparison of the Financial Results for H1 2008 and H1 2007

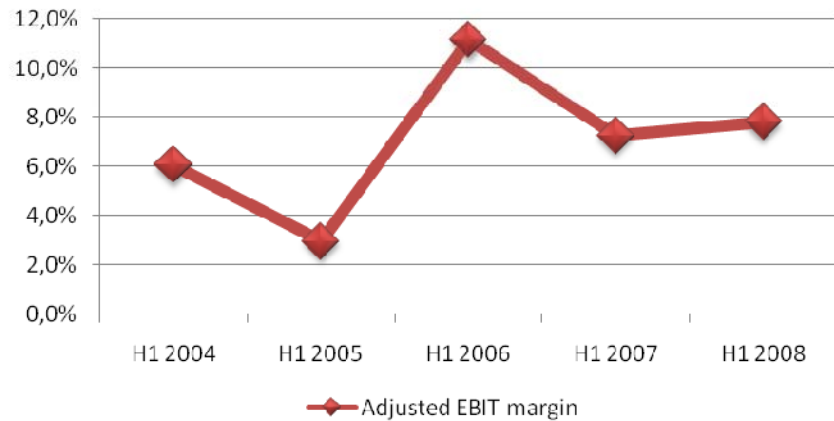
Comarch Group	H1 2008	H1 2007	Change %
Revenue	275,052	270,409	1.7%
Depreciation	9,382	8,101	15.8%
Nominal operating profit (according to the IFRS)	9,808	19,033	-48.5%
Nominal net profit attributable to the company's shareholders (according to the IFRS)	166,840	17,886	832.8%
Nominal EBIT margin	3.6%	7.0%	
Nominal net margin	60.7%	6.6%	
Nominal EBITDA (operating profit + depreciation)	19,190	27,134	-29.3%
Nominal EBITDA margin	7.0%	10.0%	

Comparison of the Financial Results for H1 2008 and H1 2007 after Eliminating One-Off Events

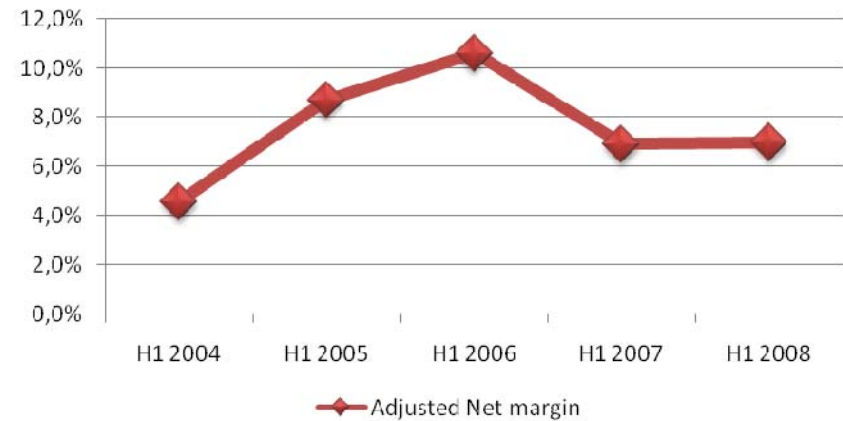
Comarch Group	H1 2008	H1 2007	Change %
Nominal operating profit (according to the IFRS)	9,808	19,033	-48.5%
Impact of the managerial option costs on earnings	-2,970	-553	
Impact on earnings of the companies established by Comarch Corporate Finance FIZ	-789	0	
Impact on earnings of the provisions for premiums due to net profit achieved by the Group in 2008	-7,900	0	
Adjusted operating profit	21,467	19,586	9.6%
Nominal net profit (according to the IFRS)	166,840	17,866	832.8%
Impact of asset and provision on earnings due to deferred tax	-4,804	-2,039	
Impact on earnings of financial revenues achieved by Comarch Management Sp. z o.o. SKA	4 158	0	
Impact of associate profit sharing on earnings	0	1,846	
Impact on earnings of the sale of INTERIA.PL S.A. shares	159,684	0	
+ - other adjustments			
Adjusted net profit	19,161	18,632	2.8%
Adjusted EBIT margin	7.8%	7.2%	
Adjusted net margin	7.0%	6.9%	
Adjusted EBITDA (operating profit + depreciation)	30,849	27,687	11.4%
Adjusted EBITDA margin	11.2%	10.2%	

Adjusted EBIT and Adjusted Net Margin H1 2004 - H1 2008

**Adjusted Operating Margin
H1 2004-2008**

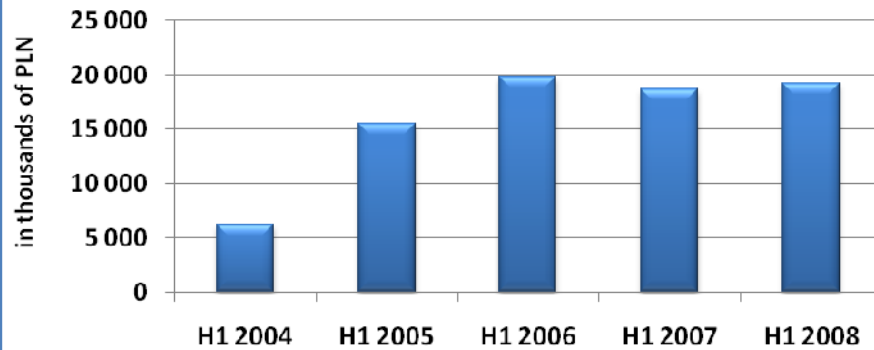


**Adjusted Net Margin
H1 2004-2008**

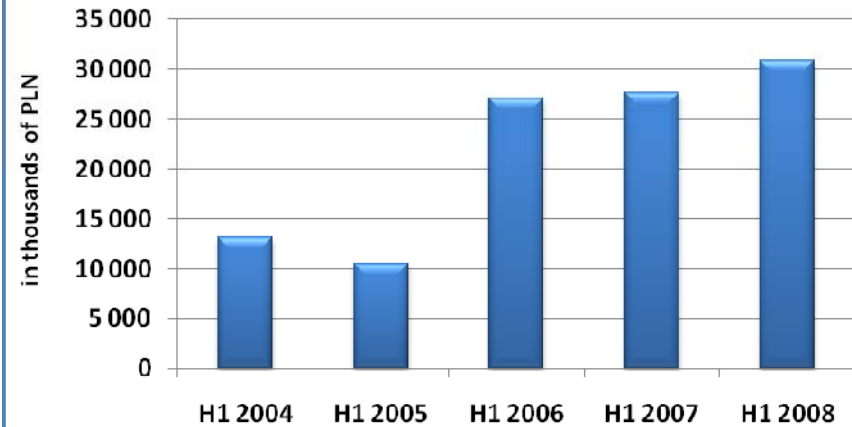


Adjusted Net Profit and Adjusted EBITDA H1 2004 - H1 2008

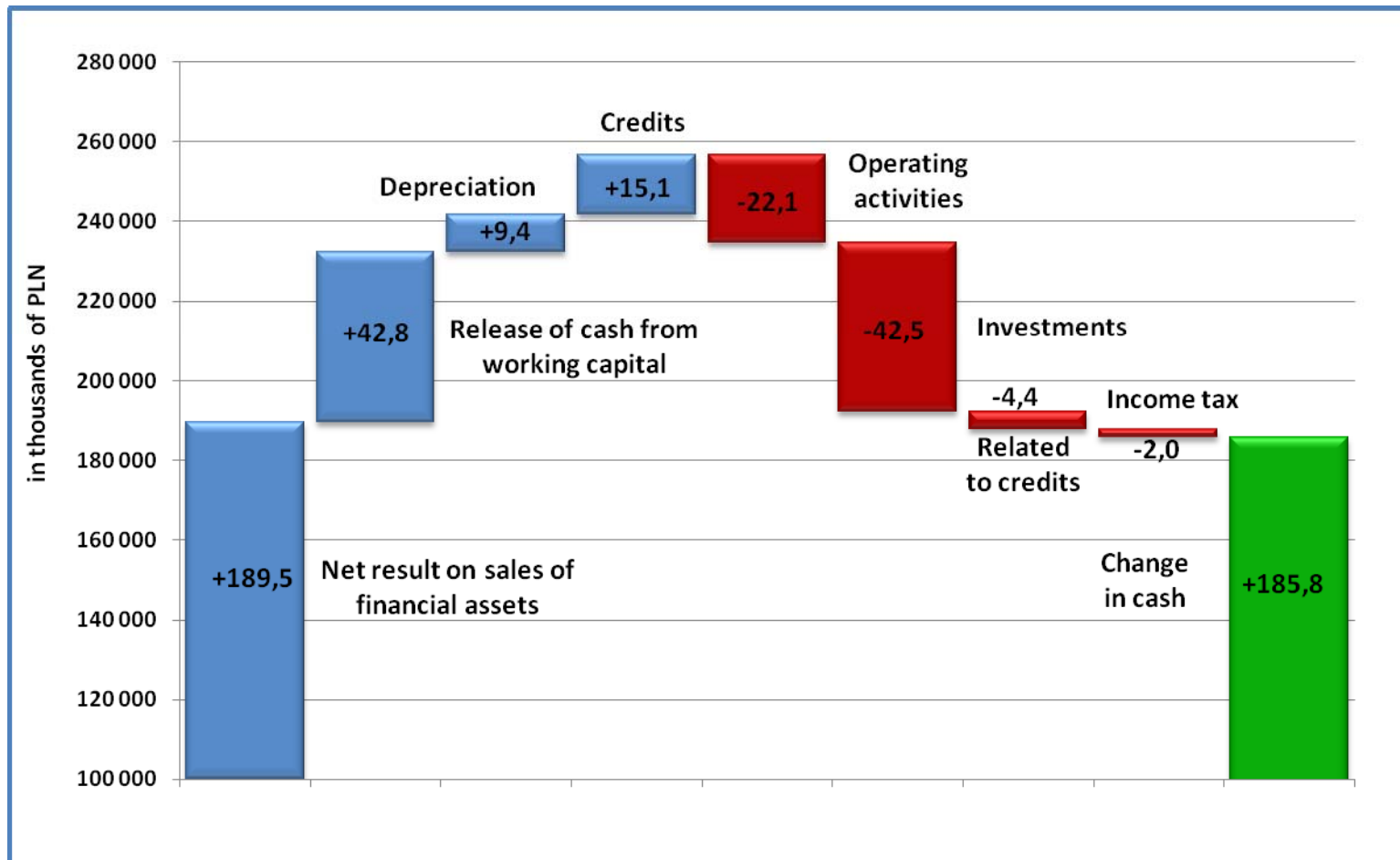
**Adjusted Net Profit attributable to the
Company's Shareholders**

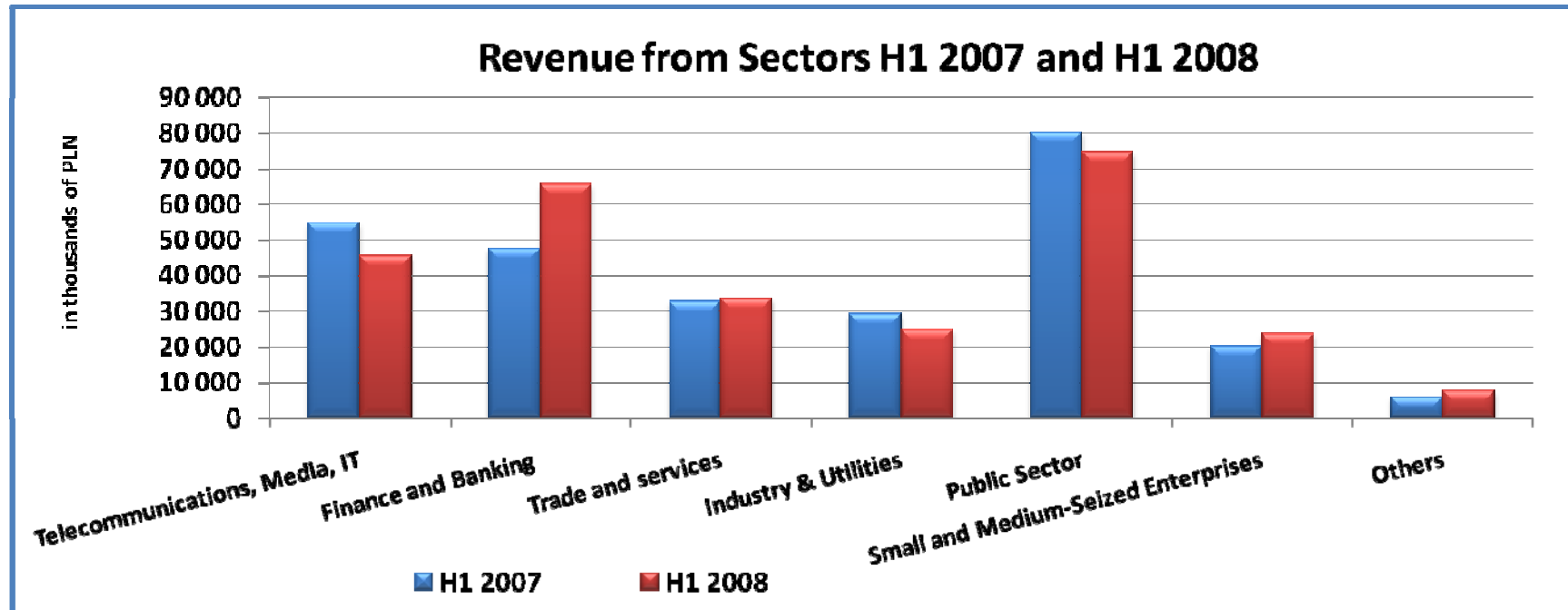


Adjusted EBITDA



Cash Flow H1 2008





In thousands of PLN

Market Sales Structure

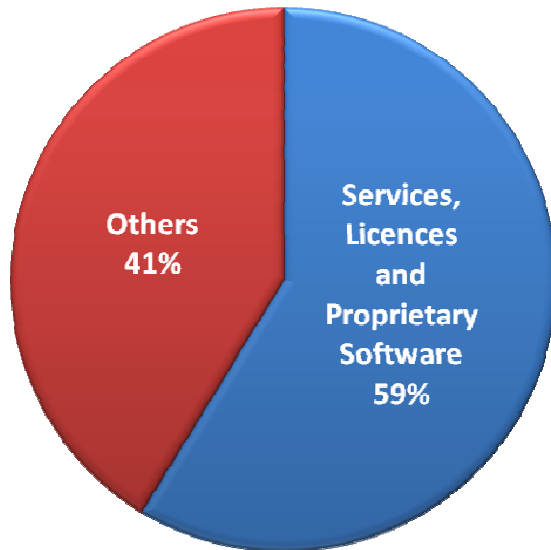
	H1 2008	%	H1 2007	%
Telecommunications, Media, IT	45,549	16.6%	54,851	20.3%
Finance and Banking	65,550	23.8%	47,481	17.6%
Trade and Services	33,426	12.2%	32,732	12.1%
Industry & Utilities	24,870	9.0%	29,137	10.8%
Public sector	74,515	27.1%	80,112	29.6%
Small and Medium- Sized Enterprises	23,493	8.5%	20,202	7.5%
Others	7,649	2.8%	5,894	2.1%
Total	275,052	100.0%	270,409	100.0%

Products Sales Structure

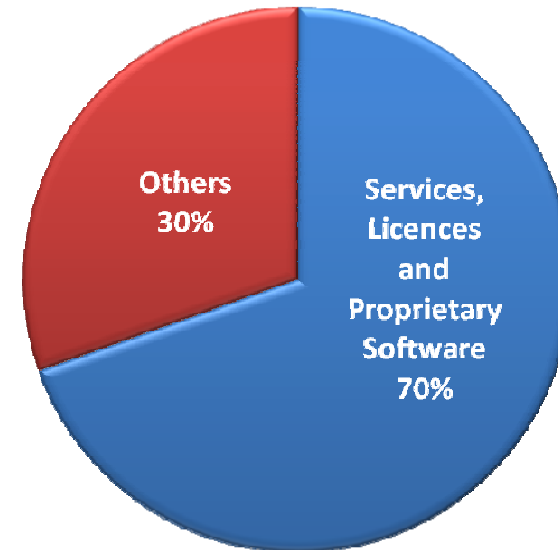
	H1 2008	%	H1 2007	%
Services	152,732	55.5%	131,668	48.7%
Proprietary software	38,557	14.0%	27,061	10.0%
Third-party software	11,631	4.2%	37,743	14.0%
Hardware	63,150	23.0%	66,869	24.7%
Others	8,982	3.3%	7,068	2.6%
Total	275,052	100.0%	270,409	100.0%

Products Sales Structure

**Sales Structure
H1 2007**



**Sales Structure
H1 2008**



CORPORATE

Financial Results H1 2008

COMARCH
INFORMATION TECHNOLOGY

Revenue	H1 2008	%	H1 2007	%
Domestic	224,935	81.8%	218,205	80.7%
Export	50,117	18.2%	52,204	19.3%
Total	275,052	100.0%	270,409	100.0%



In thousands of PLN

Human Resources

Employment stabilisation:

In 2006 we created 50 jobs per month (600 jobs throughout the entire year)

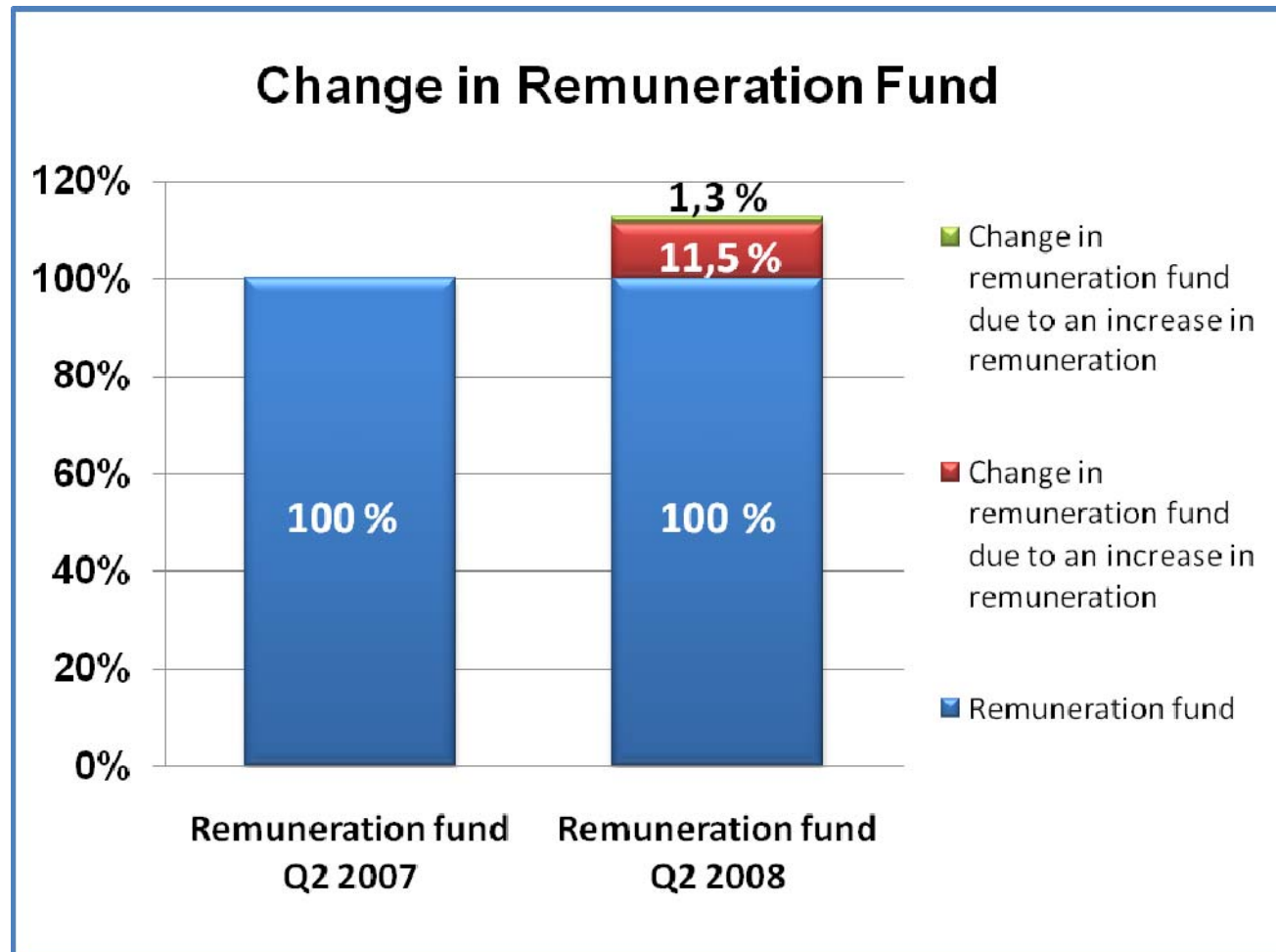
In 2007 we created 30 workplaces per month

In H1 2008 the level of employment decreased by 68 people

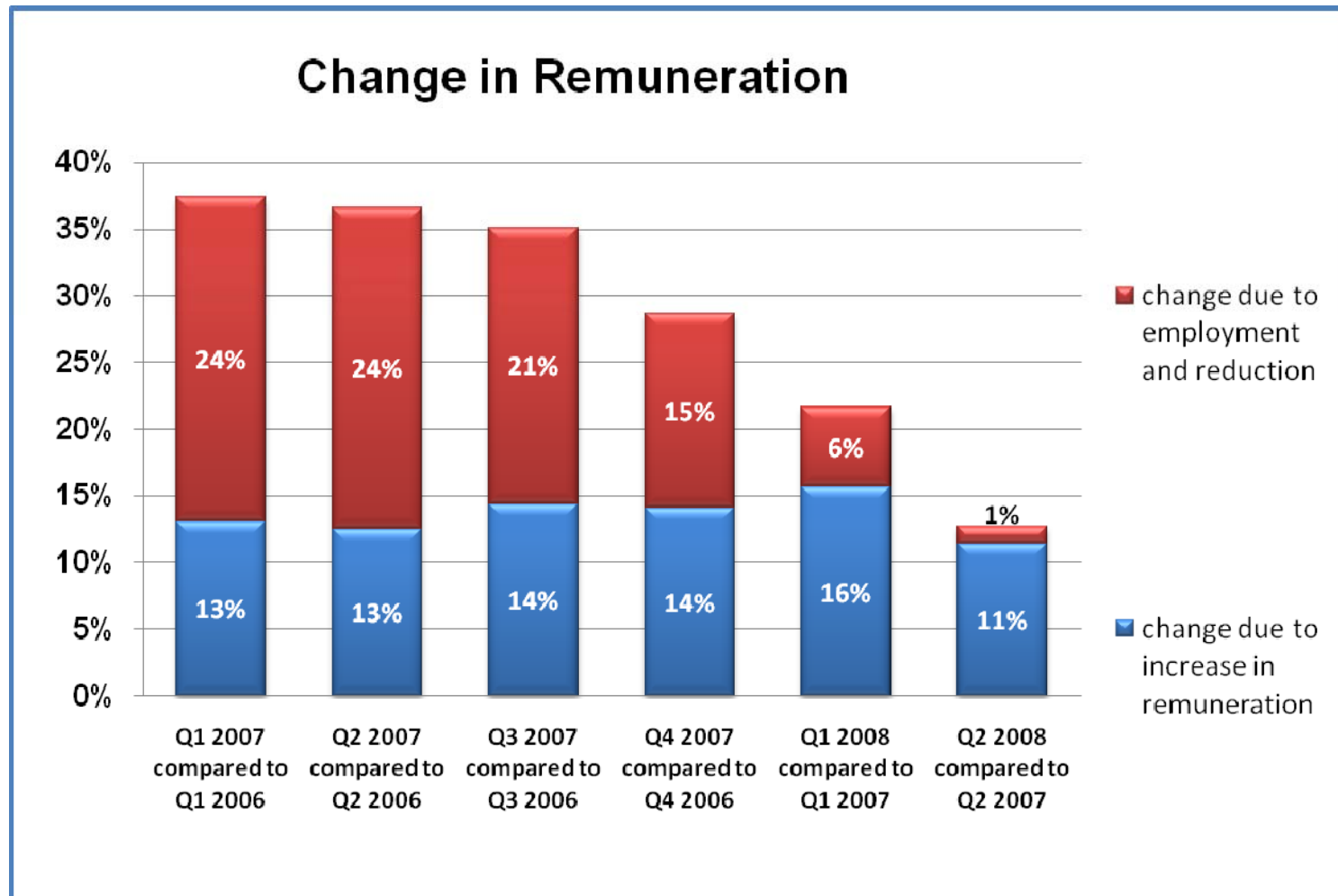
Currently, we are concentrating on the improvement of employee efficiency. We have significantly raised employment criterion in Comarch for both new and existing employees

Increase in employment in 2008 should not exceed 200 persons

Increase in Remuneration Fund in Comarch Group: Q2 2008 to Q2 2007 an increase of 12,8%



Increase in Employment Costs 2007 - 2008



CORPORATE

Financial Results H1 2008

COMARCH
INFORMATION TECHNOLOGY

2008

Backlog for 2008

As of the 30th of June, revenues contracted for the current year amounted to 490 million PLN and are higher by 0.6 % than in the previous year.

Contracted revenues from the sales of services and proprietary software are higher by 20.6 % than in the previous year and their share in total backlog for 2008 is equal to 75 %.

Share of export sales in sales of proprietary services and licences has remained at the level of 20%.

Estimated Results in 2008

We stand behind the announcement of a 15 % increase in revenue to over 660 millions

We expect EBIT margin to be at a level of 8 % and EBITDA should remain at a level of over 10 %

Strategic Goals for 2008

- Slowdown in the growth of employment and employment costs
- Increase in expenses for brand promotion and marketing in Poland and foreign countries
- Increase in company productivity resulting from reasonable human resource management and implementation of advanced IT management procedures
- Increase efficiency of foreign activities and concentration on selected markets

Company development is still our primary objective – however we are currently paying more attention to contract profitability, efficiency of activities and quality of delivery

Comarch Investment Fund

Comarch Corporate Finance

- iMed24 SA (capital of 10 mln PLN) began its activities in April 2008. It conducts IT activities related to Electronic Health Resources
- iFIN24 SA (capital of 10 mln PLN) began its activities in June 2008. It conducts IT activities connected with financial services
- Two other companies will start their activities by the end of this year
- Bonus Development Sp. z o.o. SKA held in 100 % by CCF FIZ bought property in Łódź. The cost of the property equals 10 mln PLN
- Financial results of the companies are consolidated with Comarch's operating results. Operating costs in H1 amounted to 0.8 mln PLN, and by year-end 2008 should be at a level of 2.5 - 3 mln PLN

Acquisitions

- Comarch is taking into consideration the acquisition of one or more IT companies
- We perceive acquisition as a way to quickly develop a chosen area
- We currently research the market and evaluate potential companies to acquire

CORPORATE

COMARCH
INFORMATION TECHNOLOGY

Thank you

