FINANCIAL SUPERVISION AUTHORITY

CONSOLIDATED HALF-YEAR REPORT PSr 2008

year

(pursuant to &86 sec.2 and &87 sec.4 of the Regulation issued by the Minister of Finance on 19 October 2005 - Journal of Laws No. 209 Item 1744)

for issuers of securities managing production, construction, trade and services activities

for the first half of 2008	From 2008-01-01 to 2008-06-30
including consolidated annual financial statement according to	International Financial Reporting Standards (IFRS)
in currency	PLN
and condensed financial statement according to	Act on Accounting (Journal of Laws 02.76.694)
in currency	PLN
date of publication	2008-09-29

COMARCH SA
(full name of an issuer)

COMARCH (abbreviated name of issuer)	**Information Technology (IT)** (sector according to WSE classification)
31-864 (postal code)	**Kraków** (city)
Al. Jana Pawła II (street)	**39A** (number)
012 646 10 00 (telephone number)	**012 646 11 00** (fax)
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677-00-65-406 (NIP)	**350527377** (REGON)

Deloitte Audyt Sp. z o.o.
(An auditor entitled to audit financial statements)

SELECTED FINANCIAL DATA	thousands of PLN		thousands of EURO	
	First half of 2008	First half of 2007	First half of 2008	First half of 2007
Data related to the consolidated financial statement				
I. Net revenues from sales of products, goods and materials	274,229	270,409	78,856	70,261
II. Profit (loss) on operating activities	10,148	19,033	2,918	4,945
III. Profit (loss) before income tax	202,337	20,758	58,183	5,394
IV. Net profit attributable to the company's shareholders	160,052	17,886	46,024	4,647
V. Cash flows from operating activities	28,021	9,236	8,058	2,400
VI. Cash flows from investing activities	146,990	-37,741	42,268	-9,806
VII. Cash flows from financing activities	10,763	18,257	3,095	4,744
VIII. Total net cash flows	185,774	-10,248	53,420	-2,663
IX. Equity attributable to the company's shareholders	448,830	261,185	133,811	69,357
X. Number of shares	7,960,596	7,960,596	7,960,596	7,960,596
XI. Earnings (losses) per single share (PLN/EURO) attributable to the company's shareholders	20.11	2.33	5.78	0.61
Data related to the condensed financial statement				
XII. Net revenues from sales of products, goods and materials	250,900	246,282	72,147	63,992
XIII. Profit (loss) on operating activities	14,812	15,091	4,259	3,921
XIV. Profit (loss) before income tax	9,968	13,395	2,866	3,480
XV. Net profit (loss)	9,741	14,154	2,801	3,678
XVI. Cash flows from operating activities	24,619	10,132	7,079	2,633
XVII. Cash flows from investing activities	-27,231	-37,231	-7,830	-9,674

XVIII. Cash flows from financing activities	11,026	17,620	3,171	4,578
XIX. Total net cash flows	8,414	-9,479	2,419	-2,463
XX. Equity	428,567	253,286	127,770	67,260
XXI. Number of shares	7,960,596	7,960,596	7,960,596	7,960,596
XXII. Earnings (losses) per single share (PLN/EURO) (annualised)	2.69	4.18	0.77	1.09

Euro exchange rates used for calculation of the selected financial data:
- arithmetical average of NBP average exchange rates as of the end of each month for the period 01.01.2008 to 30.06.2008 – 3,4776;
- arithmetical average of NBP average exchange rates as of the end of each month for the period 01.01.2007 to 30.06.2007 – 3,8486;

The balance sheet items were presented based on NBP average exchange rates as of the end of the period:
- 31.12.2007: 3,3542;
- 31.12.2006: 3,7658.

REPORT INCLUDES:

File	Description
PSr 2008.pdf	Consolidated Financial Statement - attachment no. 1
PSr 1 2008 jednostkowy.pdf	Condensed Financial Statement - attachment no. 2
Report from Review of the Consolidated Financial Statement.pdf	Report from Review of the Consolidated Financial Statement – attachment no. 3
Report from Review of the Condensed Financial Statement.pdf	Report from Review of the Condensed Financial Statement - attachment no. 4
Report of the Management Board.pdf	Report of the Management Board - attachment no. 5
The Management Board's statement regarding the reliability of the financial statement.pdf	The Management Board's statement regarding the reliability of the financial statement - attachment no. 6
The Management Board's statement regarding the independent auditor.pdf	The Management Board's statement regarding the independent auditor - attachment no. 7

SIGNATURES OF ALL MEMBERS OF THE BOARD			
Date	Name and surname	Position	Signature
2008-09-29	Janusz Filipiak	President of the Management Board	
2008-09-29	Piotr Piątosa	Vice-President of the Management Board	
2008-09-29	Paweł Prokop	Vice-President of the Management Board	
2008-09-29	Piotr Reichert	Vice-President of the Management Board	
2008-09-29	Zbigniew Rymarczyk	Vice-President of the Management Board	
2008-09-29	Konrad Tarański	Vice-President of the Management Board	
2008-09-29	Marcin Warwas	Vice-president of the Management Board	

SIGNATURE OF PERSON CHARGED WITH CARRYING ON ACCOUNT BOOKS			
Date	Name and surname	Position	Signature
2008-09-29	Maria Smolińska	Head Accountant	

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 consolidated financial statement for the six months ended 30 June 2008 and the financial statement for the six months ended 30 June 2008, as well as comparable data are prepared compliant with binding accounting principles and present the true, fair and clear financial standing of the issuer and its financial result. Furthermore, the half-year report of the Management Board 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, 29 September 2008

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 Management Board's statement regarding the independent auditor

The Management Board of ComArch S.A. states that the entity entitled to audit financial statements, that reviewed the half-year consolidated financial statement and condensed financial statement for the six months ended 30 June 2008 was selected compliant with the law and that the entity and expert auditors who reviewed these statements perform under conditions to provide an unbiased and independent opinion, compliant with the national law.

Krakow, 29 September 2008

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		

REPORT OF AN INDEPENDENT EXPERT AUDITOR FROM THE REVIEW OF THE CONDENSED FINANCIAL STATEMENT FOR THE 6 MONTHS ENDED 30 JUNE 2008

To the Shareholders and the Board of Supervisors of ComArch S.A.

We have conducted a review of the ComArch S.A.'s condensed financial report including:

- balance sheet as at 30 June 2008, with total assets, total equity and liabilities amounting to 669.250 million PLN,
- income statement for the period from 1 January 2008 to 30 June 2008, with the net profit for the year amounting to 9.741 million PLN,
- changes in equity for the period from 1 January 2008 to 30 June 2008 showing an increase in the value of equity in the amount of 163.619 million PLN,
- cash flow statement for the period from 1 January 2008 to 30 June 2008 showing an increase in cash and cash equivalents in the amount of 8.339 million PLN,
- additional information and annotations.

The Management Board of ComArch S.A. takes responsibility for reliability, correctness and clarity of information in this report. Our task was to review this report.

The review of the financial report was prepared and conducted in compliance with the Polish law and standards for performance of the expert auditor profession, issued by the National Board of Expert Auditors in Poland. According to these standards we are obliged to plan and conduct review so as to have sufficient certainty that the financial statement does not include significant errors. This review has been conducted largely by analyzing data from the financial report, by inspecting the account books as well as by using information obtained from the Management Board and from personnel responsible for finance and accounting at the company.

The scope and the method of review of the financial statement differ significantly from audit that expresses our opinion on the financial statement; hence we do not present such opinion.

The review we have carried out did not indicate any need to introduce significant changes in the financial report enclosed, which was sufficiently reliable and clear in presenting the asset and financial situation of the ComArch S.A. as at 30 June 2008 along with its financial result for the period from 1 January 2008 to 30 June 2008, compliant with the accounting principles specified in the Act on Accounting dated 29 September 1994, the requirements specified in the Regulation issued by the Minister of Finance on 19 October 2005 concerning current and periodical information pertaining to companies traded on the stock exchange (Journal of Laws of 2005, No. 209, pos. 1744) and the Regulation issued by the Minister of Finance on 18 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 of 2005, No. 209, pos. 1743).

....
Radosław Kuboszek
Expert auditor
Registration no. 90029/6847

....
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, 29 September 2008

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I. Balance Sheet

(in thousands of PLN)	30 June 2008	31 December 2007	30 June 2007
ASSETS			
I. Non-current assets	**433,626**	**228,145**	**215,081**
1. Intangible assets	2,763	3,146	3,247
2. Property, plant and equipment	201,520	185,385	171,942
3. Non-current investments	225,169	35,983	36,210
3.1. Non-current financial assets	225,126	35,940	36,167
a) in related parties	225,126	35,940	36,167
b) in other entities	-	-	-
3.2 Other non-current investment	43	43	43
4. Non-current repayments	4,174	3,631	3,682
4.1 Deferred income tax assets	3,385	3,116	3,507
4.2 Other repayments	789	515	175
II. Current assets	**235,624**	**278,169**	**270,884**
1. Inventories	21,796	32,423	40,534
2. Current receivables	130,560	169,342	158,313
2.1. from related parties	14,285	22,807	17,253
2.2 from other entities	116,275	146,535	141,060
3. Current investments	62,069	51,657	41,773
3.1. Current financial assets	62,069	51,657	41,773
a) in related parties	3,400	1,450	1,450
b) in other entities	85	12	128
c) cash and cash equivalents	58,584	50,195	40,195
4. Short-term prepayments	21,199	24,747	30,264
Total assets	**669,250**	**506,314**	**485,965**
EQUITY AND LIABILITIES			
I. Equity	**428,567**	**264,948**	**253,286**
1. Share capital	7,960	7,960	7,960
2. Supplementary capital	256,067	230,244	230,245
3. Revaluation reserve	153,878	-	6
4. Other reserve capitals	745	745	745
5. Capital from merger settlement	-	-	-
6. Previous years' profit (loss)	176	176	176
7. Net profit (loss)	9,741	25,823	14,154
II. Liabilities and provisions for liabilities	**240,683**	**241,366**	**232,679**
1. Provisions for liabilities	39,348	3,252	1,087
1.1. Provision for deferred income tax	37,651	1,202	1,073
1.2. Other provisions	1,697	2,050	14
a) current	1,697	2,050	14
2. Non-current liabilities	89,715	78,157	70,192
2.1. to related parties	233	305	381
2.2. to other entities	89,482	77,852	69,811
3. Current liabilities	73,354	109,697	134,096
3.1. to related parties	5,705	6,085	5,492
3.2. to other entities	65,877	102,237	126,815
3.3. Special funds	1,772	1,375	1,789
4. Accruals	38,266	50,260	27,304
4.1 Other accruals	38,266	50,260	27,304
a) current	38,266	50,260	27,304
TOTAL EQUITY AND LIABILITIES	**669,250**	**506,314**	**485,965**

All amounts are expressed in thousands of PLN unless otherwise indicated

II. Income Statement

For the period 01.01 – 30.06 (thousands of PLN)	6 months ended 30 June 2008	6 months ended 30 June 2007
I. Net revenues from sales of products, goods and materials, including:	**250,900**	**246,282**
- revenues from related parties	15,607	15,151
1. Net revenues from sales of products	167,064	134,854
2. Net revenues from sales of goods and materials	83,836	111,428
II. Costs of products, goods and materials sold, including:	**178,502**	**192,160**
- to related parties	7,820	8,659
1. Manufacturing cost of products sold	106,007	96,845
2. Value of products, goods and materials sold	72,495	95,315
III. Gross profit (loss) on sales	**72,398**	**54,122**
IV. Costs of sales	21,371	17,140
V. Administrative expenses	21,817	13,144
VI. Profit/loss on sales	**29,210**	**23,838**
VII. Other operating revenues	337	446
1. Gain on disposal of non-financial non-current assets	-	67
2. Other operating revenues	337	379
VIII. Other operating costs	14,735	9,193
1. Loss on disposal of non-financial non-current assets	6	-
2. Revaluation of non-financial assets	49	-
3. Cost of works financed with subsidies	9,550	6,874
4. Other operating costs	5,130	2,319
IX. Profit (loss) on operating activities	**14,812**	**15,091**
X. Financial revenues	1,539	1,212
1. Interest, including:	1,371	1,210
- from related parties	185	186
2. Gain on disposal of investment	82	-
3. Revaluation of investment	-	-
4. Other	86	2
XI. Finance costs	6,383	2,908
1. Interest	1,928	981
2. Revaluation of investment	528	-
3. Other	3,927	1,927
XII. Profit (loss) on business activities	**9,968**	**13,395**
XIII. Gross profit (loss)	**9,968**	**13,395**
XIV. Income tax	-227	-759
XV. Net profit (loss)	**9,741**	**14,154**

Net profit (loss) (annualised)	21,410	31,792
Weighted average number of shares 1.07.2007 - 30.06.2008	7,960,596	7,604,714
Earnings (losses) per single share (PLN)	2.69	4.18
Diluted weighted average number of shares 1.07.2007 - 30.06.2008	7,960,596	7,673,809
Diluted earnings (losses) per single share (PLN)	2.69	4.14

All amounts are expressed in thousands of PLN unless otherwise indicated

III. Changes in Equity

(thousands of PLN)	6 months ended 30 June 2008	12 months ended 31 December 2007	6 months ended 30 June 2007
I. Opening balance of equity	264,948	238,691	238,691
a) changes to adopted accounting principles (policies)	-	-	-
I. a. Opening balance of equity after adjustments	264,948	238,691	238,691
1. Opening balance of share capital	7,960	7,519	7,519
1.1 Changes in share capital	-	441	441
a) increases (due to)	-	441	441
- share issue	-	441	441
- the conversion of convertible bonds	-	-	-
1.2 Closing balance of share capital	**7,960**	**7,960**	**7,960**
2. Opening balance of due payments for share capital	-	-	-
2.1 Closing balance of due payments for share capital	**-**	**-**	**-**
3. Opening balance of supplementary capital	230,244	172,097	172,097
a) increases (due to)	25,823	65,481	65,482
- profit-sharing for the previous years	25,823	44,279	44,279
- surplus due to the conversion on convertible bonds	25,823	-	-
- transfer of reserve capital	-	21,202	21,203
b) decreases (due to)	-	7,334	7,334
- covering the loss due to merger	-	7,334	7,334
3.1 Closing balance of supplementary capital	**256,067**	**230,244**	**230,245**
4. Opening balance of revaluation reserve	0	6	6
4.1 Changes in revaluation reserve	153,878	-	-
a) increases (due to)	190,221	-	-
- valuation of investment certificates in Closed Investment Fund	190,221	-	-
b) decreases (due to)	36,343	6	-
- provision for deferred income tax due to valuation of certificates	36,343	-	-
- valuation of shares at the balance sheet date	-	6	-
4.2 Closing balance of revaluation reserve	**153,878**	**0**	**6**
5. Opening balance of capital from merger	0	-7,334	-7,334
a) increases (due to)	-	7,334	7,334
- covering the loss on supplementary capital	-	7,334	7,334
5.1 Closing balance of capital from merger	**0**	**0**	**0**
6. Opening balance of other reserve capitals	745	21,948	21,948
b) decreases (due to)	-	21,203	21,203
- transfer to reserve capital	-	21,203	21,203
6.1 Closing balance of other reserve capitals	**745**	**745**	**745**
7. Opening balance of previous years' profit	25,999	44,455	44,455
a) changes to adopted accounting principles (policies)	-	-	-
7.1. Opening balance of previous years' profit after adjustments	25,999	44,455	44,455
a) increases (due to)	25,823	44,279	44,279
- transferring previous years' profit to supplementary capital	25,823	44,279	44,279
7.2. Closing balance of previous years' profit	**176**	**176**	**176**
8. Net result	**9,741**	**25,823**	**14,154**
a) net profit	9,741	25,823	14,154
II. Closing balance of equity	**428,567**	**264,948**	**253,286**
III. Equity including proposed profit-sharing (loss coverage)	428,567	264,948	253,286

All amounts are expressed in thousands of PLN unless otherwise indicated

IV. Cash Flow Statement

For the period 01.01 – 30.06 (thousands of PLN)	**6 months ended 30 June 2008**	**6 months ended 30 June 2007**
A. Cash flows from operating activities		
I. Net profit (loss)	9,741	14,154
II. Total adjustments	14,877	-4,022
1. Depreciation	8,414	7,458
2. Exchange gains (losses)	74	299
3. Interest and profit sharing (dividends)	2,765	1,468
4. (Profit) loss on investing activities	493	-106
5. Change in provisions	-2	-869
6. Change in inventories	10,627	-21,036
7. Change in receivables	39,052	-12,912
8. Change in current liabilities, excluding credits and loans	-37,312	38,165
9. Change in prepayments and accruals	-9,233	-17,074
10. Other adjustments	-	585
III. Net cash used in operating activities (I+/-II) – indirect method	**24,619**	**10,132**
B. Cash flows from investing activities		
I. Inflows	7,811	2,363
1. Disposal of property, plant and equipment and intangible assets	321	324
2. From financial assets, including:	7,490	2,039
a) in related parties	450	-
- repayment of loan	450	-
b) in other entities	7,040	2,039
- sales of financial assets	7,040	2,039
II. Outflows	-35,042	-39,594
1. Purchase of property, plant and equipment and intangible assets	-25,542	-37,394
2. For financial assets, including:	-9,500	-2,200
a) in related parties	-2,500	-200
- purchase of financial assets	-100	-
- non-current loans granted	-	-200
- current loans granted	-2,400	-
- surcharge to capital	-	-
b) in other entities	-7,000	-2,000
- purchase of financial assets	-7,000	-2,000
III. Net cash used in investing activities (I-II)	**-27,231**	**-37,231**
C. Cash flows from financing activities		
I. Inflows	15,416	20,914
1. Share issue	-	442
2. Credits and loans	15,356	20,471
3. Interest	60	-
4. Other financial inflows	-	1
II. Outflows	-4,390	-3,294
1. Repayment of loans and credits	-1,564	-1,090
2. Interest	-2,826	-
3. Other financial outflows	-	-1,470
4. Other financial liabilities	-	-734
III. Net cash (used in)/generated from financing activities (I-II)	**11,026**	**17,620**
D. Total net cash flow (A.III+/-B.III+/-C.III)	**8,414**	**-9,479**
E. Balance sheet change in cash and cash equivalents, including:	8,339	-9,778
- change in cash and cash equivalents due to exchange differences	-75	-299
F. Cash and cash equivalents opening balance	50,083	49,905

All amounts are expressed in thousands of PLN unless otherwise indicated

H. Closing balance of cash and cash equivalents (F+/- E), including:	**58,422**	**40,127**
- limited disposal	-	-

V. Additional Information and Commentary

1. Adopted Accounting Policies

This condensed financial statement was prepared according to the Act passed on 29 September 1994 on Accounting (unified text - Journal of Laws, 2002, No. 76 pos. 694 and subsequent changes) and the requirements specified in the Regulation issued by the Minister of Finance on 19 October 2005 concerning current and periodical information pertaining to companies traded on the stock exchange (Journal of Laws of 2005, No. 209, pos. 1744).
A complete description of the adopted accounting principles was presented in the last annual financial statement, i.e. for the period from 1 January 2007 until 31 December 2007. If this financial statement for the 6 months ended 30 June 2008 was prepared according to IFRS, the financial result would amount to 2.64 million PLN.

2. Selected Valuation Principles

Non-current financial assets
As at the balance sheet date, financial assets are classified as non-current in the financial statement if the 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 Closed Investment Fund are valuated at fair value and effects of valuation are settled with revaluation reserve.
Loans are valuated according to nominal value plus accrued interest.

Current financial assets
Assets recognised in the financial statement comprise monetary assets and loans to subsidiaries. Monetary assets comprise cash in hand and at banks as well as accrued interest on financial assets. Cash in domestic currency was valuated at nominal value, while cash in foreign currencies was valuated at NBP average exchange rates at the balance sheet date.
Loans are valuated according to nominal value plus accrued interest.

3. Information about Significant Changes in Estimated Values, Including Information about Corrections due to Provisions, Provision and Deferred Income Tax Assets Mentioned in the Act on Accounting and about Write-Offs that Revaluated Asset Items

ComArch S.A. reversed a write-off worth 0.022 million PLN that revaluated inventories and was performed in 2007. The reversed amount was classified in the other operating revenues item. In the second quarter of 2008, ComArch S.A. carried out write-offs revaluating goods and materials that were worth 0.071 million PLN. No hedges were made on inventories owned by the company.

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 is established on the basis of the annual settlement of income tax, after the end of the fiscal year. In 2008, an asset due to temporary differences in income tax, worth 0.919 million PLN, was recognised. A tax asset worth 0.65 million PLN recognised at 31 December 2007 was dissolved in part. Provisions for deferred income tax due to temporary differences in the amount of 0.106 million PLN was recognised. The total effect of these operations on the result of 2008 was 0.163 million PLN.
Provisions for deferred income tax related to valuation of investment certificates in Closed Investment Fund in the amount of 36.34 million PLN was recognised. The provisions as well as certificates valuation are settled with revaluation reserve.

All amounts are expressed in thousands of PLN unless otherwise indicated

4. Selected Notes to the Summary Financial Statement

4.1 NON-CURRENT FINANCIAL ASSETS	30 June 2008	31 December 2007	30 June 2007
a) in subsidiaries and correlated parties	225,126	35,940	24,907
- interest or shares	27,886	28,314	17,803
- loans granted	4,867	5,439	6,055
- other securities	191,281	1,060	-
- other non-current financial assets (interest on granted loans)	1,092	1,127	1,049
b) in associates	-	-	11,260
- interest or shares	-	-	11,260
c) in other entities	-	-	-
- loans granted	-	-	-
Non-current financial assets, total	**225,126**	**35,940**	**36,167**

4.2. CHANGES IN NON-CURRENT FINANCIAL ASSETS (TYPES)	6 months ended 30 June 2008	2007	6 months ended 30 June 2007
a) Opening balance	35,940	36,250	36,250
- interests or shares	28,314	29,063	29,063
- loans	6,566	7,187	7,187
- other non-current assets	1,060	-	-
b) increases (due to)	190,408	14,729	199
- valuation of other non-current assets	190,221	-	-
- purchases of shares in subsidiaries	100	13,063	-
- purchases of shares in associates	-	-	-
- purchase of participation units in Closed Investment Fund	-	1,060	-
- reclassification to non-current loans to subsidiaries	-	-	-
- loans granted to other entities	-	-	85
- loans granted to related entities	-	200	-
- interest due to non-current loans	87	406	114
- balance sheet valuation of non-current loans	-	-	-
- revaluation of shares in foreign currencies	-	-	-
c) decreases (due to)	1,222	15,039	282
- decrease in shares due to merger	-	-	-
- disposal of shares of associates	-	-	-
- disposal of shares in subsidiaries	-	900	-
- contribution of an apport (INTERIA.PL S.A. shares)	-	11,260	-
- revaluation of shares in foreign currencies	-	-	-
- reclassification to current loans	-	3	-
- repayment of related entities loans	-	-	-
- repayment of other entities loans	-	-	88
- balance sheet valuation	527	1,652	194
- balance-sheet valuation of non-current loans and other assets	695	1,224	-
- reclassification to non-current financial assets	-	-	-
d) Closing balance	**225,126**	**35,940**	**36,167**

All amounts are expressed in thousands of PLN unless otherwise indicated

4.3. CURRENT FINANCIAL ASSETS	**30 June 2008**	**31 December 2007**	**30 June 2007**
a) in subsidiaries and correlated parties	3,400	1,450	1,450
- loans granted	3,400	1,450	1,450
b) in other entities	85	12	127
- other securities (types)	-	-	-
- participation units in funds	-	-	-
- treasury bills	-	-	-
- loans granted	-	12	64
- other current financial assets (types)	85	-	63
- assets due to the valuation of forward contracts	85	-	63
c) cash and cash equivalents	58,584	50,195	40,196
- cash in hand and at banks	48,422	50,083	40,127
- other cash	10,000	-	-
- other monetary assets	162	112	69
Total current financial assets	**62,069**	**51,657**	**41,773**

REPORT OF AN INDEPENDENT EXPERT AUDITOR FROM THE REVIEW OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE 6 MONTHS ENDED 30 JUNE 2008

To the Shareholders and the Board of Supervisors of ComArch S.A.

We have conducted a review of the ComArch Capital Group's consolidated financial report that appears above. The capital group's dominant entity is ComArch S.A. with its registered seat at Al. Jana Pawła II 39A, Kraków. We reviewed:

- consolidated balance sheet as at 30 June 2008, with total assets, total equity and liabilities amounting to 718.596 million PLN,
- consolidated income statement for the period from 1 January 2008 to 30 June 2008, with the net profit for the year amounting to 160.479 million PLN,
- changes in consolidated equity for the period from 1 January 2008 to 30 June 2087 showing an increase in the value of equity in the amount of 162.756 million PLN,
- consolidated cash flow statement for the period from 1 January 2008 to 30 June 2008 showing an increase in cash and cash equivalents in the amount of 185.774 million PLN,
- additional information and annotations.

The Management Board of the dominant unit takes responsibility for reliability, correctness and clarity of information in this consolidated report. Our task was to review this consolidated report.

The consolidated financial report for the 6 months ended 30 June 2008 includes financial information on 17 subsidiaries consolidated with the full method. The financial reports of subsidiaries weren't reviewed by the entities entitled to audit financial statements.

The review of the consolidated financial report was prepared and conducted in compliance with the Polish law and standards for performance of the expert auditor profession, issued by the National Board of Expert Auditors in Poland. According to these standards we are obliged to plan and conduct review so as to have sufficient certainty that the consolidated financial statement does not include significant errors. This review has been conducted largely by analyzing data from the consolidated financial report, by inspecting the consolidation documentation as well as by using information obtained from the Management Board and from personnel responsible for finance and accounting at the dominant unit.

The scope and the method of review of the consolidated financial statement differ significantly from audit. Due to the fact that our task wasn't to express our opinion concerning the reliability, correctness and clarity of this consolidated financial statement, we do not present such opinion.

The review we have carried out did not indicate any need to introduce significant changes in the consolidated financial report enclosed, which was sufficiently reliable and clear in presenting the asset and financial situation of the ComArch S.A. Capital Group as at 30 June 2008 along with its financial result for the period from 1 January 2008 to 30 June 2008, compliant with the International Financial Reporting Standards, as approved by the European Union.

....
Radosław Kuboszek
Expert auditor
Registration no. 90029/6847

....
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, 29 September 2008

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All amounts are expressed in thousands of PLN unless otherwise indicated

I. Consolidated Balance Sheet

	Note	30 June 2008	31 December 2007
ASSETS			
Non-current assets			
Property, plant and equipment	3.2	209,598	182,633
Goodwill	3.3	3,284	3,284
Intangible assets	3.4	36,514	35,559
Non-current prepayments	3.5	8,684	8,458
Investments in associates	3.6	-	-
Other investments		607	106
Deferred income tax assets	3.20	8,111	12,341
Other receivables		-	-
		266,798	**242,381**
Current assets			
Inventories	3.7	22,243	32,839
Trade and other receivables	3.11	147,833	188,550
Current income tax receivables		112	-
Long-term contracts receivables	3.17	15,895	17,806
Available-for-sale financial assets	3.9	10,175	-
Other financial assets at fair value – derivative financial instruments	3.10	84	-
Cash and cash equivalents	3.12	252,592	66,362
		448,934	**305,557**
Assets designated for sale	3.13	2,864	10,551
TOTAL ASSETS		**718,596**	**558,489**
EQUITY			
Capital and reserves attributable to the company's equity holders			
Share capital	3.14	7,960	7,960
Other capitals	3.15	131,845	128,875
Exchange differences	3.28	(423)	321
Net profit for the current period		160,052	42,770
Retained earnings		149,396	106,626
		448,830	**286,552**
Minority interest	3.15	14,706	14,228
Total equity		**463,536**	**300,780**
LIABILITIES			
Non-current liabilities			
Credit and loans	3.18	89,482	77,739
Other liabilities	3.16	-	113
Deferred income tax liabilities	3.20	43,087	6,634
Provisions for other liabilities and charges	3.21	2,357	2,669
		134,926	**87,155**
Current liabilities			
Trade and other payables	3.16	104,260	152,867
Current income tax liabilities		1,343	3,037
Long-term contracts liabilities	3.17	4,654	7,125
Credit and loans	3.18	6,767	4,945
Provisions for other liabilities and charges	3.21	3,110	2,580
		120,134	**170,554**
Total liabilities		**255,060**	**257,709**
TOTAL EQUITY AND LIABILITIES		**718,596**	**558,489**

All amounts are expressed in thousands of PLN unless otherwise indicated

II. Consolidated Income Statement

	Note	6 months ended 30 June 2008	6 months ended 30 June 2007
Revenue	3.22	**274,229**	**270,409**
Cost of sales	3.23	(213,481)	(214,404)
Gross profit		**60,748**	**56,005**
Other operating income	3.24	484	750
Sales and marketing costs		(22,848)	(18,902)
Administrative expenses		(25,472)	(14,916)
Other operating expenses	3.25	(2,764)	(3,904)
Operating profit		**10,148**	**19,033**
Finance costs-net	3.26	192,189	(121)
including:			
Result on sale of INTERIA.PL S.A. shares		188,900	-
Others		3,289	(121)
Share of profit/(loss) of associates	3.6	-	1,846
Profit before income tax		**202,337**	**20,758**
Income tax expense	3.27	(41,858)	(2,829)
Net profit for the period		**160,479**	**17,929**
Attributable to:			
Equity holders of the company		**160,052**	**17,886**
Minority interest	3.15	427	43
		160,479	17,929
Earnings per share for profit attributable to the equity holders of the company during the period (expressed in PLN per share)			
– basic	3.29	20.11	2.33
– diluted		20.11	2.30

All amounts are expressed in thousands of PLN unless otherwise indicated

III. Consolidated Statement of Changes in Shareholders' Equity

	Attributable to equity holders					Minority interest	Total equity
	Share capital	Other capitals	Exchange differences	Net profit for the current period	Retained earnings		
Balance at 1 January 2007	**7,519**	**127,795**	**463**	**-**	**106,626**	**14,580**	**256,983**
Capital from valuation of the managerial option	-	554	-	-	-	-	554
Increase in capital	441	-	-	-	-	-	441
Currency translation differences[1]	-	-	*(99)*	-	-	-	*(99)*
Profit for the period[2]	-	-	-	*17,886*	-	*43*	*17,929*
Total income recognised in equity (1-2)	-	-	(99)	17,886	-	43	17,830
Balance at 30 June 2007	**7,960**	**128,349**	**364**	**17,886**	**106,626**	**14,623**	**275,808**
Balance at 1 January 2008	**7,960**	**128,875**	**321**	**-**	**149,396**	**14,228**	**300,780**
Capital from valuation of the managerial option	-	2,970	-	-	-	-	2,970
Capital from revaluation	-	-	-	-	-	-	-
Increase in capital	-	-	-	-	-	51	51
Currency translation differences[1]	-	-	*(744)*	-	-	-	*(744)*
Profit for the period[2]	-	-	-	*160,052*	-	*427*	*160,479*
Total income recognised in equity (1-2)	-	-	(744)	160,052	-	427	159,735
Balance at 30 June 2008	**7,960**	**131,845**	**(423)**	**160,052**	**149,396**	**14,706**	**463,536**

All amounts are expressed in thousands of PLN unless otherwise indicated

IV. Consolidated Cash Flow Statement

	6 months ended 30 June 2008	6 months ended 30 June 2007
Cash flows from operating activities		
Net profit	160,479	17,929
Total adjustments	(130,425)	(5,414)
Share in net (gains) losses of related parties valued using the equity method of accounting	-	(1,846)
Depreciation	9,382	8,101
Exchange gains (losses)	(854)	(37)
Interest and profit-sharing (dividends)	1,170	1,646
(Profit) loss on investing activities	(189,708)	(99)
Change in inventories	10,595	(21,144)
Change in receivables	51,586	(17,508)
Change in liabilities and provisions excluding credits and loans	(15,542)	25,473
Other adjustments	2,946	-
Net profit less total adjustments	30,054	12,515
Income tax paid	(2,033)	(3,279)
Net cash used in operating activities	**28,021**	**9,236**
Cash flows from investing activities		
Purchases of property, plant and equipment	(39,026)	(35,697)
Proceeds from sale of property, plant and equipment	258	387
Purchases of intangible assets	(3,586)	(2,427)
Purchases of available-for-sale financial assets	(16,965)	(2,082)
Proceeds from sales of available-for-sale financial assets	206,489	2,078
Granted non-current loans	(500)	-
Interest	530	-
Other inflow from financial assets	(210)	-
Net cash used in investing activities	**146,990**	**(37,741)**
Cash flows from financing activities		
Proceeds from credits and loans	15,031	20,535
Proceeds from equity issue	51	441
Repayments of credits and loans	(1,564)	(1,249)
Redemption of debt securities	-	-
Bond interest	-	-
Other interest	(2,826)	(1,470)
Other expenses	-	-
Other financial proceeds	71	-
Net cash (used in)/generated from financing activities	**10,763**	**18,257**
Net change in cash, cash equivalents and bank overdrafts	**185,774**	**(10,248)**
Cash, cash equivalents and bank overdrafts at beginning of the period	66,362	62,790
Positive (negative) exchange differences in cash and bank overdrafts	(1,164)	(525)
Cash, cash equivalents and bank overdrafts at end of the period	**250,972**	**52,017**
- limited disposal	*10,086*	-

V. Supplementary Information

1. Information about Group Structure and Activities

The basic activities of the Comarch Group (the "Group"), in which ComArch S.A. with its registered seat in Krakow at Al. Jana Pawła II 39 A is the dominant unit, include production, trade and services in the fields of IT and telecommunications, PKD 72.22.Z. The registration court for ComArch S.A. is the District Court for Krakow Śródmieście in Krakow, XI Economic Division of the National Court Register. The company's KRS number is 0000057567. ComArch S.A. holds the dominant share in the Group regarding realised revenues, value of assets and number and volume of executed contracts. ComArch S.A. shares are admitted to public trading on the Warsaw Stock Exchange. The duration of the dominant unit is not limited.

On 30 June 2008, the following entities formed the Comarch Group (in parentheses, the share of votes held by ComArch S.A.):

- ComArch Spółka Akcyjna with its registered seat in Krakow,
- ComArch, Inc. with its registered seat in Miami (100.00 %),
- ComArch Panama, Inc. with its registered seat in Panama (100.00 % subsidiary of ComArch, Inc.),
- ComArch Software AG with its registered seat in Dresden (100.00 %),
- ComArch Software S.A.R.L. with its registered seat in Lille (100,00 % subsidiary of ComArch Software AG),
- ComArch Middle East FZ-LCC with its registered seat in Dubai (100.00 %),
- ComArch LLC with its registered seat in Kiev (100.00 %),
- ComArch s.r.o. with its registered seat in Bratislava (100.00 %),
- OOO ComArch with its registered seat in Moscow (100.00 %),
- UAB ComArch with its registered seat in Vilnius (100.00 %),
- CA Services S.A. with its registered seat in Krakow (99.90 %),
- ComArch Management Spółka z o. o. (Limited Liability Company) with its registered seat in Krakow (100.00 %),
- ComArch Corporate Finance Fundusz Inwestycyjny Zamknięty (Closed Investment Fund) (ComArch S.A. holds 100.00 % of issued investment certificates),
- ComArch Management Spółka z o. o. Spółka Komandytowo-Akcyjna (Limited Partnership and Joint-Stock Company) with its registered seat in Krakow (57.09 % votes held by ComArch Corporate Finance Fundusz Inwestycyjny Zamknięty; 4.76 % votes held by ComArch S.A.; 38.15 % votes from shares purchased by ComArch Management Spółka z o. o. SKA to be redeemed),
- Bonus Development Sp. z o.o. Spółka Komandytowa Akcyjna (Limited Partnership and Joint-Stock Company) with its registered seat in Krakow (99.12 % votes held by ComArch Corporate Finance Fundusz Inwestycyjny Zamknięty),
- iMed24 S.A. with its registered seat in Krakow (100.00 % votes held by ComArch Corporate Finance Fundusz Inwestycyjny Zamknięty),
- iFIN24 S.A. with its registered seat in Krakow (100.00 % votes held by ComArch Corporate Finance Fundusz Inwestycyjny Zamknięty),
- MKS Cracovia SSA with its registered seat in Krakow (49.15 %).

The structure of activities of the Comarch Group is as follows: the dominant entity acquires the majority of contracts and in large part executes them. ComArch Inc., ComArch Software AG, ComArch Middle East FZ-LCC, ComArch LLC, ComArch Panama, Inc., OOO ComArch, UAB ComArch, acquire contracts in foreign markets and execute them in their entirety or in part. CA Services S.A. specialises in data communications relating to the provision of connections for the own needs of the Comarch Group and for contracts executed by Comarch, as well as the provision of outsourcing services. It is planned to stop operations of ComArch s.r.o. The subject matter of activities of ComArch Management Sp. z o.o. and ComArch Management Sp. z o.o SKA will be activities related to IT. Purpose of the Fund is investment activity in the scope of new technologies and Internet services that are not ComArch S.A.'s basic activities. The subject matter of activities of Bonus Development Sp. z o.o. SKA are activities related to real estates in Comarch. iMed24 S.A. conducts an IT project related to telemedicine (EHR - Electronic Health Record management). iFIN24 S.A. conducts an IT project related to financial services. MKS Cracovia SSA is a sport joint stock company.

AFTER BALANCE SHEET DATE

On 16 September 2008 Limited Liability Company was registered under the company name of ComArch R&D S.A.R.L. with its registered seat in Montbonnot-Saint-Martin, in France. Issuer's subsidiary, ComArch Software AG holds 70 % of ComArch R&D S.A.R.L. shares, that constitute 70 % of the share capital and 70 % of votes at the meeting of shareholders. The share capital of ComArch R&D S.A.R.L.

All amounts are expressed in thousands of PLN unless otherwise indicated

amounts to 7,500 Euro and consists of 750 shares of nominal value of 10 Euro each. ComArch Sofware AG purchased the above-mentioned shares with internal means for the total price of 7,500 Euro. The shares were considered as significant due to the fact that ComArch Software AG exceeded 20 % in the share capital of ComArch R&D S.A.R.L. The subject matter of activities of ComArch R&D S.A.R.L. will be creation and implementation of IT systems, as well as advisement within the scope of IT systems.

2. Description of the Applied Accounting Policies

This consolidated financial statement for the 6 months ended 30 June 2008 was prepared pursuant to the International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and interpretations published by the Committee for Interpretation of International Financial Reporting, as approved by the European Union.
These financial statements were prepared pursuant to the historical cost principle with the exception of those items that are appraised in another way pursuant to these principles.
Preparation of the statement pursuant to IFRS requires a number of estimates to be done and the application of individual judgement. Note 2.3.2 presents those areas of the financial statement, which require significant estimates or for which significant judgement is required.
The financial statement was prepared with the assumption of the continuation of commercial activities by the Comarch Group in the foreseeable future. According to company's management, there are no circumstances suggesting any threat to the continuation of activities.
The Comarch Group prepares its income statement in the calculation version, whereas the cash flow statement is prepared according to the indirect method.

The consolidated financial statement of the Comarch Group for the 6 months ended 30 June 2008 comprises the financial statements of the following companies:

Name of the company	**Relationship**	**Consolidation method**	**% interest held by ComArch S.A. in subsidiary's share capital**
ComArch S.A.	dominant unit	full	
ComArch Software AG	subsidiary	full	100.00 %
ComArch, Inc.	subsidiary	full	100.00 %
ComArch Middle East FZ-LCC	subsidiary	full	100.00 %
ComArch LLC	subsidiary	full	100.00 %
ComArch s.r.o.	subsidiary	full	100.00 %
ComArch Panama, Inc.	subsidiary	full	100.00 % held by ComArch, Inc.
OOO ComArch	subsidiary	full	100.00 %
UAB ComArch	subsidiary	full	100.00 %
CA Services S.A.	subsidiary	full	99.90 %
ComArch Software S.A.R.L.	subsidiary	full	100.00 % held by ComArch Software AG
ComArch Management Sp. z o.o.	subsidiary	full	100.00 %
ComArch Management Sp. z o.o. SKA	subsidiary	full	57.09 % held by ComArch Corporate Finance Fundusz Inwestycyjny Zamknięty, 4.76 % held by ComArch S.A., 38.15 % purchased by ComArch Management Sp. z o.o. SKA to be redeemed
ComArch Corporate Finance Fundusz Inwestycyjny Zamknięty	subsidiary	full	100.00 % in total number of investment certificates
Bonus Development Sp. z o.o. SKA	subsidiary	full	99.12 % held by ComArch Corporate Finance Fundusz Inwestycyjny Zamknięty

All amounts are expressed in thousands of PLN unless otherwise indicated

iMED24 S.A.	subsidiary	full	100.00 % held by ComArch Corporate Finance Fundusz Inwestycyjny Zamknięty
iFIN24 S.A.	subsidiary	full	100.00 % held by ComArch Corporate Finance Fundusz Inwestycyjny Zamknięty
MKS Cracovia SSA*	subsidiary	full	49.15 %

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

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

2.1.1. Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments. The Group has chosen to report using business segment as a basic segment. The basic segments are IT and sport.
The operations of Comarch's subsidiary units comprise the following types of activities: the sale of IT systems (hereinafter referred to as the "IT segment") and professional sports (hereinafter referred to as the "sport segment"; MKS Cracovia SSA) and Comarch's real estate management (this activity is restricted in scope and has therefore not been allocated a separate category). The IT segment has a dominant share in sales revenues, profits and assets.

2.1.2. Consolidation

a) Subsidiaries

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

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired this difference is recognised directly in the income statement.

Transactions, settlements and unrealised gains on transactions among the Group's entities are eliminated. Unrealised losses are also eliminated, unless the transactions provide evidence for a loss in the value of a provided asset. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

b) Associates

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

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

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

2.1.3. Foreign Currency Translation

a) Functional and Presentation Currency

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

b) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.
Translation differences on non-monetary items, such as equities held at fair value through profit and loss, are reported as part of their fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale assets, are included in the available-for-sale reserve in equity.

c) Group Companies

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

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of credits and loans and other currency instruments designated as hedges of such investments, are included in shareholder equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.
Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.1.4. Investment

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

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

b) Loans and Receivables

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

c) Held-to-Maturity Investments

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

d) Available-for-Sale Financial Assets

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

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

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

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

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

2.1.5. Non-Current Assets

a) Intangible Assets

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

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

Adopted depreciation rates are related to the estimated useful life of intangible assets. In the case of intangible assets that were acquired for a particular project, the depreciation period is established as the duration of the project.

The right of perpetual usufruct of land relating to SSA Cracovia is classified as an intangible asset with an undefined useful life, therefore it is not depreciated. Lands that MKS Cracovia SSA holds in perpetual usufruct are not depreciated, because of an undefined useful life, since the company expects that the perpetual usufruct rights will be renewed without any major costs, as it is not obliged to meet any conditions, upon which the extension of these rights depends.

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

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

b) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill recognised separately is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carriage of an amount of goodwill relating to the entity sold.
Goodwill is allocated to cash-generating units for the purpose of impairment testing.

c) Property, Plant and Equipment

Property, Plant and Equipment in Use
Property, plant and equipment in use were valuated according to acquisition prices or production costs less current redemption and possible write-offs due to losses in value. The adopted depreciation rates correspond to the economic utility of property, plant and equipment in use. The following detailed principles of depreciation of property, plant and equipment in use have been adopted by the company: assets are depreciated with the straight-line method with application of depreciation rates corresponding with periods of their economic utility. In most cases, depreciation rates are: 2.5 % (for group number I), 30 % (for group number IV) and 20 % (for groups no. VII and VIII). In case of property, plant and equipment in use acquired in order to be used in a specific project, the depreciation period is set as equal to the project duration.

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

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

d) Leases

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

e) Non-Current Prepayments

Non-current prepayments refer to the perpetual usufruct rights for land used by the ComArch S.A. dominant unit. It has a defined useful life, therefore it is depreciated. The depreciation period is 85 years, which means that it is calculated at a rate of 1.2 %.

f) Impairment of Assets

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

2.1.6. Current Assets

a) Inventories, Products in Progress and Finished Goods

Production in progress given in the statement refers to software produced by the Group and allocated for multiple sales. Production in progress is valuated according to direct technical production costs.
Application software produced by the Group and allocated for multiple sales is valuated in the period when

it benefits, no longer than 36 months from an initial sale, in the amount of surplus of software production costs over net revenues obtained from sales of these products within the following 36 months. Software production costs, not written off after this period of time, increase other operational costs.
Depending on the nature of the produced software and the assessment of its possible sales, expenditures incurred for software production, in the amount of 50 % to 100 % of the invoiced sale in the above time period of sales, are written off into its own costs, provided that the 50 % rate is the basic rate. If the company is aware of limits to sales capacity at an earlier point, it immediately performs a write-off revaluating production in progress in the amount of expenses in reference to which there is a probability that they will not be recovered, or does a one-time write-off of the entirety of unsettled expenses (depending on the degree of risk valuation) into its own cost of sales.

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

b) Receivables

Receivables are recognised initially at fair value and subsequently according to adjusted acquisition prices (at amortised cost). Receivables are recognised as current or non-current receivables depending on maturity (depending on whether this is less than or over 12 months from the balance sheet date).
In order to make their value real, receivables are decreased by write-offs revaluating bad debts. Write-offs due to loss in value correspond with the difference between balance sheet value and the current value of actual cash flows from the given item of assets. Due to the specific nature of activities (limited scope of receivables from mass contractors), appropriate updating of write-offs is carried out by way of a detailed identification of receivables and an assessment of risk of the inflow of funds resulting from contractual and business conditions.

c) Cash and Cash Equivalents

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

d) Settlement of Long-Term Contracts

Costs related to long-term contracts are given when they occur. The result in contracts is determined according to the progress of work if a reliable determination of such is possible. The progress of work is measured based on the value of costs incurred by the balance sheet date divided by the total estimated costs due to contracts, expressed as a percentage. If it is probable that the total costs due to an agreement exceed total revenues, the anticipated loss is recognised immediately.

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

2.1.7. Equity

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

c) retained profit resulting from adjustments resulting from changes to accounting principles and from the results achieved by the entities of the Group**.**

2.1.8. Employee Benefits

a) Share-Based Plans

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

The proceeds received when the option is exercised, i.e. proceeds from comprising shares (less transaction costs related directly to option exercising) are credited to share capital (nominal value) and the share premium is credited to supplementary capital.

2.1.9. Liabilities and Provisions for Liabilities

a) Trade Liabilities and Other Liabilities

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

b) Financial Liabilities

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

c) Provisions for Liabilities

Provisions for restructuring costs, guarantee repairs and legal claims are recognised if:

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

Restructuring provisions mostly comprise employee severance payments. These provisions are not recognised in reference to future operational losses. If there are a number of similar liabilities, the probability of the necessity for expending funds for settlement is assessed for the whole group of similar liabilities. The provision is recognised even if the probability of expending funds in reference to one item within the group of liabilities is small.

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

2.1.10. Deferred Income Tax

The general principle, pursuant to IAS12, is applied. It states that due to temporary differences between the presented value of assets and liabilities as well as their tax value and tax loss it will possible to deduct in the future, a provision is established and deferred income tax assets are defined.
Deferred income tax assets are defined in the amount that it is anticipated will have to be deducted from income tax in the future in reference to negative temporary differences 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 liabilities are established in the amount of income tax payable in the future in reference to positive temporary differences, which would result in increasing the basis of taxation in the future.
Deferred income tax is established using fiscal rates (and regulations) which are legally binding at the balance sheet date, which according to expectations shall be in force at the moment of realisation of relevant deferred income tax assets or settlement of deferred income tax liability.
The difference between deferred income tax liabilities and deferred income tax assets at the end and at the beginning of the reporting period affects the financial results. In addition, liabilities and assets due to deferred income tax related to operations settled with equity are referred into shareholders' equity.

2.2. Recognition of Revenues and Costs

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

- implementation services,
- installation services,
- guarantee and post-guarantee services,
- technical assistance services,
- software customisation services,
- other IT and non-IT services necessary for system implementation.

In determining the total revenues from contracts, the following items are taken into account:

- revenues from proprietary software (irrespective of form, i.e. licences, property rights, etc.),
- revenues from services

Unit managers may decide to include estimated revenues that are highly probable to be realised into the total revenues from a contract (e.g. during the implementation of the contract, project modifications are carried out for technical reasons and it is justified to assume with some probability that the ordering party will accept the modifications and that there will be revenues flowing from them).
When integration contracts under which software is allocated for multiple sales are Comarch property, the revenues and costs related to this software and the revenues and costs related to the other part of the integration contract are recognised separately.
Several integration contracts are combined and recognised as one contract, if:

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

Revenues from other services (e.g. technical services, technical assistance) are recognised equally during the term of an agreement/service provision. Revenues from hardware sales and the sale of other finished goods are recognised in accordance with agreed delivery terms.
Revenues from sales of other services, products, finished goods and property items comprise sums of fair values from due invoiced revenues taking into account discounts and rebates without commodity and services taxes.

Sales costs include marketing costs and the costs of order acquisition by sales centres (departments) in the Comarch Group.
General costs consist of the costs of the Comarch Group functioning as a whole and include administrative expenses and the costs of departments that operate for the general needs of the Group.
Exchange rate differences related to receivables are presented in ‘Revenues from sales’ and those related to liabilities are presented in ‘Cost of sales.’

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

a) Other Operational Revenues and Costs

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

b) Financial Revenues and Costs

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

2.3. Financial Risk Management

a) Credit Risk

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

b) Risk of Change in Interest Rates

The company is exposed to the risk of changes in interest rates related to long-term investment credits to finance the construction of new production buildings in the Special Economic Zone in Krakow. These are credits at variable interest rates based on the WIBOR index. The company has not been hedging this interest rate risk; however it monitors market situation in this scope. The influence of interest rate

changes on the amount of interest on credit paid is partly compensated for by a change in the amount of interest received on cash and cash equivalents.
An analysis of the sensitivity of the Group's financial results to interest rate risk carried out in accordance with IFRS 7 principles indicates that if, on the balance sheet date, the interest rates had been one base point higher/lower, net profit for the six months ended 30 June 2008 would have been 0.72 million PLN higher/lower given that the other variables remained constant. This would largely have been the result of higher/lower revenue arising from interest received on cash and cash equivalents, balanced by higher/lower costs arising from interest paid on variable interest rate credit. Conducting an analogous analysis as at 31 December 2007 indicates that if interest rates had been one base point higher/lower net profit for second half of 2007 would have been 0.082 million PLN lower/higher, given that the other variables remained constant. The change in the sensitivity of the Group's financial result to interest rate changes resulted from an increase in the variable interest rate credit balance in the six months ended 30 June 2008 combined with a simultaneous fall in cash and cash equivalents.

c) Risk of Fluctuation in the Exchange Rates

The company is exposed to foreign exchange risk in relation to export sales and sales denominated in foreign currencies, especially in relation to foreign exchange of EURO/PLN and USD/PLN. At the same time, part of the company's costs is also expressed in or related to exchange rates for foreign currencies. In individual cases, the company hedges future payments with forward contracts and currency options.
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.
An analysis of the Group's sensitivity to exchange rate fluctuation risk conducted in accordance with IFRS 7 indicated that if the actual exchange rate in relation to the balance sheet exchange rate valuation for the EURO and USD had risen/fallen by 5 % with all other variables remaining constant, the Group's net result for the six months ended 30 June 2008 would have been 1.96 million PLN higher/lower. This is made up of 1.79 million PLN from financial assets and liabilities expressed in EURO, and 0.17 million PLN from financial assets and liabilities expressed in USD.
The assessment above of the affect of exchange rate risk on the financial result was calculated using a symmetrical method that assumes that the rates' increases and decreases close at the same amount.

d) Financial Liquidity Risk

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

Information on dates of contractual maturity of financial liabilities is presented in note 3.8.

2.3.1. Accounting for Derivative Financial Instruments and Hedging Activities

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

2.3.2. Critical Accounting Estimates and Judgements

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

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

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

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

b) Estimations related to the determination and recognition of deferred income tax assets, pursuant to IAS 12,

As the company operates in the Special Economic Zone and enjoys investment allowances as a result, the dominant unit determines the value of deferred income tax assets on the basis of forecasts relating to the shape of the tax-exempt income and the period, in which such income may be noted. Due to high business fluctuations in the IT industry (in which the dominant unit is active) it is possible that the actual results and tax-exempt income may differ from the dominant unit's anticipations.

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

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

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

At the end of every fiscal year the Group carries out tests on losses in the goodwill according to accounting rules contained in note 2.1.5. b). The Group considers IT Segment as a cash generating unit thereby doesn't allocate the goodwill to particular companies of the Group. The recoverable amount of cash generating unit was determined on the basis of calculations of its fair value. The Management Board of the dominant unit ran also the analysis of the P/E index for companies in the IT sector registered with the Warsaw Stock Exchange and assessed on this basis the estimated market value of the IT Segment in the Comarch Group.

2.4. Interim Measurement Note

The IT industry is subject to seasonal fluctuations, with peak demand in the fourth quarter of each year. The costs, which are incurred unevenly during the fiscal year of the economic unit are anticipated or transferred into settlements over time at the mid-year date if and only if their anticipation or transfer into settlement over time is also appropriate at the end of the fiscal year.

Current income tax is calculated on a monthly basis, based on current financial details, in accordance with regulations applicable in the country of the head office of the Capital Group.

2.5. New Standards and IFRIC Interpretations

This consolidated financial statement was prepared in accordance with the International Financial Reporting Standards (IFRS), as approved by the European Union. The scope of the regulations approved by the European Union differs from the full regulations of IFRS that could be applied from 1 August 2008. This difference results from the changes itemized below to standards that have not yet been approved by the European Union.

- Revised IFRS 3 "Business Combinations" - published on 10 January 2008; effective for reporting periods on or after 1 July 2009. The amendments comprise of a revised approach to presenting other direct costs related to combinations, the presentation and settlement of acquisitions across multiple transactions, estimates and presentations of company value and minority capital, and also approaches to contingent liabilities.

- Changes to IAS 23 "Borrowing Costs" - published on 29 March 2007; effective for reporting periods on or after 1 July 2009. The amendments comprise elimination of the previous possibility to present borrowing costs directly within income statement.

- Changes to IAS 1 "Presentation of Financial Statements" - published on 6 September 2007; effective for reporting periods on or after 1 January 2009. The amendments comprise of changes concerning the terminology of basic financial statements, as well as the presentation of the balance sheet, the profit and loss statement and changes to equity capital.

- Changes to IAS 27 "Consolidated and Separated Financial Statements" – published on 10 January 2008; effective for reporting periods on or after 1 July 2009. The changes concern regulations for the acquisition and disposal of shares within the framework of a transaction that does not involve a loss of control, the valuation of shares in associated entities that remain in the financial statement of the dominant entity when that entity does not control the associated entity and, finally, the presentation of minority capital.

- Changes to IFRS 2 "Share-based Payments" – published on 17 January 2008; effective for reporting periods on or after 1 January 2009. The changes clarify the conditions for acquiring rights and the accounting approach to be taken where contracts are dissolved and payment made in the form of own shares.

- Changes to IAS 32 "Financial Instruments: Presentation" and IAS 1 "Presentation of Financial Statements" – published on 14 February 2008; effective for reporting periods on or after 1 January 2009. The changes introduce criteria for presenting put options, as well as instruments or their components binding an entity to present a second entity with a specified share of its net assets due to decommissioning.

- Changes to IFRS 2008 („*Improvements to IFRS 2008*") – published on 22 May 2008; effective for reporting periods on or after 1 January 2009. This covers thirty-five changes to more than ten standards. These fall into two groups:
(a) Changes influencing accounting policy, presentation and the principles of measurement
(b) Changes concerning the adaptation and standardization of terminology used in the texts of standards but not changing their substantive content.

- Changes to IAS 39 "Financial Instruments: Recognition and Measurement" – published on 31 July 2008; effective for reporting periods on or after 1 July 2009. The changes clarify the situations in which inflation can constitute a hedge and in which situations a purchased option may constitute a hedge.

- Interpretation of IFRIC 13 "Customer Loyalty Programmes" – published on 28 June 2007; effective for reporting periods on or after 1 July 2009. The interpretation provides guidelines to entities awarding loyalty points to customers. This concerns the valuation of their liabilities arising from transferring products or performing services free of charge or at a reduced price at the moment the customer redeems the points in question.

- Interpretation of IFRIC 14 "IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" – published on 5 July 2007; effective for reporting periods on or after 1 January 2008.

Interpretation of IFRIC 15 "Agreements for the Construction of Real Estate" - published on 3 July 2008; effective for reporting periods on or after 1 January 2009. This provides a more precise interpretation of the presentation of costs and revenues at entities involved in real estate construction.

Interpretation of IFRIC 16 "Hedges of a Net Investment in a Foreign Operation" - published on 3 July 2008; effective for reporting periods on or after 1 October 2008. The interpretation makes clear which exchange rate risks qualify for inclusion in hedge accounting, where within the framework of a capital group the hedging instrument may be maintained and which sums are to be reclassified to the profit and loss statement at the moment the foreign entity is sold.

In the opinion of the Group's Management the accounting standards mentioned above and the interpretations and changes to standards will not have any significant impact on either the accounting policy applied by the Group or on the financial statement.

The principles of hedge accounting on the asset portfolio or on financial liabilities have not yet been adopted as regulation by the EU. According to the Group's calculations, applying hedge accounting on the asset portfolio or on financial liabilities within the terms of IAS 39 "Financial Instruments: Recognition and Measurement", would not have a significant influence on the financial statement were it to be implemented by the EU to be applied on the balance sheet date.

Furthermore, the company drawing up the present financial statement has not applied the following standards, interpretations and changes to standards, which have been published by and confirmed to be applied by the EU but which are not yet binding:

All amounts are expressed in thousands of PLN unless otherwise indicated

- IFRS 8 "Operating Segments" – published on 30 November 2006; effective for reporting periods on or after 1 January 2009. This standard replaces IAS 14 "Segment Reporting". Among other things, it requires an entity to report financial and descriptive information about its reportable segments. These are operating segments or aggregations of operating segments that meet specified criteria. These criteria state, among other things, that an operating segment is a component of an entity whose operating results are reviewed regularly by the entity's chief operating decision maker in order to make decisions about resources to be allocated to the segment and to assess its performance.

  With regard to the organizational and operational changes that have been successively introduced, the Group's Management Board is monitoring the grounds for introducing changes to the presentation of its operational segments. MSSF 8 principles (International Financial Reporting Standards 8) will be introduced should there be significant changes in the organization and scope of the company's operations. The Group considers that applying MSSF 8 principles on the balance sheet date would have no significant influence on the presentation.

3. Notes to the Consolidated Financial Statement

3.1. Segment Information

The Group has chosen to report using business segment as base segment. The operations of Comarch's subsidiary units comprise the following types of activities: the sale of IT systems (hereinafter referred to as the "IT segment") and professional sports (hereinafter referred to as the "sport segment"; MKS Cracovia SSA) and Comarch's real estate management (this activity is restricted in scope and has therefore not been allocated a separate category). The IT segment has a dominant share in sales revenues, profits and assets.

Revenue, cost and financial result

6 months ended 30 June 2007

Item	**Segment IT**	**Sport Segment**	**Eliminations**	**Total**
Revenues per segment- sales to external clients	266,087	5,072	-	271,159
including:				
revenues from sales	*265,494*	*4,915*	-	*270,409*
other revenues /operational and financial	*593*	*157*	-	*750*
Revenues per segment - sales to other segments	-	3,210	(3,210)	-
Revenues per segment - total*	266,087	8,282	(3,210)	271,159
Costs per segment relating to sales to external clients	247,260	4,987	-	252,247
Costs per segment relating to sales to other segments	-	3,210	(3,210)	-
Costs per segment - total*	247,260	8,197	(3,210)	252,247
Current taxes	(687)	-	-	(687)
Assets for the tax due to investment allowances and other tax relief	(2,142)	-	-	(2,142)
Share of segment in the result of parties valuated using the equity method of accounting	1,846	-	-	1,846
Net result	17,844	85	-	17,929
including:				
result attributable to shareholders of the dominant unit	*17,844*	*42*	-	*17,886*
result attributable to minority interest	-	*43*	-	*43*

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

All amounts are expressed in thousands of PLN unless otherwise indicated

6 months ended 30 June 2008

Item	Segment IT	Sport Segment	Eliminations	Total
Revenues per segment- sales to external clients	459,403	7,499	-	466,902
including:				
revenues from sales	*266,824*	*7,405*	*-*	*274,229*
other operational revenues	*390*	*94*	*-*	*484*
other financial revenues	*192,189*	*-*	*-*	*192,189*
Revenues per segment - sales to other segments	-	3,146	(3,146)	-
Revenues per segment - total*	459,403	10,645	(3,146)	466,902
Costs per segment relating to sales to external clients	257,934	6,631	-	264,565
Costs per segment relating to sales to other segments	-	3,146	(3,146)	-
Costs per segment - total*	257,934	9,777	(3,146)	264,565
Current taxes	(1,147)	(28)	-	(1,175)
Assets for the tax due to investment allowances and other tax relief	(40,590)	(93)	-	(40,683)
Share of segment in the result of parties valuated using the equity method of accounting	-	-	-	-
Net result	159,732	747	-	160,479
including:				
result attributable to shareholders of the dominant unit	*159,732*	*320*	*-*	*160,052*
result attributable to minority interest	*-*	*427*	*-*	*427*

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

Sales between specific segments are calculated based on market conditions.

Share of business segments in Assets and Liabilities and Investment Expenditures

The following table presents the assets and liabilities of particular segments as at 30 June 2008 and 30 June 2007, as well as investment expenditures and depreciation for 6 months ended 30 June 2008 and 30 June 2007 are as follows:

6 months ended 30 June 2007

	Segment IT	Sport Segment	Total
Assets	480,773	40,623	521,396
Liabilities	205,839	39,749	245,588
Investment expenditures	39,881	325	40,206
Depreciation	7,789	312	8,101

6 months ended 30 June 2008

	Segment IT	Sport Segment	Total
Assets	673,522	45,074	718,596
Liabilities	241,597	13,463	255,060
Investment expenditures	58,767	1,800	60,567
Depreciation	8,870	512	9,382

Due to the geographical distribution of its activities, the ComArch Group has defined the following market segments: Poland, Europe, the Americas, and other countries. The ‘Sport’ segment operates solely within the territory of Poland. Due to the fact that only the IT segment operates abroad and at the same time the costs incurred in the IT segment are largely common for export and domestic sales, defining separate results for export and domestic activities is futile.

All amounts are expressed in thousands of PLN unless otherwise indicated

The following table presents the allocation of revenues from sales, assets and total investment expenditures into geographical segments:

Revenues from basic sales by market location

	6 months ended 30 June 2008	6 months ended 30 June 2007
Poland	224,111	218,205
Europe	39,835	38,894
The Americas	7,875	10,383
Others	2,408	2,927
TOTAL	**274,229**	**270,409**

Assets – activities location

	30 June 2008	31 December 2007
Poland	689,359	518,776
Europe	16,813	25,078
The Americas	6,211	6,885
Others	6,213	7,750
TOTAL	**718,596**	**558,489**

Investments expenditures - activities location

	6 months ended 30 June 2008	6 months ended 30 June 2007	12 months ended 31 December 2007
Poland	60,192	39,784	60,911
Europe	297	292	702
The Americas	77	130	239
Others	1	-	-
TOTAL	**60,567**	**40,206**	**61,852**

3.2. Property, Plant and Equipment

	30 June 2008	31 December 2007
Lands and buildings	119,401	109,477
Means of transport and machinery	37,227	36,876
Property, plant and equipment under construction	50,991	34,181
Others	1,979	2,100
	209,598	**182,633**

Property, plant and equipment comprise mostly real estate and machinery owned by the Group. Propriety of the Group are four office building in Krakow at 31,343 square metres of the total space, one office building in Warsaw at 1,620 square metres of the total space and one office building in Łódź. The Group owns also lands in the Special Economic Zone in Krakow at 3.8 ha of the total space. Property, plant and equipment under construction comprise mostly another office building in the Special Economic Zone in Krakow at 11,445 square metres of the total space.

All amounts are expressed in thousands of PLN unless otherwise indicated

	Lands and buildings	Means of transport and machinery	Furniture, fittings and equipment	Total
At 1 January 2007				
Cost or valuation	118,553	67,640	4,616	190,809
Accumulated depreciation	(10,500)	(38,421)	(3,123)	(52,044)
Net book amount	108,053	29,219	1,493	138,765
Year ended 31 December 2007				
Opening net book amount	108,053	29,219	1,493	138,765
Additions	36,750	21,322	1,345	59,417
Disposals	(29)	(584)	(51)	(664)
Depreciation charge	(2,539)	(11,659)	(687)	(14,885)
Closing net book amount	142,235	38,298	2,100	182,633
At 31 December 2007				
Cost or valuation	155,275	88,330	5,956	249,561
Accumulated depreciation	(13,040)	(50,032)	(3,856)	(66,928)
Net book amount	142,235	38,298	2,100	182,633
First half-year ended 30 June 2008				
Opening net book amount	142,235	38,298	2,100	182,633
Additions	27,390	7,590	418	35,398
Disposals	(8)	(312)	(20)	(340)
Depreciation charge	(1,450)	(6,246)	(397)	(8,093)
Closing net book amount	168,167	39,330	2,101	209,598
At 30 June 2008				
Cost or valuation	183,897	88,443	6,312	278,652
Accumulated depreciation	(15,730)	(49,113)	(4,211)	(69,054)
Net book amount	168,167	39,330	2,101	209,598

Bank borrowings are secured on land and buildings for the value of 127.45 million PLN (ordinary mortgages and real estate mortgages in Fortis Bank Poland S.A., Kredyt Bank S.A. and Pekao S.A. securing an existing or future claim). The balance sheet value of property, plant and equipment in use, on which financial liabilities are secured, amounts to 113.34 million PLN.

	6 months ended 30 June 2008	6 months ended 30 June 2007
Amount of interest on credits capitalised on investments in non-current assets	935	611

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

	30 June 2008	30 June 2007
Buildings	48,600	19,478
Equipment	2,090	1,191

Depreciation write-offs were presented in the income statement. They increase the costs of sold products, goods and materials in the amount of 6.61 million PLN (12.3 million PLN in 2007), costs of sales in the amount of 0.57 million PLN (0.94 million PLN in 2007), administrative expenses in the amount of 0.78 million PLN (1.46 million PLN in 2007) and social activities expenses in the amount of 0.13 million PLN (0.19 million PLN in 2007).

All amounts are expressed in thousands of PLN unless otherwise indicated

Assets in finance leasing

The Group possesses cars and routers that are used on finance leases basis. As at 30 June 2008, computer hardware (routers) was used on finance lease basis. Values of these assets, presented in the financial statement, are as follows:

Gross value	0.317 million PLN
Accumulated depreciation	0.159 million PLN
Net value	0.158 million PLN

The contracts were concluded for a period of three years. As at 30 June 2008, value of liabilities due to leases amounts to 0.197 million PLN. In books depreciation is presented in the amount of 0.053 million PLN as well as interest in the amount of 0.008 million PLN are recognised in finance costs. Net amount of leasing fees for the first half of 2008 (net equity + interest) amounts to 0.063 million PLN, including:

Net equity	0.056 million PLN
Interest	0.007 million PLN

The amount of due leasing fees amounts to 0.185 million PLN, including:

Interest	0.008 million PLN
Net equity	0.177 million PLN

3.3. Goodwill

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

	30 June 2008
ComArch Kraków	99
CDN ComArch	1,227
ComArch Software AG	1,900
ComArch, Inc.	58
Total	**3,284**

In the first half of 2008 goodwill did not change. The Group considers IT Segment as a cash generating unit thereby doesn't allocate the goodwill to particular companies of the Group.
As at 31 December 2007, the Group ran a test for loss in value in reference to the goodwill. The test did not show any loss in value. The recoverable amount of cash generating unit was determined on the basis of calculations of its fair value. The Management Board of the dominant unit ran also the analysis of the P/E index for companies in the IT sector registered with the Warsaw Stock Exchange and assessed on this basis the estimated market value of the IT Segment in the ComArch Group as at 31 December 2007. The above analyses did not show any loss in value in reference to the goodwill.

Another test for possible loss in value in reference to the goodwill will be run as at 31 December 2008.

3.4. Other Intangible Assets

	Cost of completed development works	Right of perpetual usufruct	Trademarks, licences and software	Other	Total
At 1 January 2007					
Cost (gross)	2,057	31,650	12,664	1,683	48,054
Accumulated amortisation and impairment	(2,057)	-	(8,806)	(1,156)	(12,019)
Net book amount	-	31,650	3,858	527	36,035

All amounts are expressed in thousands of PLN unless otherwise indicated

Year ended 31 December 2007					
Opening net book amount	-	31,650	3,858	527	36,035
Disposals	-	-	1,305	403	1,708
Additions	-	-	-	(25)	(25)
Amortisation charge	-	-	(1,778)	(381)	(2,159)
Closing net book amount	-	31,650	3,385	524	35,559
At 31 December 2007					
Cost (gross)	2,057	31,650	13,969	2,061	49,737
Accumulated amortisation and impairment	(2,057)	-	(10,584)	(1,537)	(14,178)
Net book amount	-	31,650	3,385	524	35,559
First half of 2008					
Opening net book amount	-	31,650	3,385	524	35,559
Disposals	-	-	705	1,566	2,271
Additions	-	-	(27)	-	(27)
Amortisation charge	-	-	(940)	(349)	(1,289)
Closing net book amount	-	31,650	3,123	1,741	36,514
At 30 June 2008					
Cost (gross)	-	31,650	15,631	3,526	50,807
Accumulated amortisation and impairment	-	-	(12,508)	(1,785)	(14,293)
Net book amount	-	31,650	3,123	1,741	36,514

3.4.1. Other intangibles

Other intangibles include activated costs related to MKS Cracovia SSA trademark in the amount of 0.04 million PLN as well as players' cards in the amount of 1.7 million PLN. All other items of the intangible assets were acquired.
The general amount of depreciation is given in the income statement, whereas 1.182 million PLN is given in the generation costs and the remaining part is presented in the administrative expenses (0.097 million PLN) and sales costs (0.01 million PLN).

The perpetual usufruct right for land related to MKS Cracovia SSA that is worth 31.65 million PLN is considered the intangible asset with unspecified period of use and is not depreciated. Land of the company of MKS Cracovia SSA in perpetual usufruct is not subject to depreciation, as it is of unspecified period of use due to the fact that the company expects renewal of perpetual usufruct right which will occur without incurring any major costs, as the company is not obliged to meet any conditions, which would decide about extension of this right.

The company does not expect incurring major costs in renewal of perpetual usufruct right in the context of the previous activities of the co-owner of the Club that is the City of Krakow. The city supports sport activities, including SSA Cracovia, by way of, among others:
– additional financing of sport infrastructure,
– accumulated depreciation of real estate tax,
– contributing fees for perpetual usufruct in non-cash contribution.

3.4.2. Impairment test for the right of perpetual usufruct as at 31 December 2007

As at 30 June 2008, analysis was performed on changes in prices of real estate properties in Krakow in the first half of 2008, based on articles and reports published by "Krajowy Rynek Nieruchomosci" (www.krn.pl), "Krakowski Serwis Mieszkaniowy" (www.dominium.pl) and advisory company Expander from which it follows that upward trend in real estates prices maintained. It was determined on this basis that no loss occurred in the value of perpetual usufruct right to land owned by ComArch S.A.

All amounts are expressed in thousands of PLN unless otherwise indicated

3.5. Non-current Prepayments

	30 June 2008	31 December 2007
Opening balance	8,458	8,118
Decreases due to:	452	434
- non-current prepayments of costs	452	434
Decreases due to:	,226	94
- accumulated depreciation of the right of perpetual usufruct	46	94
- prepayments	180	-
At 30.06.2008 / 31.12.2007	**8,684**	**8,458**

3.6. Investment in Associates

As at 30 June 2008, the Group had no shares in associates.

At 1 January 2007	**7,289**
Share in profit for the year ended 31 December 2007	3,262
Transferring shares in INTERIA.PL S.A. to assets designated for sale (note 3.13)	(10,551)
At 31 December 2007	**-**
At 1 January 2008	**-**
Share in profit for the first half-year ended 30 June 2008	-
At 30 June 2008	**-**

	Country of incorporation	Assets	Liabilities	% shares held
At 31 December 2007				
INTERIA.PL S.A.	Poland	39,799	11,689	36.08
At 30 June 2008				
INTERIA.PL S.A.	Poland	-	-	-

	Country of incorporation	Revenues	Profit /(Loss)	% shares held
6 months ended 30 June 2007				
INTERIA.PL S.A.	Poland	30,897	5,118	36.08
6 months ended 30 June 2008				
INTERIA.PL S.A.	Poland	-	-	-

On 1 January 2007 ComArch S.A. held 2,538,369 shares of INTERIA.PL S.A., which constituted 36.08 % of company's share capital. These shares gave ComArch S.A. 11,609,625 votes at the General Meeting, which constituted 48.48 % of the total number of votes.
On 3 December 2007, an agreement on INTERIA.PL S.A. ownership transfer between ComArch S.A. with its registered seat in Krakow and SKA was concluded. In consequence of this agreement, ComArch S.A. transferred INTERIA.PL S.A. ownership to SKA. These were 2,267,814 registered preferential shares and 270,555 ordinary bearer shares. They in total constituted 36.08 % of share capital of INTERIA.PL S.A. and entitled to 48.48 % of votes at the annual general meeting of INTERIA.PL S.A.
As at 30 June 2008, the Group doesn't hold any INTRIA.PL S.A. shares. In January 2008, a transaction of sales of INTERIA.PL S.A. shares by "COMARCH MANAGEMENT Spółka z ograniczoną odpowiedzialnością" Spółka Komandytowo-Akcyjna to "BAUER MEDIA INVEST" GmbH was settled. It was a consequence of an agreement concluded between ComArch S.A. and "BAUER MEDIA INVEST" GmbH on 3 December 2007. The company announced details in current report no. 52/2007. Results of the above-mentioned transaction were presented in the Group's income statement and effect of the operation on the result of 2008 was 152.56 million PLN.

All amounts are expressed in thousands of PLN unless otherwise indicated

3.7. Inventories

	30 June 2008	31 December 2007
Raw materials	1,318	709
Work in progress	15,322	13,634
Finished goods	5,589	18,494
Advance due to finished goods	14	2
	22,243	**32,839**

The cost of inventories included in 'Costs of products, goods and materials sold' amounted to 161.71 million PLN (6 months ended 30 June 2008) and 173.59 million PLN (6 months ended 30 June 2007) and 302.98 million PLN (12 months ended 31 December 2007).
The Group reversed a write-off worth 0.022 million PLN that revaluated inventories and was performed in 2007. In the second quarter of 2008, goods were sold in reference to which write-offs revaluating them were recognised in 2007 and new write-off revaluating inventories was recognised and worth 0.071 million PLN. No hedging was performed in inventories owned by the Group.
On the basis of the current trend in reference to the settlement of production in progress, the Group estimates that after 12 months from the balance sheet date approximately 5.1 million PLN shall remain unsettled. Other inventories will be settled in their entirety within 12 months.

3.8. Categories and Classes of Financial Instruments

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

	30 June 2008	31 December 2007
Financial assets		
At fair value through the income statement	-	-
Derivative instruments in hedging relations	-	-
Investment held to maturity	-	-
Own receivables (including cash and cash equivalents)	400,425	254,912
Available-for sale financial assets	10,175	-
Financial liabilities		
At fair value through the income statement	-	-
Derivative instruments in hedging relations	-	-
Financial liabilities	200,509	235,664
Financial guarantees contracts	-	-

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

Own receivables	30 June 2008	31 December 2007
Receivables from related parties (note 3.11)	-	684
Receivables from other entities - current (note 3.11)	147,833	187,866
Receivables from other entities – non-current	-	-
Cash and cash equivalents (note 3.12)	252,592	66,362
Total	**400,425**	**254,912**
Available-for-sale assets (note 3.9)	10,175	-
Total	**10,175**	**-**

Financial liabilities	30 June 2008	31 December 2007
Liabilities due to credits (note 3.18)	96,249	82,684
Liabilities to related parties (note 3.16)	-	403
Liabilities to other entities – current (note 3.16)	104,075	152,336
Liabilities to other entities – non-current	-	-
Liabilities due to finance lease (note 3.16)	185	241
Total	**200,509**	**235,664**

All amounts are expressed in thousands of PLN unless otherwise indicated

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

	Financial assets		Financial liabilities	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
Currency - PLN	347,080	188,120	187,891	220,782
Currency - EURO	38,529	41,314	2,791	11,664
Currency - USD	11,632	18,447	8,217	2,543
Currency - GBP	75	22	234	116
Currency - UAH	2,827	1,544	447	187
Currency - AED	6,213	2,596	48	31
Currency - SKK	417	441	5	13
Currency - RUB	1,507	640	632	54
Currency - LTL	1,842	1,283	244	274
Currency -CHF	477	496	-	-
Currency -other	1	9	-	-
Total	**410,600**	**254,912**	**200,509**	**235,664**

As at 30 June 2008, maturity periods of particular classes of own receivables (trade receivables and cash equivalents) are presented as follows:

	1 year or less	1-2 years	2-5 years	Over 5 years	Total
Receivables from related parties	-	-	-	-	-
Receivables from other parties - current	146,742	1,091	-	-	147,833
Receivables from other parties – non-current	-	-	-	-	-
Cash and cash equivalent (note 3.12)	252,592	-	-	-	252,592
Available-for-sale assets	10,175	-	-	-	10,175
Total	**409,509**	**1,091**	**-**	**-**	**410,600**

As at 31 December 2007, maturity periods of particular classes of own receivables are presented as follows:

	1 year or less	1-2 years	2-5 years	Over 5 years	Total
Receivables from related parties	684	-	-	-	684
Receivables from other parties - current	183,027	4,839	-	-	187,866
Receivables from other parties – non-current	-	-	-	-	-
Cash and cash equivalent (note 3.12)	66,362	-	-	-	66,362
Total	**250,073**	**4,839**	**-**	**-**	**254,912**

As at 31 December 2007, maturity periods of particular classes of financial liabilities are presented as follows:

	1 year or less	1-2 years	2-5 years	Over 5 years	Total
Liabilities due to credits (note 3.18)	6,767	6,407	34,320	48,755	96,249
Liabilities to related parties	-	-	-	-	-
Liabilities to other entities - current	102,973	1,102	-	-	104,075
Liabilities to other entities – non- current	-	-	-	-	-
Liabilities due to finance lease	146	39	-	-	185
Total	**109,886**	**7,548**	**34,320**	**48,755**	**200,509**

All amounts are expressed in thousands of PLN unless otherwise indicated

As at 31 December 2007, maturity periods of particular classes of financial liabilities are presented as follows:

	1 year or less	1-2 years	2-5 years	Over 5 years	Total
Liabilities due to credits (note 3.18)	4,945	5,458	31,473	40,808	82,684
Liabilities to related parties	403	-	-	-	403
Liabilities to other entities - current	147,443	4,893	-	-	152,336
Liabilities to other entities – non- current	-	-	-	-	-
Liabilities due to finance lease	128	113	-	-	241
Total	**152,919**	**10,464**	**31,473**	**40,808**	**235,664**

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

Own receivables	**Valuation method**
Receivables from related parties (note 3.11)	according to the adjusted acquisition price
Receivables from other entities – current (note 3.11)	according to the adjusted acquisition price
Receivables from other entities – non-current	according to the adjusted acquisition price
Cash and cash equivalents (note 3.12)	at the fair value

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

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

The Group has not hedged financial assets.

3.9. Available-For-Sale Financial Assets

	30 June 2008	31 December 2007
At the beginning of the year	**-**	**-**
Additions – first half-year	17,214	2,039
Disposal – first half-year	(7,039)	(2,039)
At 30 June	**10,175**	**-**
Additions – second half-year		-
Disposal – second half-year		-
At 31 December		**-**

In the periods related to this statement, no write-offs due to loss in value of available-for-sale financial assets were performed. Available-for-sale assets comprised participation units in money market and debt securities fund, KBC GAMMA SFIO (7.04 million PLN) and were disposed during reporting period, as well as commercial bills in PKO Leasing Finance S.A., Raiffeisen Leasing Polska SA, PKO Auto Finance S.A. and BRE Leasing Sp. z o.o of total value of 9.97 million PLN and cash deposits in the amount of 0.21 million PLN.

3.10. Derivative Financial Instruments

	30 June 2008		31 December 2007	
	Assets	Liabilities	Assets	Liabilities
Forward foreign exchange contracts– held-for-trading	84	-	-	-
	84	**-**	**-**	**-**
Current portion	*84*	-	-	-

All amounts are expressed in thousands of PLN unless otherwise indicated

Derivative financial instruments are classified in the financial statement as an asset of 0.084 million PLN. Profits and losses due to the valuation of forward contracts as at 30 June 2008 are recognised in income statement. They will be exercised within the period of 6 months from the balance sheet date.

The Group has used forward contracts and currency options to reduce the effect of changes in cash flows on financial result, where cash flows are related to transactions and changes planned, are the result of foreign exchange risk. As at 30 June 2008, the above-mentioned instruments are valuated at fair value according to market price and changes in valuation were referred into the results from financial operations. As at 30 June 2008, the total value of forward contracts was 0.485 million EURO.

3.11. Trade and Other Receivables

	30 June 2008	31 December 2007
Trade receivables	140,772	177,651
Less provision for impairment of receivables	(7,399)	(5,699)
Trade receivables – net	133,373	171,952
Other receivables	5,355	4,849
Short-term prepayments	3,821	3,094
Prepayments of revenues	5,253	7,937
Loans	31	34
Receivables from related parties	-	684
	147,833	**188,550**
Current portion	*147,833*	*188,550*

The fair value of trade and other receivables is close to the balance sheet value presented above. There is no concentration of credit risk with respect to trade receivables as the Group has a large number of internationally dispersed customers. The Group has recognised a write-off due to loss in value of its trade receivables that was worth 2.15 million PLN (6 months ended 30 June 2008) and 4.89 million PLN (12 months ended 31 December 2007). This write-off was presented in the other operating costs in the income statement.

3.12. Cash and Cash Equivalents

	30 June 2008	31 December 2007
Cash in hand, cash at banks	83,979	37,377
Current bank deposit	166,993	28,985
Interest due to current deposit	1,620	-
Total cash and cash equivalents	**252,592**	**66,362**

In the first half of 2008, an effective interest rate for short-term bank deposits was 5.6918 % for PLN, 3.5536 % for EURO and 2.1482 % for USD. The average maturity period for these deposits was 7 day.

For the needs of the cash flow, cash and cash equivalents include cash in hand, deposits and equivalent. Credit in the current account is included in financial operations.

As at 30 June 2008 the company had cash with limited disposal rights worth 10.09 million PLN.

3.13. Assets Classified as Dedicated-for-Sale

	30 June 2008	31 December 2007
Non-current assets held for disposal	2,864	10,551

In relation to the disposal intention, INTERIA.PL S.A. shares were classified as 'assets dedicated for sale' as at 31 December 2007. In January 2008, sales transaction was settled and all shares were sold to "BAUER MEDIA INVEST" GmbH, therefore as at 30 June 2008, the Group held no INTERIA.PL S.A. shares. The total effect of the above-mentioned operation on the result of the first half of 2008 was 152.56 million PLN.

As at 30 June 2008, the value of an office building, located in Warsaw and owned by Comarch S.A., is presented in the total of non-current assets held for disposal. Previously, it was classified as property, plant and equipment in use. Pursuant to the decision of the Management Board, the building was dedicated for sale. Very active operations have been performed to find a purchaser. In the opinion of the Management Board of the Dominant Unit purchaser should be found within a year.

All amounts are expressed in thousands of PLN unless otherwise indicated

3.14. Share Capital

	Number of shares	Ordinary shares	Own shares	TOTAL
At 1 January 2007	7,518,770	7,518,770	-	7,518,770
Execution of managerial option programme (registration by the District Court for Kraków-Śródmieście, XI Economic Division of the National Court Register of an increase in share capital on 20 April 2007)	441,826	441,826	-	441,826
At 30 June 2007	**7,960,596**	**7,960,596**	**-**	**7,960,596**
At 31 December 2007	7,960,596	7,960,596	-	7,960,596
At 30 June 2008	**7,960,596**	**7,960,596**	**-**	**7,960,596**

The nominal value of one share is 1 PLN.

The share capital of ComArch S.A. consists of:
1) 883,600 series A registered preference shares,
2) 56,400 series A ordinary bearer shares,
3) 883,600 series B registered preference shares,
4) 56,400 series B ordinary bearer shares,
5) 3,008,000 series C ordinary bearer shares,
6) 1,200,000 series D ordinary bearer shares,
7) 638,600 series E ordinary bearer shares,
8) 125,787 series G ordinary bearer shares,
9) 102,708 series G3 ordinary bearer shares,
10) 563,675 series H ordinary bearer shares,
11) 441,826 series I2 ordinary bearer shares.

Registered shares in series A and B are preferential and each such share corresponds with 5 votes at the General Meeting. The conversion of registered shares into bearer shares is allowed. In case of that registered shares are converted into bearer shares, they lose all preferences. In case that registered preferential shares are disposed their specific voting rights at the General Meeting expire, however their specific voting rights at the General Meeting do not expire in case of:
a) disposal for the benefit of persons who were shareholders of the company on 18 March 1998,
b) disposal for the benefit of descendants of a disposer,
c) conveying property of a registered share as a result of succession.
The written consent of the Management Board is required to dispose of registered shares. The sale of shares without the permission of the Management Board is possible on the condition that it is stated in ComArch S.A.'s statute.
Every ordinary bearer share entitles its holder to one vote at the AGM. The conversion of bearer shares into registered shares is not permitted.

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

Elżbieta and Janusz Filipiak held 3,411,383 shares (42.85 % of the company's share capital), which gave them 10,367,383 votes at the AGM and constituted 69.15 % of all votes at the AGM.

According to information on the day of the report, customers of BZ WBK AIB Asset Management S.A. held 2,150,852 shares (27.02 % of the company's share capital), which gave 2,150,852 votes at AGM and constituted 14.35 % of the total number of votes at the AGM. These shares comprise shares held by BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A. (Investment Funds), that according to information on the day of the report held 829,619 shares (10.42 % of the company's share capital), which gave 829,619 votes at AGM (5.53 % of the total number of votes at the AGM).

3.14.2. Changes in Share Capital in the First Half of 2008

1) Introduction of 9,400 Series A Shares to Trading

With the resolution no. 7/2008 dated 4 January 2008, the Management Board of the Warsaw Stock Exchange decided that pursuant to &19, sec. 1 and 2 of the Rules of the Warsaw Stock Exchange 9,400 ordinary bearer series A ComArch S.A. shares of nominal value of 1 PLN each are admitted to trading. Pursuant to &38 sec. 1 of the Rules of the Warsaw Stock Exchange, the Management Board of the Warsaw Stock Exchange decided that the shares mentioned in the point 1 will be introduced to trading on 11 January 2008, providing that on 11 January 2008 they will be assimilated by the National Deposit for Securities with other ComArch S.A. shares already in trading.

2) Change in Rights Attached to Series A Shares

Due to request of a shareholder and pursuant to resolution no. 1/16/2007 of ComArch S.A.'s Management Board passed on 13 August 2007 rights attached to 9,400 series A shares have been changed:
1) issuer's shares related to this change:
-9,400 registered preference series A shares
2) legal basis of taken action:
-Article 8 section 1 and 3 of ComArch S.A.'s Statute,
-Resolution no. 1/16/2007 of ComArch S.A.'s Management Board passed on 13 August 2007,
-Resolution No. 913/07 of the Management Board of the National Deposit for Securities dated 21 May 2007.
3) rights attached to shares before and after conversion
-before conversion – registered shares preferential for vote so that 5 votes in the General Meeting corresponds with each share,
-after conversion – ordinary bearer shares with no preferences.
4) number of converted registered preference shares: 9,400
5) number of votes at the issuer's general meeting after conversion: 14,991,796

3) Changes in BZ WBK AIB Asset Management S.A.'s Share in the Total Number of Votes at General Meeting of ComArch S.A.

a) 2 January 2008

As result of purchases of the shares, which were settled on 2 January 2008 as well as conversion of registered preference shares into ordinary bearer shares, clients of BZ WBK AIB Asset Management S.A. increased their share in total number of votes at ComArch S.A.'s annual general meeting by more than 2 %.
On 2 January 2008, there were 1,833,464 ComArch S.A. shares in the managed securities accounts of BZ WBK AIB Asset Management S.A. clients, which constituted 23.03 % of the company's share capital. This gave 1,833,464 or 12.23 % of the total votes at ComArch S.A.'s annual general meeting.
At the same time, BZ WBK AIB Asset Management S.A. informed that pursuant to art. 46, sec. 1, pt 1) of the Act on investment funds dated 27 May 2004 (Journal of Laws No. 146, pos. 1546, and subsequent changes), BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna authorised BZ WBK AIB Asset Management S.A. to manage investment portfolios of investment funds, whose body Towarzystwo is (hereinafter referred to as the "Funds"). With relation to authorisation mentioned above, this notice ought to take into account ComArch S.A. shares, which are held by funds.

b) 18 March 2008

As result of purchases of the shares, which were settled on 18 March 2008, clients of BZ WBK AIB Asset Management S.A. increased their share in total number of votes at ComArch S.A.'s annual general meeting by more than 2 %.
On 18 March 2008, there were 2,150,852 ComArch S.A. shares in the managed securities accounts of BZ WBK AIB Asset Management S.A. clients, which constituted 27.02 % of the company's share capital. This gave 2,150,852 or 14.35 % of the total votes at ComArch S.A.'s annual general meeting.
At the same time, BZ WBK AIB Asset Management S.A. informed that pursuant to art. 46, sec. 1, pt 1) of the Act on investment funds dated 27 May 2004 (Journal of Laws No. 146, pos. 1546, and subsequent changes), BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna authorised BZ WBK AIB Asset Management S.A. to manage investment portfolios of investment funds, whose body Towarzystwo is (hereinafter referred to as the "Funds"). With relation to authorisation mentioned above, this notice ought to take into account ComArch S.A. shares, which are held by funds.

4) Resolution of the National Deposit for Securities on Assimilation of Series A Shares

The Management Board of the National Deposit for Securities announced that decided to assimilate 9,400 ComArch S.A. shares (marked with the code PLCOMAR00061) with 6,193,396 ComArch S.A. shares (marked with the code PLCOMAR00012). Assimilated shares will be marked with the code PLCOMAR00012. The Management Board of the National Deposit for Securities announced that beginning from 11 January 2008 there will be 6,202,796 ComArch S.A. shares marked with the code PLCOMAR00012.

5) Settlement of Sales of INTERIA.PL S.A. Shares

In relation to the disposal intention, INTERIA.PL S.A. shares were classified as assets held for disposal as at 31 December 2007. In January 2008, a transaction of sales of INTERIA.PL S.A. shares by "COMARCH MANAGEMENT Spółka z ograniczoną odpowiedzialnością" Spółka Komandytowo-Akcyjna to "BAUER MEDIA INVEST" GmbH was settled. It was a consequence of an agreement concluded between ComArch S.A. and "BAUER MEDIA INVEST" GmbH on 3 December 2007. The company announced details in current report no. 52/2007. As at 31 March 2008, the Group held no INTERIA.PL S.A. shares. An effect of the above-mentioned transaction on the consolidated financial result in the first quarter of 2008 was 159.68 million PLN.

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

a) Managerial Option Programme for 2005-2007

On 30 June 2005, the Annual General Meeting of Shareholders passed Resolution no. 51 on the managerial options programme for members of the Management Board and the company's Key Employees (17 persons in total). The objective of the programme was to additionally motivate members of the Management Board and Key Employees by options on Comarch shares (hereinafter referred to as the "Option") dependent on increases in the value of the company and its net profit. The program was executed through offers of newly-issued shares in the company in 2006, 2007 and 2008 to members of the Management Board and Key Employees. The value of the Option was at all times equivalent to the difference between the average closing price of the company's shares as of December of each year of the execution of the programme (beginning with 2005) and the issue price of shares offered to members of the Management Board and Key Employees.

Pursuant to the conditions of the program, the company has determined that:
a) the average capitalisation of ComArch S.A. as of December 2004 was 476.5 million PLN,
b) the average capitalisation of ComArch S.A. as of December 2005 was 441.7 million PLN,
c) the average capitalisation of ComArch S.A. as of December 2006 was 1,539.7 million PLN,
d) the average capitalisation of ComArch S.A. as of December 2007 was 1,410.4 million PLN.

The difference between the average capitalisation in December 2005 and the average capitalisation in December 2004 is negative, which means that the basic condition of the programme has not been met. As a result, shares for members of the Management Board and Key Employees weren't issued in 2006.
Basing on the company's quotations on Warsaw Stock Exchange, the Board of Supervisors agreed an increase in the company's cap of 1,098,010,607.08 PLN as at 31 December 2006. The Board of Supervisors agreed an option's value in the amount of 8.2 % of the increase in cap, i.e. 90,036,869.78. On 12 February 2007, the company's Board of Supervisors passed a resolution concerning execution of managerial option programme and declared that 441,834 series I2 shares will be issued, of nominal value of 1 PLN and issue price of 1 PLN. On 14 March 2007, the Board of Supervisors passed a resolution concerning changes in the resolution dated 12 February 2007, concerning execution of managerial option programme. As a result, 441,826 series I2 shares was issued, of nominal value of 1 PLN and issue price of 1 PLN. A subscription of I2 shares took place between 16 March 2007 and 23 March 2007.
The difference between the average capitalisation in December 2007 and the average capitalisation in December 2006 is negative, which means that the basic condition of the programme has not been met. As a result, shares for members of the Management Board and Key Employees will not be issued in 2008.

b) Managerial Option Programme for 2008-2010

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

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

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

All amounts are expressed in thousands of PLN unless otherwise indicated

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).

On 10 December 2007, with the resolution no. 3/12/2007, the Supervisory Board of ComArch S.A. established a list of Key Employees and single option factors for 2008. The total value of the all single option factors for each Key Employee in 2008 shall amount to 3 %.
Pursuant to IFRS2, the company has valuated the Option with Black & Scholes model and the Monte Carlo simulation technique. It was combined with the process of discounting non-negative financial flows related to the options calculated on the basis of the MAX () function. Apart from the assumptions resulting from the nature of the Option program described above, the following additional assumptions were adopted for the needs of the valuation:

- 5.74 % risk-free rate (the interest rate on 52-week treasury bills);
- 0 % dividend rate (the dividend rate in the period forecast as at the date of the passage of the programme);

34.45 % anticipated volatility (anticipated volatility based on historical volatility from the last 200 quotations prior to the date of the passage of the program on the basis of the average price of shares from opening and closing prices).
The determined Option's value amounts to 5.94 million PLN and it will be recognised in the income statement for 2008.
An effect of the Option recognition in the income statement in the first half of 2008 was 2.97 million PLN.

3.14.4. Changes in Share Capital after the Balance Sheet Date

None present.

3.15. Other Capitals

3.15.1. Capital of the Company's Shareholders

	Capital from valuation of the managerial option	Investment capital and capital for covering the budget commitments	Supplementary capital from premium share	Total
Balance at 1 January 2007	4,709	745	122,341	127,795
Managerial option valuation	554	-	-	554
Balance at 30 June 2007	**5,263**	**745**	**122,341**	**128,349**
Managerial option valuation	526	-	-	526
Balance at 31 December 2007	**5,789**	**745**	**122,341**	**128,875**
Balance at 1 January 2008	5,789	745	122,341	128,875
Managerial option valuation	2,970	-	-	2,970
At 30 June 2008	**8,759**	**745**	**122,341**	**131,845**

All amounts are expressed in thousands of PLN unless otherwise indicated

3.15.2. Minority Capital

	Total
Minority capital	
As at 1 January 2007	14,580
Share of the minority shareholders in the result for 6 months ended 30 June 2007 (MKS Cracovia SSA)	43
As at 30 June 2007	**14,623**
Share in the result for the second half of 2007	(395)
As at 31 December 2007	**14,228**
As at 1 January 2008	14,228
Share of the minority shareholders in the result for 6 months ended 30 June 2008 (MKS Cracovia SSA)	427
Share of the minority shareholders in share capital	51
As at 30 June 2008	**14,706**

3.16. Trade and Other Payables

	30 June 2008	31 December 2007
Trade payables	40,839	75,203
Financial liabilities	-	-
Advances received due to services	1,722	5,202
Liabilities to related parties	-	403
Liabilities due to social insurance and other tax charges	18,093	16,964
Investment liabilities	4,854	5,115
Revenues of the future periods	3,657	2,071
Provision for leave	10,698	8,527
Reserve on costs relating to the current period, to be incurred in the future	20,621	28,342
Other payables	1,923	9,611
Special funds (Social Services Fund and Residential Fund)	1,853	1,429
Total liabilities	**104,260**	**152,867**

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

3.17. Long-term Contracts

	6 months ended 30 June 2008	6 months ended 30 June 2007
Revenues due to long-term contracts recognised in the reporting period	**39,922**	**53,692**
a) revenues from completed contracts recognised in the reporting period	14,961	18,489
b) revenues from contracts not completed recognised in the reporting period	24,402	31,285
c) revenues from contracts not completed recognised in the reporting period- an effect of settlement pursuant to IAS 11	559	3,919

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

At the end of the reporting period, long-term contracts were valuated in accordance with the degree of work progress. Changes in settlements due to long-term contracts recognised in assets and liabilities between 31 December 2007 and 30 June 2008 are presented below:

	Prepayments	Accruals	Net
Revenues from long-term contracts included in the reporting period			
Balance of the consolidated prepayments/accruals as at 01 January 2007	23,926	9,744	14,182
Balance of the consolidated prepayments/accrual as at 30 June 2007	25,606	7,505	18,101
Change	**-1,680**	**2,239**	**3,919**

All amounts are expressed in thousands of PLN unless otherwise indicated

Balance of the consolidated prepayments/accrual as at 01 January 2008	17,806	7,125	10,681
Balance of the consolidated prepayments/accrual as at 30 June 2008	15,895	4,655	11,240
Change	**1,911**	**2,470**	**559**

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

3.18. Credits and Loans

	30 June 2008	31 December 2007
Non-current		
Bank credits	89,482	77,739
Loans	-	-
	89,482	**77,739**
Current		
Bank overdraft	-	-
Loans	206	205
Bank credits	6,561	4,740
	6,767	**4,945**
Total credit and loans	**96,249**	**82,684**

Investments credits

ComArch S.A. credit lines:

a) An investment credit from Fortis Bank Polska S.A. with its registered seat in Warsaw in amount of 20 million PLN for the financing of the first construction stage of production and office buildings in the Special Economic Zone in Krakow. The crediting period may last a maximum of 10 years, i.e. until 2015. This credit has a variable interest rate. As at 30 June 2008, the value of the credit to be repaid amounted to 14 million PLN. A promissory note, the mortgage on land and the building insurance policy are security for this credit.

b) An investment credit from Kredyt Bank S.A. with its registered seat in Warsaw, for the financing of the second construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to 80 % of the investment value up to a maximum of 26.82 million PLN. The crediting period may last a maximum of 16 years at a variable interest rate. A promissory note, the mortgage on land and the building insurance policy are security for this credit. As at 30 June 2008, the value of the credit to be repaid amounted to 25.99 million PLN.

c) An investment credit from Fortis Bank Polska S.A. with its registered seat in Warsaw, for the financing of the third construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to 85 % of the investment value up to a maximum of 44,000,000 PLN. The crediting period may last a maximum of 16 years at a variable interest rate and should be taken out by 30 September 2008. A promissory note, the mortgage on land and the building insurance policy are security for this credit. As at 30 June 2008, the value of the credit used amounted to 40.8 million PLN.

d) An investment credit from Bank Pekao S.A. with its registered seat in Warsaw, for the financing of purchase of land in the Special Economic Zone in Krakow. The credit amounts to 15.1 million PLN. The crediting period may last a maximum of 5 years at a variable interest rate. The mortgage on the land is security for this credit. As at 30 June 2007, the value of the credit to be repaid amounted to 15.1 million PLN.

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

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

All amounts are expressed in thousands of PLN unless otherwise indicated

The exposure of Group bank credits to interest rate changes

At 30 June 2008	6 months or less	6-12 months	1-5 years	Over 5 years	Total
Investments credits	3,204	3,203	40,727	48,755	95,889
Interest	154	-	-	-	154
	3,358	**3,203**	**40,727**	**48,755**	**96,043**

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

	30 June 2008	31 December 2007
Between 1 and 2 years	6,407	5,458
Between 2 and 5 years	34,320	31,473
Over 5 years	48,755	40,808
	89,482	**77,739**

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

	30 June 2008	31 December 2007
In Polish currency	96,249	82,684
	96,249	**82,684**

The effective interest rates at the balance sheet date

	30 June 2008	31 December 2007
Bank credits	7.13%	6.18 %
Loans	0%	6.20 %

Current credit lines (available, undrawn at the balance sheet date)

At variable interest:	30 June 2008	31 December 2007
– expiring within one year	35,159	25,436
	35,159	**25,436**

3.19. Contingent Liabilities

On 30 June 2008, the value of bank guarantee and letters of credit issued by banks on order from ComArch S.A. in reference to executed agreements and participation in tender proceedings was 28.97 million PLN, whereas it was 46.46 million on 31 December 2007.

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

	30 June 2008	31 December 2007
Credit lines*	87,000	90,000
	87,000	**90,000**

(*) they comprise credit lines at current account that are described in 3.12

As at 30 June 2008, 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 4.88 million PLN. In the previous year provisions for part of these claims were created. As at the end of June 2008, additional provisions for these claims were created, and were worth 0.92 million PLN.
As at 30 June 2008, the Group did not have any contractual obligations due to operational leasing agreements.

All amounts are expressed in thousands of PLN unless otherwise indicated

3.20. Deferred Income Tax

	30 June 2008	31 December 2007
Deferred income tax assets		
Beginning of year:	**12,341**	**10,994**
- charged to financial result	12,341	10,994
Movement on deferred income tax account charged to financial result		
- recognition of an asset due to tax loss in ComArch, Inc.	-	295
- dissolution of an asset due to tax loss for the previous years in ComArch, Inc.	(295)	
- dissolution of an asset due to tax loss for the previous years in ComArch Software AG	(161)	(988)
- recognition of an asset due to tax relief of the dominant unit due to activities in Special Economic Zone	-	8,740
- dissolution of an asset due to tax relief of the dominant unit due to activities in Special Economic Zone	(4,084)	(6,814)
- dissolution/recognition of an asset due to valuation of INTERIA.PL S.A. shares	-	(755)
- recognition/dissolution of an asset due to temporary differences related to costs (depreciation, costs of research works)	310	708
- recognition of an asset for a possible to settle tax loss in ComArch Software AG	-	161
End of the period	**8,111**	**12,341**
- charged to financial result	8,111	12,341
Deferred tax liabilities		
Beginning of year:	**6,634**	**6,309**
- charged to equity	5,430	5,430
- charged to financial result	1,204	879
Movement on deferred tax liabilities charged to financial result		
- liability due to temporary differences related to depreciation costs and interest rate differences	110	325
- recognition of a provision related to disposal transaction of INTERIA.PL S.A. shares	36,343	-
End of the period	**43,087**	**6,634**
- charged to equity	5,430	5,430
- charged to financial result	37,657	1,204

Deferred income tax asset

	Tax loss asset	**Depreciation**	**Provisions for costs, revaluating write-offs**	**Asset due to valuation of INTERIA.PL S.A.**	**Asset due to tax relief related to income tax (SEZ)**	**Total**
At 1 January 2007	**988**	**-**	**2,437**	**755**	**6,814**	**10,994**
(Charged)/ credited to the result for 2007	(532)	-	708	(755)	1,926	1,347
At 31 December 2007	**456**	**-**	**3,145**	**-**	**8,740**	**12,341**
Charged)/ credited to the result for the first half of 2008	**(456)**	**-**	**310**	**-**	**(4,084)**	**(4,230)**
At 30 June 2008	-	-	3,455	-	4,656	8,111

All amounts are expressed in thousands of PLN unless otherwise indicated

	Depreciation and balance sheet valuation	Provisions	Provision due to fair value valuation of Closed Investment Fund's assets (in relation with sales transaction of INTERIA.PL S.A.)	Provisions due to fair value valuation of MKS Cracovia SSA's assets	Total
At 1 January 2007	**879**	**-**	**-**	**5,430**	**6,309**
Charged/(credited) to the result for 2007	325	-	-	-	325
At 31 December 2007	**1,204**	**-**	**-**	**5,430,**	**6,634**
-charged to financial result	*1,204*	-	-	-	*1,204*
-charged to equity	-	-	-	*5,430*	*5,430*
Charged)/ credited to the result for the first half of 2008	110	-	36,343	-	36,453
At 30 June 2008	**1,314**	**-**	**36,343**	**5,430**	**43,087**
-charged to financial result	*1,314*	-	*36,343*	-	*37,657*
-charged to equity	-	-	-	*5,430*	*5,430*

1. As a result of Poland joining the European Union, an act was passed on 2 October 2003 that changed the act on special economic zones and certain other acts (Journal of Laws No. 188 Item 1840) that changed the conditions for tax exemptions for entities operating in special economic zones. Pursuant to the article 6, section 1 of this act, these entities may apply for changes to the terms and conditions of their permits in order to adjust them to the principles for granting public aid in force in the European Union. Pursuant to the article 5, section 2 point 1 lit. b), point 2, point 3 of the act, the maximum amount of public aid for entities, which operate in a special economic zone on the basis of a permit issued before 1 January 2000, cannot exceed 75 % of the value of investments incurred in the period from the date of obtaining the permit until 31 December 2006, provided that in determining the maximum amount of public aid, the total amount of public aid obtained since 1 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 March 1999, until 31 December 2006.

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

ComArch S.A. approached the Minister of the Economy in order to change the terms and conditions of its permit. On 1 July 2004, it received a decision from the Minister of the Economy dated 24 June 2004 on the topic of changes to the terms and conditions of the permit (those mentioned above and those compliant with the act). The updated permit extended the period in which ComArch S.A. is entitled to use public aid for investments incurred in the special economic zone until 31 December 2017.
Pursuant to IAS 12, unused tax relief as at 31 December 2007 constitutes a deferred income tax asset. The limit of the unused investment relief as at 30 June 2008, discounted as at the permit date, is 25.48 million PLN.

As at 31 December 2007, the company presented a deferred income tax asset in the income statement due to activities in the SSE (hereinafter referred to as the "Asset") that was worth 8.74 million PLN. This Asset will be realised successively (as write-offs diminishing net profit of the Group) in proportion to the generation of Comarch's tax-exempt income in 2008. Within the first two quarters of 2008, due to the level of income achieved from activities in the Special Economic Zone in 2008, a part of Asset was dissolved and worth 4.08 million PLN. At the same time, pursuant to IAS12, the company will regularly verify the valuation of the Asset considering the possibilities of its realisation and further recognition. Additionally, the company signifies that the recognition of this Asset does not have any influence on cash flow in the company and in the Group (both the recognition and realisation of the Asset). This is an accrual based operation and is a result of the fact that the Group applies IFRS when preparing consolidated financial statements of the Comarch Group.

All amounts are expressed in thousands of PLN unless otherwise indicated

ComArch S.A. approached in order to get a new permit because it is still going to invest in the Special Economic Zone. The company received the permit on 17 April 2007.

2. During the first two quarters of 2008, the Group settled in part a deferred tax asset related to temporary differences that was recognised on 31 December 2007 and worth 0.65 million PLN. At the same time, an asset due to temporary differences was recognised in the amount of 0.96 million PLN as well as deferred tax provision in the amount of 0.11 million PLN. The total effect of the above-mentioned operations on the result of 2008 was 0.2 million PLN.

3. During the first two quarters of 2008, the Group reversed in total an asset due to tax loss in a subsidiary, ComArch Software AG that was recognised as at 31 December 2007, and worth 0.161 million PLN as well as in ComArch, Inc. worth 0.295 million PLN. The total effect of the above-mentioned operations on the result of 2008 was -0.456 million PLN.

4. Due to valuation of net assets of CCF FIZ (related to sales transaction of INTERIA.PL S.A. shares) a deferred tax provision was recognised in the amount of 36.34 million PLN.
The total effect of the all above-mentioned operations on the net result of 2008 was minus 40.683 million PLN.

3.21. Provisions for Other Liabilities and Charges

Non-current	**Provisions for contractual penalties**	**Provisions for costs of court proceedings**	**Total**
At 1 January 2008	**2,050**	**619**	**2,669**
Recognised in the consolidated income statement:			
- Additional provisions	719	142	861
- Provisions used during year	1,072	101	1,173
At 30 June 2008	**1,697**	**660**	**2,357**

Current	**Costs related to the current period, which will be incurred in future**	**Provisions for contracts costs**	**Other provisions**	**Total**
At 1 January 2008	**14**	**2,566**	**-**	**2,580**
Recognised in the consolidated income statement:				
- Additional provisions	160	836	-	996
- Provisions used during year	14	452	-	466
At 30 June 2008	**160**	**2,950**	**-**	**3,110**

All provisions were calculated based on credible estimate as of the balance sheet date. Costs of the current period refer to provisions established for costs on account of unsettled advances. Provisions for costs of contracts refer to recognition of the forecast losses in contracts.

Analysis of total provisions:

	30 June 2008	**31 December 2007**
Non-current	2,357	2,669
Current	3,110	2,580

3.22. Revenues from Sales

	6 months ended 30 June 2008	**6 months ended 30 June 2007**
Revenues from sales of products and services		
Revenues from sales of IT services	142,885	111,094
Revenues from sales of proprietary software and licences	38,557	28,799
Revenues from other sales	8,864	9,588
Total	**190,306**	**149,481**

All amounts are expressed in thousands of PLN unless otherwise indicated

Revenues from sales of goods and materials		
Revenues from sales of hardware	63,152	66,768
Revenues from third party software and licences	11,631	37,849
Revenues from other sales	9,140	16,311
Total	**83,923**	**120,928**
Total revenues from sales	**274,229**	**270,409**

3.23. Costs of products, services, goods and materials sold

I/1 Costs by types	**6 months ended 30 June 2008**	**6 months ended 30 June 2007**
Depreciation of property, plant and equipment in use and intangible assets	9,382	8,101
Costs of social benefits	132,555	131,387
Change in products and work in progress	(17,807)	(42,975)
Consumption of raw materials and auxiliary materials	7,054	4,694
Third party services	19,995	30,846
Taxes and charges	2,850	1,971
Other costs	21,038	5,807
Costs of products sold, services, marketing and distribution as well as administrative costs, including:	**175,067**	**139,635**
- manufacturing costs	124,091	*105,943*
- costs of sales	22,848	*18,902*
- general costs	25,472	*14,916*
- exchange differences on liabilities	2,656	*(126)*
I/2 Costs of goods and materials sold	**77,286**	**101,915**
I/3 Costs of work execution within the framework of union projects	**9,448**	**6,672**
I/4 Total costs of products sold, services, marketing, administrative, goods, materials and work execution within the framework of union projects	**261,801**	**248,222**

II. Costs of social benefits	**6 months ended 30 June 2008**	**6 months ended 30 June 2007**
Remuneration	113,439	114,187
Social insurance	16,024	14,319
Social Services Fund	907	1,040
Training	693	725
Health and Safety at Work	1	1
Other	1,491	1,115
Total	**132,555**	**131,387**

3.24. Other Operating Revenues

Other operating revenues and profits	**6 months ended 30 June 2008**	**6 months ended 30 June 2007**
Dissolving write-offs that revaluate payments	-	-
Dissolving write-offs that revaluate goods	-	84
Recovered communication damages	25	75
Outdated liabilities	-	2
Received contractual penalties	-	122
Earnings on disposal on non-financial non-current assets	35	61
Refund of VAT	188	142
Subsidies	94	81
Other	142	183
Total	**484**	**750**

All amounts are expressed in thousands of PLN unless otherwise indicated

3.25. Other Operating Costs

Other operating costs and looses	**6 months ended 30 June 2008**	**6 months ended 30 June 2007**
Write-off that revaluates assets (impairment)	49	421
Membership fees	151	188
Donations	9	161
Loss on disposal and non-current assets decommissioning	4	-
Court expenses	-	-
Write-off that revaluates receivables	2,150	2,215
Contractual compensations and penalties	158	521
Social costs	210	92
Dissolved provisions from 2006	-	175
Other	33	131
Total	**2,764**	**3,904**

3.26. Finance Costs – Net

	6 months ended 30 June 2008	**6 months ended 30 June 2007**
Interest expense, including:	(1,938)	(777)
- convertible bonds	-	-
- interest on borrowings	*(20)*	*2*
- other	*(1,918)*	*(779)*
Gains on bank deposits	6,199	838
Gains on disposal of securities	40	39
Net gains/(looses) on exchange differences (note 3.28)	(1,105)	(45)
Gains on disposal of financial assets:	188,942	(103)
- gain on disposal of INTERIA.PL S.A. shares	*188,900*	-
- other	*42*	*(103)*
Fair value valuation of financial instruments and investment	84	-
Other:	(33)	(73)
- investment credit valuation	*(5)*	*104*
- other	*(28)*	*(177)*
Total	**192,189**	**(121)**

3.27. Income Tax

	6 months ended 30 June 2008	**6 months ended 30 June 2007**
Current tax	1,175	687
Deferred tax	40,683	2,142
Total	**41,858**	**2,829**

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

	6 months ended 30 June 2008	**6 months ended 30 June 2007**
Consolidated gross profit before tax	202,337	20,758
Tax calculated with the nominal rate on gross profit	38,444	3,944
Differences between gross profit and basis of taxation:		
Consolidation adjustments	31,003	*(2,644)*
Exclusions of losses in consolidated companies	3,584	*1,662*
Sum of gross profits in consolidated entities (nominal basis of taxation with the assumption of correspondence of balance sheet profit with the basis of taxation)	236,924	19,776
Permanent and temporary differences between gross profit and the actual basis of taxation, including:	(230,918)	(16,355)
Utilisation of previously recognised tax losses	-	*(2,370)*
Differences between basis of taxation and gross profit	(101,283)	*(2,421)*

All amounts are expressed in thousands of PLN unless otherwise indicated

Other	(1,018)	-
Income not subject to tax (due to activities in SEZ)	(21,493)	*(11,564)*
Income not subject to tax (Fund)	(75,881)	-
Income of limited partnership and joint-stock company	(31,243)	-
Taxable base from income tax	**6,006**	**3,421**
Tax calculated at tax rate for the Group	1,175	687
Effective tax rate	5.81%	3.31%

The applicable tax rate was 19 % in 2008 and resulted from the average tax rates for the consolidated entities. The applicable tax rate was 19 % in 2007 and resulted from the average tax rates for the consolidated entities. Tax authorities can run inspections for books of account and tax settlements within 5 years of the end of the year, in which tax returns were filed and can charge additional tax on the Group along with penalties and interest. In the opinion of the Management Board of the dominant unit, there are no circumstances indicating possibility of arising significant obligations on this account.

3.28. Net Foreign Exchange (looses) /gains

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

	6 months ended 30 June 2008	6 months ended 30 June 2007
Revenues from sales	310	(929)
Costs of products, goods and materials sold	(2,657)	126
Finance costs-net	(1,105)	(45)
Total	**(3,452)**	**(848)**

3.29. Earnings per Share

	6 months ended 30 June 2008	6 months ended 30 June 2007
Net profit for the period attributable to equity holders of the Group	160,052	17,886
Weighted average number of shares in issue (thousands)	7,960	7,692
Basic earnings per share (PLN)	**20.11**	**2.33**
Diluted number of shares (thousands)	7,960	7,761
Diluted earnings per share (PLN)	**20.11**	**2.30**

Basic earnings per share in the column "6 months ended 30 June 2008" is calculated by dividing the net profit attributable to equity holders of the company for the period from 1 January 2008 to 30 June 2008 by the weighted average number of shares in issue between 1 January 2008 and 30 June 2008, where the number of days is the weight. Basic earnings per share in the column "6 months ended 30 June 2008" is calculated by dividing the net profit attributable to equity holders of the company for the period from 1 January 2007 to 30 June 2007 by the weighted average number of shares in issue between 1 January 2007 and 30 June 2007, where the number of days is the weight.
Diluted earnings per share in the column "6 months ended 30 June 2008" is calculated by dividing the net consolidated profit attributable to equity holders of the company for the period from 1 January 2008 to 30 June 2008 by the weighted average number of shares in issue between 1 January 2008 and 30 June 2008, where the number of days is the weight.
Diluted earnings per share in the column "6 months ended 30 June 2007" is calculated by dividing the net profit attributable to equity holders of the company for the period from 1 January 2007 to 30 June 2007 by the weighted average number of shares in issue between 1 January 2007 and 30 June 2007, where the number of days is the weight as well as diluted number of shares (according to IAS 33) resulting from possible execution of the managerial option for 2007.

3.30. Related-Party Transactions

3.30.1. Revenues from Sales of Goods and Services

	6 months ended 30 June 2008	6 months ended 30 June 2007
Revenues from sales of goods:		
INTERIA.PL S.A.	-	-
Revenues from sales of services:		
INTERIA.PL S.A.	-	668
	-	**668**

All amounts are expressed in thousands of PLN unless otherwise indicated

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

In 2008 there were no transactions with related parties that were not consolidated.

3.30.2. Purchases of Goods and Services

	6 months ended 30 June 2008	6 months ended 30 June 2007
Purchases of goods:		
INTERIA.PL S.A.	-	395
Purchase of services:		
INTERIA.PL S.A.	-	188
	-	**583**

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

In 2008 there were no transactions with related parties

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

	6 months ended 30 June 2008	6 months ended 30 June 2007
Receivables from related parties		
INTERIA.PL S.A.	-	300
	-	**300**
Payables to related parties		
INTERIA.PL S.A.	-	**365**
	-	**365**

3.30.4. Value of Remuneration of the Managing and Supervising Persons

In the first half of 2008, total remuneration of members of the Management Board of ComArch S.A. amounted to 7,171,376.91 PLN and total remuneration of members of the Supervisory Board in ComArch S.A. amounted to 213,235.24 PLN. Subsidiaries and associates paid no remuneration to members of the Supervisory Board of ComArch S.A. in 2008.

In the first half of 2008, Comarch Group created provisions for premium for managing and supervising persons in the amount of 8.6 million PLN. High level of the provisions results from a high level of net profit achieved in the first half of 2008.

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

3.31.1. Shareholders who Directly or Indirectly through Subsidiary Entities Hold at least 5 % of the Total Number of Votes at the ComArch S.A. General Meeting as at the Date of Preparing the Consolidated Financial Statement

As at 29 September 2008 the shareholders who directly or indirectly through subsidiary entities hold at least 5 % of the total number of votes at ComArch S.A. general meeting are:

- Elżbieta and Janusz Filipiak held 3,411,383 shares (42.85 % of the company's share capital), which gave them 10,367,383 votes at the AGM and constituted 69.15 % of all votes at the AGM;

- customers of BZ WBK AIB Asset Management S.A. held 2,150,852 shares (27.02 % of the company's share capital), which gave 2,150,852 votes at AGM and constituted 14.35 % of the total number of votes at the AGM. These shares comprise shares held by BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A. (Investment Funds), that according to information on the day of the report held 829,619 shares (10.42 % of the company's share capital), which gave 829,619 votes at AGM (5.53 % of the total number of votes at the AGM).

All amounts are expressed in thousands of PLN unless otherwise indicated

3.31.2. Changes in Holdings of ComArch S.A. Shares by Management and Supervisors from 14 August 2008 to 29 September 2008

The following table presents the ownership of ComArch S.A. shares by management and supervisors as at the date on which the consolidated report for 6 months ended 30 June 2008 was published, i.e. 14 August 2008 and on 29 September 2008, pursuant to the information possessed by the company:

Members of the Management Board and the Board of Supervisors	Position	At 29 September 2008		At 14 August 2008	
		Shares	Share of votes at the AGM (%)	Shares	Share of votes at the AGM (%)
Elżbieta and Janusz Filipiak	Chairman of the Board of Supervisors and President of the Management Board	3,411,383	69.15 %	3,411,383	69.15 %
Piotr Piątosa	Vice-President of the Management Board	10,776	0.07 %	10,776	0.07 %
Paweł Prokop	Vice-President of the Management Board	34,268	0.48 %	34,268	0.48 %
Piotr Reichert	Vice-President of the Management Board	-	0.00 %	-	0.00 %
Zbigniew Rymarczyk	Vice-President of the Management Board	22,072	0.15 %	22,072	0.15 %
Konrad Tarański*	Vice-President of the Management Board	-	0.00 %	-	-
Marcin Warwas	Vice-President of the Management Board	-	0,00 %	-	0.00 %
Number of issued shares		**7,960,596**	**100.00%**	**7,960,596**	**100.00 %**

*) On 25 June 2008, the Annual General Meeting of Shareholders appointed Mr. Konrad Tarański Vice-President of the Management Board in ComArch S.A.

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

3.32.1. Deferred income tax asset

As at 31 December 2007, the company presented a deferred income tax asset in the income statement due to activities in the SSE (hereinafter referred to as the “Asset”) that was worth 8.74 million PLN. This Asset will be realised successively (as write-offs diminishing net profit of the Group) in proportion to the generation of Comarch’s tax-exempt income in 2008. Within the first two quarters of 2008, due to the level of income achieved from activities in the Special Economic Zone in 2008, a part of Asset was dissolved and worth 4.08 million PLN. At the same time, pursuant to IAS12, the company will regularly verify the valuation of the Asset considering the possibilities of its realisation and further recognition. Additionally, the company signifies that the recognition of this Asset does not have any influence on cash flow in the company and in the Group (both the recognition and realisation of the Asset). This is an accrual based operation and is a result of the fact that the Group applies IFRS when preparing consolidated financial statements of the Comarch Group.

3.32.2. Settlement of Sales of INTERIA.PL S.A. Shares

In January 2008, a transaction of sales of INTERIA.PL S.A. shares by "COMARCH MANAGEMENT Spółka z ograniczoną odpowiedzialnością" Spółka Komandytowo-Akcyjna to "BAUER MEDIA INVEST" GmbH was settled. It was a consequence of an agreement concluded between ComArch S.A. and "BAUER MEDIA INVEST" GmbH on 3 December 2007. The company announced details in current report no. 52/2007.
A directly achieved result on INTERIA.PL S.A. shares, in the amount of 188.9 million PLN, has been diminished by deferred income tax, related to this transaction, in the amount of 36.34 million PLN. The total effect of the above-mentioned transaction on the consolidated financial result of the first half of 2008 was 152.56 million PLN.

3.32.3. Provision for Premium due to Net Profit for 2008

In the first half of 2008, Comarch Group created provisions for premium for the managing and supervising persons in the amount of 8.6 million PLN. High level of the provisions results from a high level of net profit achieved in the first half of 2008.

3.33. Events after the Balance Sheet Date

3.33.1. Selection of an auditor entitled to audit and review financial statements of ComArch S.A.

The Supervisory Board of ComArch S.A selected Deloitte Audyt Sp. z o. o. to audit and review the financial statements and the consolidated financial statements of ComArch S.A.
Deloitte Audyt Sp. z o. o. having its registered seat in Warsaw at ul. Piękna 18, is registered at number 73 in the list of entities entitled to audit financial statements. Deloitte Audyt Sp. z o. o. offered its services to ComArch S.A. within the scope of reviewing the consolidated financial statement of ComArch S.A. for first 6 months of 2006 and 2007, as well as auditing the annual financial statement of ComArch S.A. and the annual consolidated financial statement of ComArch S.A for 12 months of 2006 and 2007.
ComArch S.A.'s Board of Supervisors selected auditor pursuant to art. 19 section 2 pt e) of the company's Statute and pursuant to the operative regulations and professional standards.
Agreement with Deloitte Audyt Sp. z o. o. shall be concluded for two-year period and applies to:
a) review of the consolidated financial statement of ComArch S.A. for first 6 months of 2008;
b) review of the consolidated financial statement of ComArch S.A. for first 6 months of 2009;
c) audit of the annual financial statement of ComArch S.A. and the annual consolidated financial statement of ComArch S.A for 12 months of 2008;
d) audit of the annual financial statement of ComArch S.A. and the annual consolidated financial statement of ComArch S.A for 12 months of 2009

3.33.2. Registration of Changes in the ComArch S.A.'s Statute

On 11 August 2008 ComArch S.A. received notice, dated 28 July 2008, concerning registration by the District Court for Kraków-Śródmieście, XI Economic Division of the National Court Register of changes in the company's Statute resolved by the General Meeting on 25 June 2008.
Pursuant to the above-said notice, previous article 18, section 1 of the company's Statute: "1. The Supervisory Board shall appoint from among its members the Chairperson, the Vice-Chairperson, and also the Secretary of the Supervisory Board, as needed." is worded as follows:
"1. 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."
The unified text of ComArch S.A.'s Statute, registered with the decision of the Court of 28 July 2008, is available at http://www.comarch.pl/en/investors/corporate_governance

3.33.3. Registration of ComArch R&D S.A.R.L. in France

On 16 September 2008 Limited Liability Company was registered under the company name of ComArch R&D S.A.R.L. with its registered seat in Montbonnot-Saint-Martin, in France. Issuer's subsidiary, ComArch Software AG holds 70 % of ComArch R&D S.A.R.L. shares, that constitute 70 % of the share capital and 70 % of votes at the meeting of shareholders. The share capital of ComArch R&D S.A.R.L. amounts to 7,500 Euro and consists of 750 shares of nominal value of 10 Euro each. ComArch Sofware AG purchased the above-mentioned shares with internal means for the total price of 7,500 Euro. The shares were considered as significant due to the fact that ComArch Software AG exceeded 20 % in the share capital of ComArch R&D S.A.R.L. The subject matter of activities of ComArch R&D S.A.R.L. will be creation and implementation of IT systems, as well as advisement within the scope of IT systems.

3.34. Significant Legal, Arbitration or Administrative Proceedings

In the first half of 2008 the Group's parties did not sue and were not sued in proceedings which fulfil the criterion specified in § 91 Act 6 pt 7a) and 7b) of the Regulation issued by the Minister of Finance on 19 October 2005 concerning current and periodical information pertaining to companies listed on the stock exchange.

The Comarch Group is the defendant in legal proceedings, in which the potential total amount of third party claims is 4.88 million PLN. In the previous year provisions for part of these claims were created. As at the end of June 2008, additional provisions for these claims were created in the amount of 0.92 million PLN.

REPORT
OF COMARCH S.A.'s MANAGEMENT BOARD

REGARDING
THE ACTIVITIES OF THE CAPITAL GROUP
IN THE FIRST HALF OF 2008

Krakow, 29 September 2008

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All amounts are expressed in thousands of PLN unless otherwise indicated

1. GENERAL INFORMATION ABOUT THE CAPITAL GROUP

1.1. Selected Financial Data

1.1.1. Consolidated financial data

	H1 2008	H1 2007	H1 2006
Revenues from sales	274,229	270,409	186,824
Operating profit	10,148	19,033	19,233
Profit before income tax	202,337	20,758	27,138
Net profit attributable to shareholders of the company	160,052	17,886	23,142
Profit per share	20.11	2.33	3.18
Assets	718,596	521,396	334,217
Book value	463,536	275,808	225,391

In the first half of 2008, Comarch Group achieved strong financial results. Revenue from sales amounted to 274.2 million PLN, operating profit was 10.1 million PLN, and net profit totalled 160.1 million PLN. As of 30th June 2008, the company had 2,785 employees, 68 less than at the end of 2007 (a decrease of 2.4 %).
Company assets increased in value by 28.7 % compared to the first half of 2007 and amounted to 718.6 million PLN. This increase is related to current assets in particular (an increase of 46.9 %) and is predominantly the result of a significant increase in cash and cash equivalents (an increase of 186.2 million PLN, i.e. 280.6 %) resulting from transactions on INTERIA.PL S.A. shares.

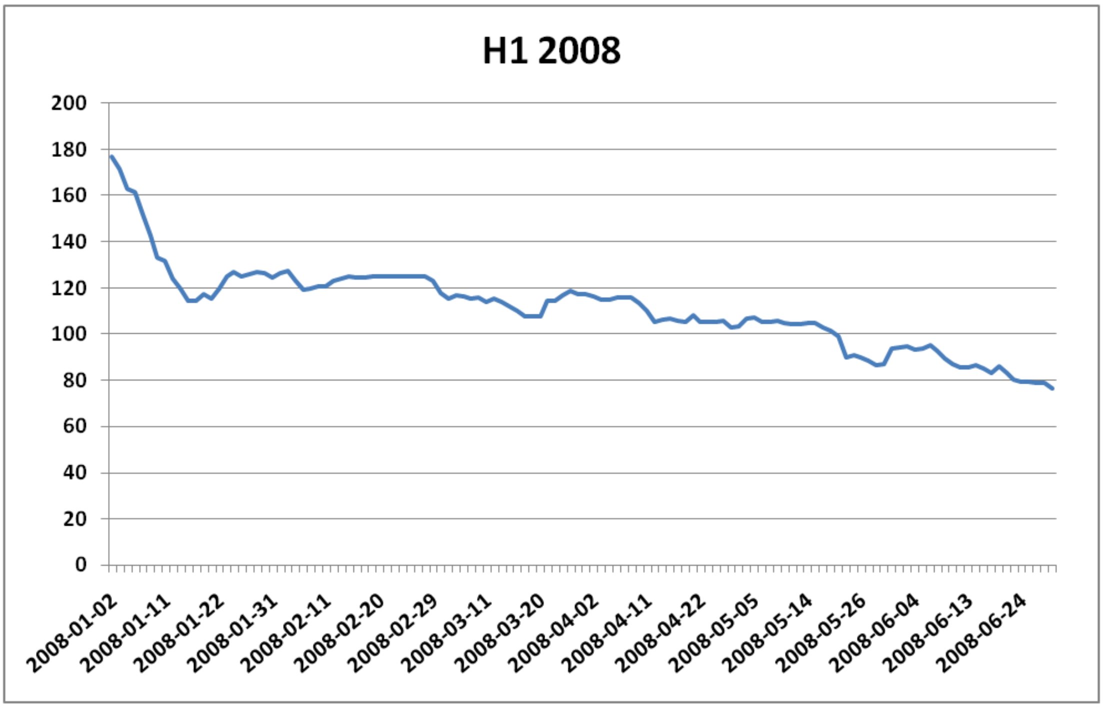
An increase in the balance-sheet sum in total equity and liabilities results mostly from a significant increase in equity caused by high net profit generated in the first half of 2008. Equity increased by 162.8 million PLN (54.1 %), compared to the end of the previous year. Total liabilities remained the same although the liabilities structure did see a change. Non-current liabilities increased by 47.8 million PLN (54.8 %) linking to an increase of 36.5 million PLN in liabilities. This was due to deferred income tax and long-term bank credits for financing investment in the Special Economic Zone in Krakow. A decrease of 50.4 million PLN (29.6 %) in current liabilities resulted due to a decrease of 31.8 % in trade liabilities compared to the previous year.

Backlog for the current year	**As at 31 July 2008**	**As at 31 July 2007**	**Change**
Revenues contracted for the current year	489,857	487,176	0.6%
including export contracts	100,660	95 618	*5.3%*
% of export contracts	*20.5%*	*19.6%*	
including services and proprietary software	369,193	306,037	*20.6%*
% of services and proprietary software	*75.4%*	*62.8%*	

As of the end of July 2008, backlog for the current year was at a level of 489.9 million PLN and was up by 0.6 % compared to the same period in the previous year, and share of services and proprietary software sales increased by 20.6 %. The share of export contracts in backlog remained at a stable level of 20.5 %, and share of sales of services and proprietary software increased dynamically from the level of 62.8 % to 75.4 %.
The significant increase in backlog within proprietary software and services compared to the same period in the previous year, confirms further possibilities of dynamic development of the Group in the future. A decrease in orders for computer hardware and third party software is a temporary situation and related mostly to seasonal fluctuation in demand. At the same time, the company's Management Board emphasises that an increase in EBIT margin has remained one of the most important priorities of the Group within the current year and in the future.

All amounts are expressed in thousands of PLN unless otherwise indicated

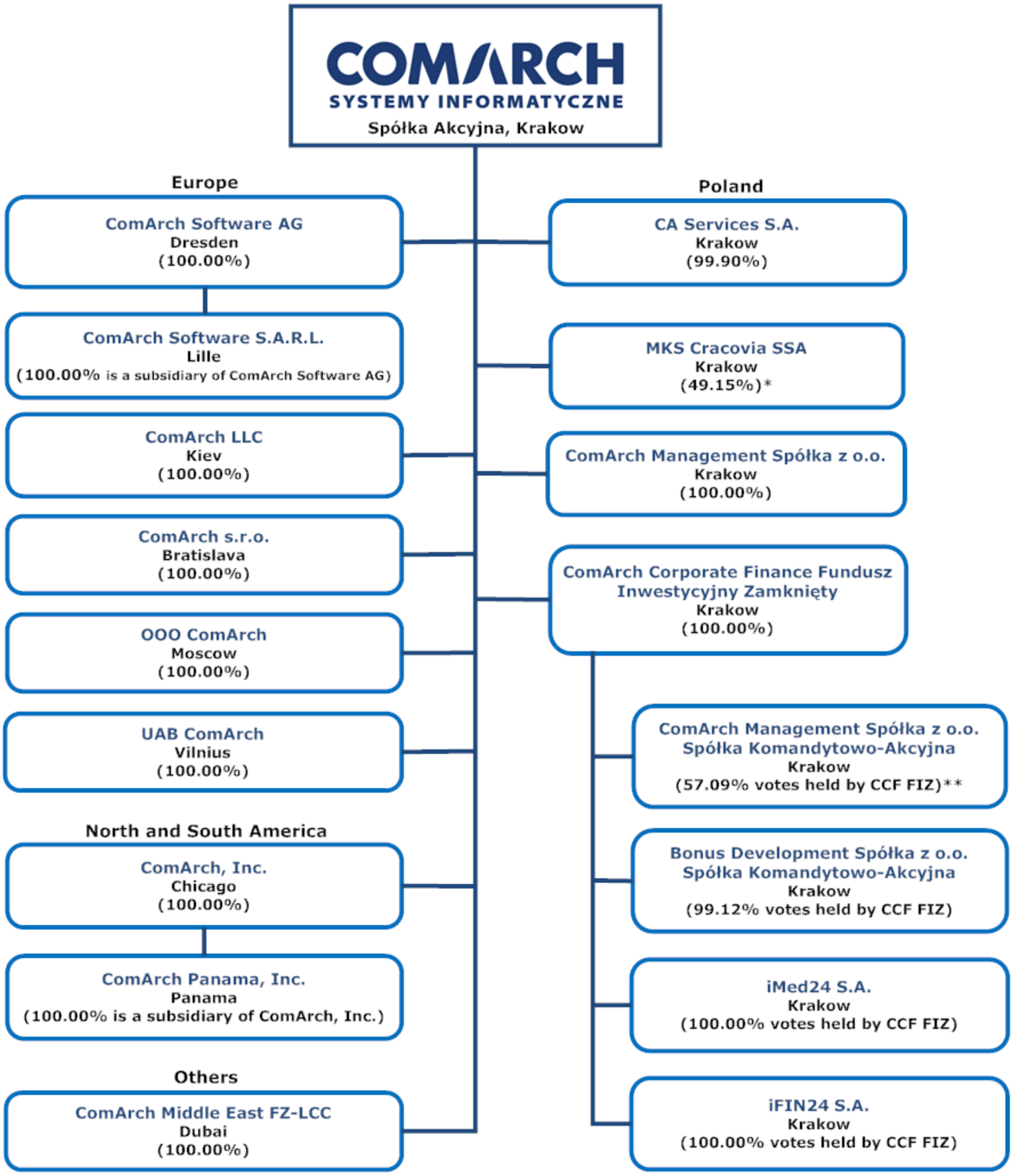
1.1.2. ComArch S.A. Stock Price Performance (in PLN)



	The highest	The lowest	The highest	The lowest
Period	2008		2007	
I quarter	177.1	108	240.0	191.0
II quarter	117.5	76.5	250.10	205.5

On 30 June 2008, closing rate of ComArch S.A. shares at Warsaw Stock Exchange reached 76.5 PLN compared to 205.5 PLN on 30 June 2007 and 182 PLN on 31 December 2007.

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



In parentheses, the share of votes held by ComArch S.A.
*) MKS Cracovia SSA is ComArch S.A.'s subsidiary according to IAS 27 pt 13.
**) 4.76 % votes held by ComArch S.A.; 38.15 % votes from shares purchased by ComArch Management Spółka z o. o. SKA to be redeemed

The basic activities of the Comarch Group (the "Group"), in which ComArch S.A. with its registered seat in Krakow at Al. Jana Pawła II 39 A is the dominant unit, include production, trade and services in the fields of IT and telecommunications, PKD 72.22.Z. The registration court for ComArch S.A. is the District Court for Krakow Śródmieście in Krakow, XI Economic Division of the National Court Register. The company's KRS number is 0000057567. ComArch S.A. holds the dominant share in the Group regarding realised revenues, value of assets and number and volume of executed contracts. ComArch

All amounts are expressed in thousands of PLN unless otherwise indicated

S.A. shares are admitted to public trading on the Warsaw Stock Exchange. The duration of the dominant unit is not limited.

The structure of activities of the Comarch Group is as follows: the dominant entity acquires the majority of contracts and in large part executes them. ComArch Inc., ComArch Software AG, ComArch Middle East FZ-LCC, ComArch LLC, ComArch Panama, Inc., OOO ComArch, UAB ComArch, acquire contracts in foreign markets and execute them in their entirety or in part. CA Services S.A. specialises in data communications relating to the provision of connections for the own needs of the Comarch Group and for contracts executed by Comarch, as well as the provision of outsourcing services. It is planned to stop operations of ComArch s.r.o. The subject matter of activities of ComArch Management Sp. z o.o. and ComArch Management Sp. z o.o SKA will be activities related to IT. Purpose of the Fund is investment activity in the scope of new technologies and Internet services that are not ComArch S.A.'s basic activities. The subject matter of activities of Bonus Development Sp. z o.o. SKA are activities related to real estates in Comarch. iMed24 S.A. conducts an IT project related to telemedicine (EHR - Electronic Health Record management). iFIN24 S.A. conducts an IT project related to financial services. MKS Cracovia SSA is a sport joint stock company.

1.3. Shareholding Structure, Managing and Supervising Entities

1.3.1. Shareholders Holding at least 5 % of the Total Number of Votes at the General Meeting of the Dominant Unit

ComArch S.A.'s share capital consists of 7,960,596 shares at total nominal value of 7,760,596 PLN. According to the information possessed by ComArch S.A., as at 30 June 2008, shareholders holding at least 5 % of votes at the company's AGM are Elżbieta and Janusz Filipiak and customers of BZ WBK AIB Asset Management S.A. (JSC)

Shareholders	Number of shares	% of share capital	Number of votes at the company's AGM	% of votes at the company's AGM
Elżbieta and Janusz Filipiak	3,411,383	42.85%	10,367,383	69.15%
Other members of the Management Board	67,116	0.84%	104,716	0.70%
Customers of BZ WBK AIB Asset Management S.A.,	2,150,852	27.02%	2,150,852	14.35%
including Comarch shares held by BZ WBK TFI S.A.	*829,619*	*10.42%*	*829,619*	*5.53%*
Other shareholders	2,331,245	29.29%	2,368,845	15.80%
Total	7,960,596	100.00%	14,991,796	100.00%

1.3.2. Registered Shares of the Dominant Unit with Voting Rights

Registered shares in Series A and B have voting rights in the way that each share entitles to 5 votes at the Annual General Meeting of ComArch S.A. The married couple of Elżbieta and Janusz Filipiak together holds 855,400 registered preference shares in Series A with 4,277,000 votes at the AGM of the company and together holds 883,600 registered preference shares in Series B with 4,418,000 votes at the AGM of the company. Vice-President of the Management Board, Paweł Prokop holds 9,400 registered preference shares in series A each, with the rights to 47,000 votes at the AGM of the company.
Registered shares in Series A and B have voting rights in the way that each share entitles to 5 votes at the Annual General Meeting of ComArch S.A. Conversion of the registered shares of the company into bearer shares is allowed. In case of conversion of registered shares into bearer shares, they lose all rights. Disposal of registered preferential share results in expiration of specific rights for voting in the General Meeting related to it, whereat the following circumstances doesn't result in expiration of specific rights for voting in the General Meeting related to it:
a) disposal for the benefit of persons, who were shareholders of the Company on 18 March 1998,
b) disposal for the benefit of descendants of a disposer,
c) conveying property of a registered share as a result of succession.

All amounts are expressed in thousands of PLN unless otherwise indicated

Disposal of registered shares requires consent of the Management Board provided in writing. Disposal of shares without consent of the Management Board is possible on conditions specified in ComArch S.A.'s Statute. Bearer shares entitle to 1 vote at the Annual General Meeting. Conversion of bearer shares into registered shares is not allowed.

1.3.3. ComArch S.A.'s Board of Supervisors and Management Board

A) Members of ComArch S.A.'s Board of Supervisors and Management Board as at 30 June 2008:

ComArch S.A.'s Board of Supervisors

Name and surname	Position
Elżbieta Filipiak	Chairman of the Board of Supervisors
Maciej Brzeziński	Vice-Chairman of the Board of Supervisors
Maciej Czapiewski*	Member of the Board of Supervisors
Wojciech Kucharzyk	Member of the Board of Supervisors
Anna Ławrynowicz	Member of the Board of Supervisors
Tadeusz Syryjczyk	Member of the Board of Supervisors

*) On 25 June 2008, at the Ordinary Annual General Meeting, Mr. Maciej Czapiewski was appointed as member of ComArch S.A.'s Board of Supervisors.

ComArch S.A.'s Management Board

Name and surname	Position
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

*) On 25 June 2008, at the Ordinary Annual General Meeting, Mr. Konrad Tarański was appointed as member of ComArch S.A.'s Management Board.

Dariusz Durałek, Jowita Gmytryk, Tomasz Matysik, Katarzyna Maurer, Tomasz Nakonieczny and Urszula Ulanik are the company's proxies.

B) Shares of issuer held by members of the Management Board and Supervisory Board of ComArch S.A.

According to the company's information only Chairman of the Board of Supervisors Mrs. Elżbieta Filipiak holds the company's shares. On 30 June 2008, Mrs. Filipiak held 799,000 shares, which constituted 10.04 % of the company's share capital. They gave 3,995,000 votes at the annual general meeting, that constituted 26.65 % of the total number of votes at ComArch S.A.'s annual general meeting.
As at 30 June 2008, Janusz and Elżbieta Filipiak held 3,411,383 shares of ComArch S.A., Piotr Piątosa held 10,776, Paweł Prokop held 34,268 shares and Zbigniew Rymarczyk held 22,072 shares. Piotr Reichert, Konrad Tarański and Marcin Warwas held no ComArch S.A. shares.

C) 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 Supervisory Board. Members of the Management Board are appointed for the common term of office of three years. The Supervisory Board defines salaries for the Management Board as well as suspends in activities, on important reasons, particular or all members of the Management Board and delegates members of the Supervisory Board for temporary execution of the activities of members of the Management Board.

D) Rights

- 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.
- The right to make decisions on issuing or buying out shares is granted to the Management Board on the basis of an authorisation by the General Meeting of Shareholders.

E) Agreements between the Issuer and the Managing Persons, which Plan for Compensation in Case of Resignation or Discharge from the Occupied Post

None present.

F) Value of Remuneration, Awards or Benefits Separately for Each of the Managing and Supervising Persons in the Dominant Unit

Total remuneration of members of the Management Board of ComArch S.A. amounted to 7,171,376.91 PLN and total remuneration of members of the Supervisory Board in ComArch S.A. amounted to 213,235.24 PLN.

In the first half of 2008, Comarch Group created provisions for premium for managing and supervising persons in the amount of 8.6 million PLN.

G) Principles and Regulations for Remunerating Managing and Supervising Persons

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

1.4. Employment

As at 30 June 2008 there were 2,517 employees in ComArch S.A. compared to 2,634 persons as at 31 December 2007 and in Comarch Group number of employees reached 2,785 persons compared to 2,853 persons as at 31 December 2007 (excluding employees of MKS Cracovia SSA due to different type of activity).

1.4.1. Systems that Control Employees Shares Programmes

None present.

2. ECONOMIC ACTIVITIES

2.1. Products and Services Offered by Comarch in the First Half of 2008

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

PRODUCTS

2.1.1. Solutions for the Telecommunications Sector

2.1.1.1 Retail Business (Comarch BSS/CRM Suite)

Comarch BSS/CRM Suite is an innovative, modular billing platform supporting all areas related to settlements and customer services, as well as broadly understood suppliers and recipients of telecommunications services. Its task is to execute business objectives of the operator and preparing him for introduction of new-generation services.
A comprehensive set of modules allows management of business in all telecommunications markets: stationary telephone networks, mobile telephone networks, Internet services, cable TV or contents providers.
Comarch BSS Suite features flexible, scalable and open architecture which supports the complete billing process. The system, based on the latest technologies, is a very effective and reliable one, which can be integrated with other systems. Comarch BSS Suite received certificates of performance on Sun and HP platforms in international testing centres in the United Kingdom, Switzerland and Germany. With it, operators can handle the most difficult challenges, such as inter-operator billing, implementation of new-generation services or convergent billing.

This platform consists of the following products:

- **Comarch Billing System** is an advanced technological tool to support operators in their billing processes, and is Comarch's complete and comprehensive answer for the vital processes telecommunications providers engage in. It is a high-output, scalable system able to process almost unlimited data volumes. Its excellent, user-friendly interface provides a comfortable and intuitive service. Thanks to the 3G event-based billing system, whose format is configurable for IP, VoIP, GPRS and UMTS services and which offers extensive tariff and rebate options, the system is able to offer next generation services.

- **Billing System for Convergent Services Solution** enables telecommunications solutions providers to properly implement new 2G, 3G and IP services solutions, including the conventional telephone, GSM, ISDN, intelligent networks, and cable and interactive television. The system enables operators to conduct thorough testing before going live. This comprehensive solution rests on a number of Comarch products with the billing system at their heart.

- **Comarch Customer Relationship Management** means effective communication with customers, increased customer satisfaction and better customer retention. The system deploys an imposing, ergonomic Inductive User Interface (IUI) to deliver a friendly work environment with intuitive task selection options for more productive work. Thanks to the IUI's 'one task – one screen' approach users rapidly become familiar with the system. The system has creators for more complex tasks, context links, a help function and a user-friendly interface, which is similar to that of an Internet browser.

- **Comarch Customer Loyalty Management** is an advanced set of business applications with wide functionality for straightforward and complex loyalty programs. The system stands out for its flexibility, ergonomic user interface and ease of operation. Its scalable architecture means the program can grow in step with the company.

- **Comarch Service Creation & Contro**l is a platform for telecommunications operators and other service providers who cannot satisfy their customers without high-speed access to leading edge services. The solution encompasses the entire product preparation process. This begins with defining the details of the service to be offered and the sales channels to access it. The process continues with activation and billing and extends to controlling, monitoring and reporting.

- **Comarch Product Catalogue (CPC)** is a central product depository for telecommunications service providers. Information from the product catalogue can be used by any OSS/BSS system working with the products or services. This includes billing systems, CRM and services provisioning. Comarch Product Catalogue makes it easy to define, store and manage the end product. Comarch Product Catalogue functions as a central product and offers base for all the operator's systems. Instead of defining and managing products and offers in a number of different systems using complex data transmission processes, the operator can use Comarch Product Catalogue as the central tool for defining, managing and modifying its products and offers.

- **Comarch Self Care** provides all categories of telecommunications subscribers with reliable, 24/7 access to user accounts and to precise information. This comprehensive system enables subscribers and partners to view and analyze financial documents and account information. In addition, Self Care makes it easy for subscribers to activate and deactivate services and send comments to the operator. This is not all. Self Care acts as a marketing medium for the operator because it can carry advertisements and promotional material. Self Care uses the most modern technology and is flexible and scalable: no matter how many subscribers, how complex the services are or how much data are sent the system can integrate with the operator's organisational culture. Comarch Self Care includes the following applications: Customer SelfCare, Business Care, Partner SelfCare and Dealer Care.

2.1.1.2 Wholesale Business (Comarch BSS Suite)

Comarch BSS suite has a flexible, scalable and open architecture, which supports the entire billing process. It is based on leading-edge technology, can be integrated with other systems, and is highly reliable, productive and efficient. Comarch BSS Suite enables operators to solve the most challenging problems, such as inter-operator billing, implementing new generation services or convergent billing.

This platform consists of the following products:

- **Comarch InterPartner Billing** is an innovative system that enables operators to quickly introduce new business models, penetrate new markets, strengthen their competitive position and take advantage of the potential revenue stream from partnerships and alliances. Comarch InterPartner Billing is capable of identifying, measuring, rating, processing and settling millions of events per day. The system allows operators to maintain high standards of cooperation with their business partners. It offers functionality for managing inter-operator and multi-party billing with revenue sharing settlement and also provides full billing information. The charging schemas are fully rule based and enable a wide range of commissions to be defined. These range from simple volume based arrangements to the more refined rule trees used to provide tailored solutions to operators.

- **Comarch Partner Relationship Management** offers an Internet interface for managing partner data gathered in the billing system. The system has two parts: a partner data view module and a partner relationship management module. The system deploys Comarch

Business Process Management to manage partner operations such as order management, task management and complaints. Comarch Partner Relationship Management is closely integrated with Comarch InterPartner Billing.

- **Comarch Least Cost Routing** automatically locates the optimal paths for telecommunications connections. It achieves this with reference to criteria such as price, connection quality, network capacity and connectivity delay. The module can conduct large numbers of analyses simultaneously and compare the results later. Comarch Least Cost Routing is an integral part of Comarch InterPartner Billing – the billing and inter-operator settlement system.

2.1.1.3 Operational Support Systems (Comarch OSS Suite)

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

This platform consists of the following products:

- **Comarch Network & Service Inventory** is one of the key modules in Comarch OSS. It gathers data on the operator's network resources and services to innovatively exploit their full potential and increase network productivity. The system provides detailed information on the network's physical and logical resources, which can be searched using a wide range of criteria. It also enables full visualisation of the telecommunications network and its infrastructure. Comarch Network & Service Inventory has two main modules:

    - **Comarch Service Inventory Management** is responsible for modelling and storing the resources for the customer-facing services. Comarch Network & Service Inventory also supports functionality such as auto-discovery and reconciliation (scanning the operator's network for new, damaged or reserve devices, for example). These update information stored in the inventory data base as changes take place in the operator's network.

    - **Comarch Network Inventory Management** provides a representation of the current state of an operator's infrastructure. Its components supply detailed information on the network's physical resources and mean that these can be searched across a broad range of criteria.

- **Comarch Network & Service Assurance** is the second key module in the Comarch OSS Suite. It is responsible for the security of the network and of the services that depend on the network devices. Comarch Network & Service Assurance has three main modules:

    - **Comarch Service Level Management** is dedicated to managing SLAs (service level agreements). Each SLA specifies an individual set of services tailored to the customer's requirements. It also defines cost reductions where the service provider fails to maintain the contracted service parameters and conditions of service.

    - **Comarch Fault Management** effectively monitors for problems and faults across the entire telecommunications network. It continuously surveys all network elements and enables visualisation, tracking and reception for the alarms.

    - **Comarch Network Performance Management** ensures, at no extra cost, optimum configuration and rapid and reliable performance for the network. It can be integrated with the existing management environment – again at no extra cost.

- **Comarch Workforce Management** manages the operator's technical teams. Its aim is to select the best team available for the commission in question, which may consist of one or several tasks.

2.1.1.4 Comarch Value Added Services (VAS)

Comarch Value Added Services (VAS) The basic services offered by operators include telephone conversations, video conversations, Internet access and SMS. When these are supplemented by value added services, such as online data processing, online data base storage and retrieval, e-mail and voice mail there is a significant rise in demand for the standard services. Value added services can be provided by the operators or by third parties.

Comarch Value Added Services for telecommunications operators include the following products:

- **Comarch Next-Generation TV (NGTV)** this is a complete IPTV solution based on supplying interactive video services to televisions, home cinemas, mobile phones and computers
- **Service Creation&Control** gives telecommunications operators and other service providers the high speed access to leading-edge services that is essential for their customer offers
- **Comarch MobiLoc** is a unique solution enabling continuous communication with mobile users and providing continuous monitoring of their location.

The excellence of Comarch solutions for the telecommunications sector rests on easy-to-integrate systems and the substantial business experience of Comarch consultants. The solutions can be implemented in a number of different configurations, which include third party products.

Comarch solutions are designed to meet the requirements of individual customers.

- ISP and WISP Business solutions
- VoIP Business solutions
- Fixed Business solutions
- Cable TV Business solutions
- Mobile Business solutions
- MVNO Business solutions

Comarch also provides the following **professional telecommunications services**:

- **Consulting** begins with an integration and business process needs analysis. Then, a solution is recommended and functional specifications produced. Finally, a plan is drawn up for implementing the integration platform at your company
- **Training** provides specialist product and IT training and consultation for beginners and above with a wide range of subject areas covered
- **Support** delivers Comarch's expert knowledge of the technology being employed and its system support tools and skills
- **Implementation** Comarch has many years of experience with integrated IT projects both in Poland and throughout the world. We know how to implement coherent, connected systems combining the right equipment and program tools with technical expertise, innovation and know how across a broad spectrum of technologies and services.

2.1.2. Solutions for the Finance and Banking Sector

2.1.2.1 Internet Banking and Financial Services

Comarch Internet Retail Banking provides 24/7 access to services offered by the bank to retail customers and „micro" companies over the Internet, WAP, SMS and other distribution channels. Due to excellent integration with various central systems, it is a versatile, complete, efficient and safe supplement of the IT bank environment. The Comarch Internet Banking Platform offers solutions for providing financial services through self-service channels, meeting high requirements of banks, brokerages, associations of investment funds and other financial institutions. It is also an integration platform, combining services and products offered by a financial institution or by an entire financial group into one solution.

Comarch Internet Corporate Banking is an innovative IT banking system specialised in services for corporate customers. It was created from the scratch and implemented for the first time in 2003 with all needs of medium-sized and large companies in mind. It is optimised for mass processing of payments, allocation of roles in a company, support of communication between the customer and the advisor appointed by the bank, as well as the highest security level available.

Comarch Internet Investments, as an independent system or a functional supplement for Comarch Internet Banking, ensures access to investment financial services through the Internet and other electronic channels of distribution (e.g. WAP, SMS and call centre) for customers of brokerages, trustees, Investment Fund Associations, Open Pension funds and other institutions operating in the capital market. This system, developed continuously since 1998, offers the widest functionality available in the market in the scope of access to the brokerage account, TFI registers and specialised investment products.

Comarch CustomerCare gives corporate and retail customers 24/7 access via Internet, WAP, SMS and other channels to the financial institution’s services. The system is tried and tested and has proved itself in the Internet delivery of all the financial and information services for financial institutions. The financial services are not only accessible via standard www browsers, but also over electronic channels such as WAP, SMS e-mail, IVR, Call Centre and interactive kiosks. Comarch Customer Care is under continuous development to meet the functional, legal and security requirements that regulate insurance company operations and set the standards for electronic transactions.

2.1.2.2 CRM and Sales Management

CRM Analytical is a new generation tool for the real time processing of high data volumes from companies’ internal systems and of data originating in external systems.

Comarch Content Management System (CMS) 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 used in Avaya Call Centre.

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

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

Comarch 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 Debt Management is a system facilitating notice and vindication processes. It enables centralised management of all processes and vindication cases with attention paid to the specific nature of the process and products, in the context of which it is used. All contacts with the debtor and other entities in the case are registered and the system reminds users about deadlines of tasks to be performed, such as telephone notice calls or replying to correspondence.

2.1.2.3 Credit Processes

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

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

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

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

2.1.2.4 Capital Markets and Capital Management

Comarch Asset Management is addressed to asset management companies, trust banks, investment, pension or insurance funds and other institutions that conduct investment activities and manage portfolios.

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

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.

2.1.2.5 Factoring

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

2.1.2.6 Insurance Processes

Comarch Insurance – Complex solutions supporting the basic business processes of insurance companies, dedicated to both property insurance companies and life insurance companies.

Comarch NonLife Insurance is a production system supporting all the processes of general insurance companies. Implementations can include all modules and product lines. As 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 is a comprehensive IT solution designed and produced for insurance companies to react flexibly and rapidly to the needs of the insurance market. 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.

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.

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

Comarch Insurance Scoring is an IT system based on a flexible and definable rules engine, which can be deployed across a variety of assessments in the underwriting process. Comarch Insurance Scoring was originally aimed only at the banking market, where it provided automated application assessments in risk assessment departments. The growing need to automate processes at insurance companies prompted a decision to direct the product to the insurance market as well.

Insurance Sales Platform makes sales processes more efficient, improves company-customer relations and so delivers higher customer portfolio quality. The platform provides a list of services and applications from which the best solutions for the customer can be chosen.

2.1.2.7 Data Security Solutions

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

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

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

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

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

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

2.1.3. Solutions for Businesses

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

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

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

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

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

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

ECOD is a complex solution of the EDI (Electronic Document Interchange) type and sales support. In the scope of sales channel management Comarch offers ECOD systems: Agent, Operator, Archive, Distribution, Data Share, Factoring, Delivery, DMS, Organiser, and Loyalty.

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

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

CDN system is a complete line of ERP systems for all types of businesses.

- The **CDN Egeria** Integrated Management System is a modern Polish system of the ERP II class, supporting company management features. The system offers a balanced functionality, including all essential areas of business activity. It is a universal tool guaranteeing stable development of any company, flexible enough to satisfy diverse needs.
- **CDN XL** is a multi-module, fully integrated IT system of the ERP class, dedicated for medium size and large trade, manufacturing and service companies.
- **CDN OPT!MA** is a program for management, handling sales, accounting, HR and salary departments. The program supports business management and it is a perfect working tool for an accounting office. The unique feature is the possibility of leasing the program over the Internet via the ASP - CDN Online platform.
- **CDN Klasyka** is a coherent and complete offer for small and medium-size trade, service and manufacturing companies. It consists of +10 programs supporting management and accounting, all working in the DOS environment.
- **CDN Online** is the online version of CDN OPT!MA in its managed service model. This involves the rental, storage and continuous updating of applications for a fixed monthly subscription fee.

- **CDN e-Sklep** is an Internet sales support solution. It possesses a wide range of functionality to effectively promote your offer on the Internet, provide a fuller description of the goods in your shop window and provide faster customer order turnaround.

2.1.4. Solutions for Public Administration

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

Managing the Organisation – ERP Systems

CDN Egeria - *Improving Management Efficiency*
It is an integrated IT system for improving management efficiency which offers extensive decision making support to public sector institutions. The system has a modular design with rich configurability and can be tailored to the individual needs of every customer. It has five fundamental operational areas: Finance and Accounting, including planning and budgeting, Personnel Management, Logistics, Customer Relations Management and Decision Making.

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

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

Comarch Business Intelligence – Reporting and Data Analysis
Comarch Business intelligence is software that provides decision making support through data analysis. Local government gathers a great deal of data which can and should be analyzed. This can contribute to generating reports and to building the intelligent, IT–capable office. This solution performs especially well for customers managing high data volumes with a number of systems and dispersed locations and for those who require a wide range of data presentation options.

2.1.5. Services Dedicated to All Group of Customers

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:
- Business Process Management
- Integration of IT Systems and implementation projects
- Turnkey projects
- IT Outsourcing (Outsourcing Infrastructures and Body Leasing)
- IT Services

All amounts are expressed in thousands of PLN unless otherwise indicated

- Data Security and Protection
- Consulting and Training

Sports activity

MKS Cracovia SSA carries out sport activity by participating in professional league and contests in several sport disciplines, with football and ice hockey being the key ones. The objective of investing in the company is promotion of ComArch brand. It is an element of marketing strategy of the ComArch Group, aimed at creating image of ComArch as the first-choice integrator for large and medium-seized enterprises in Poland.
Revenues from sport activity of MKS Cracovia SSA include revenues on account of advertising services and other services, as well as revenues from tickets for sport events organised by the company.

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

Due to the type of IT systems offered by the company, medium-sized and large companies (who are the largest clients of advanced IT solutions all over the world) constitute the main group of clients. Majority of company's products are addressed to specific groups of customers, while IT services are of universal nature and are offered to all groups of customers. Sale in the Group is highly diversified, with no dependency on one major client. In the first half of 2008, the share of BIW Koncept z o.o. constituted 16 % in Comarch's sales.
Due to the specific nature of the industry, in which Comarch manages its operations, international concerns, which are producers of computer systems and programmers tools, Polish branches and representatives of such concerns, as well as Polish distributing companies and subcontractors for systems, have to be considered sources of supply. In the first half of 2008, Ogólnopolska Fundacja Edukacji Komputerowej provided products and merchandise constituting 14.5 % in ComArch's proceeds on sales.

2.2.1. Revenues from Sales- Geographical Structure

	6 months ended 30 June 2008	%	6 months ended 30 June 2007	%
Domestic (Poland)	224,111	81.7%	218,205	80.7%
Export	50,118	18.3%	52,204	19.3%
Revenues from sales	**274,229**	**100.0%**	**270,409**	**100.0%**

Over the first half of 2008, export sales decreased by 4 % compared to the first half of 2007. The share of these sales in total sales reached the level of 18.3 % compared to 19.3 % in the previous year. The Management Board denotes that the Group's export sales are exposed to unfavourable effects related to strength of the Polish currency. Between the second quarter of 2007 and the second quarter of 2008 the average PLN/EUR exchange rate strengthened by 10.4 %, and the PLN/USD exchange rate by 22.3 %, that had a significant effect on the results from export sales.
Despite unfavourable macroeconomic conditions, enlargement of export sales to selected markets, mostly West and Central Europe, have remained the main strategic trends in the development of the Group. Value of foreign contracts in backlog for 2008 amounts to 100.7 million PLN and is higher by 5.3 % than in the previous year's half.

Geographical sales structure:

	6 months ended 30 June 2008	%	6 months ended 30 June 2007	%
Domestic (Poland)	224,111	81.7%	218,205	80.7%
Europe	39,835	14.5%	38,894	14.4%
North and South America	7,875	2.9%	10,383	3.8%
Other	2,408	0.9%	2,927	1.1%

All amounts are expressed in thousands of PLN unless otherwise indicated

TOTAL	**274,229**	**100.0%**	**270,409**	**100.0%**

2.2.2. Revenues from Sales – Market Structure

	6 months ended 30 June 2008	%	6 months ended 30 June 2007	%	Change in PLN	Change in %
Telecommunication, Media, IT	45,294	16.5%	54,851	20.3%	-9,557	-17.4%
Finance and Banking	65,551	23.9%	47,481	17.6%	18,071	38.1%
Trade and Services	33,426	12.2%	32,732	12.1%	694	2.1%
Industry & Utilities	24,871	9.1%	29,137	10.8%	-4,266	-14.6%
Public Sector	73,945	26.9%	80,112	29.6%	-6,167	-7.7%
Small and Medium-seized Enterprises	23,493	8.6%	20,202	7.5%	3,291	16.3%
Other	7,649	2.8%	5,894	2.1%	1,755	29.8%
TOTAL	**274,229**	**100.0%**	**270,409**	**100.0%**	3,820	1.4%

Over the first half of 2008, there was a significant increase in sales to customers of the finance and banking sector (an increase of 38.1 %), as well as the small and medium-seized enterprises sector (an increase of 16.3 %). At the same time, there was a significant decrease in sales to the telecommunication sector (a decrease of 17.4 %), as well as the industry sector (a decrease of 14.6 %). This confirms the Group’s assumptions in relation to the shape of demand for IT services this year. The Comarch Group has secured the possibility of stable growth, regardless of periodical business fluctuations in particular economical sectors, with well-diversified revenues and variety of products.

2.2.3. Revenues from Sales – Products Structure

	6 months ended 30 June 2008	%	6 months ended 30 June 2007	%	Change in PLN	Change in %
Services	151,907	55.4%	131,668	48.7%	20,239	15.4%
Proprietary Software	38,557	14.1%	27,061	10.0%	11,496	42.5%
Third-party Software	11,631	4.2%	37,743	14.0%	-26,112	-69.2%
Hardware	63,152	23.0%	66,869	24.7%	-3,717	-5.6%
Other	8,982	3.3%	7,068	2.6%	1,914	27.1%
TOTAL	**274,229**	**100.0%**	**270,409**	**100.0%**	3,820	1.4%

Over the first half of 2008, revenues from sales increased by 1.4 % to 274.2 million PLN. The increase in sales of services and proprietary Comarch software was 31.7 million PLN, i.e. higher by 20.0 %. Sales of third party software decreased by 26.1 million PLN, i.e. 69.2 %. Sales of computer hardware diminished slightly by 3.7 million PLN, i.e. 5.6 %. The share of services and proprietary software in total sales in the first half of 2008 amounted to 69.5 % and was significantly higher than in the first half of 2007 (58.7 %), and the total share of sales of computer hardware and third party software decreased from 38.7 % to 27.3 %.

2.3. The Most Important Contracts Signed in the First Half of 2008

2.3.1. Contract with BIW Koncept Sp. z o.o. (Limited Liability Company)

On 17 April 2008, a contract between ComArch S.A. and BIW KONCEPT Sp. z o.o. (Ltd) with its registered seat in Krakow was signed. Within the framework of the contract, Comarch will deliver computer hardware and software till 7 June 2008. The gross value of this agreement amounts to 53,183,000.06 PLN. The company announced details in current report no. 9/2008.

2.3.2. Contract with Ogólnopolska Fundacja Edukacji Komputerowej

On 17 April 2008, a contract between ComArch S.A. and Ogólnopolska Fundacja Edukacji Komputerowej with its registered seat in Wroclaw (hereinafter referred to as the "OFEK") was signed. Within the framework of the contract, OFEK will deliver computer hardware and software till 7 June 2008. The gross value of this agreement amounts to 48,424,302.22 PLN. The company announced details in current report no. 10/2008.

2.4. Production Capacity of the Group

Most of production by Comarch consists in production of computer software on the basis of customer orders and in production of company's own, versatile software products. The basic factor limiting the production capacity is human resources. The company flexibly manages teams of employees through continuous optimising of filling of posts in current commercial projects (for which contracts are signed) and internal projects (developing new products and updating the existing ones, not directly connected to contractual requirements).
As the company makes active investments in new products and technologies, and it strives to provide appropriately wide range of competencies for all its employees, there are no resources that are unused.

2.5. Activity in the Special Economic Zone

1. As a result of Poland joining the European Union, an act was passed on 2 October 2003 that changed the act on special economic zones and certain other acts (Journal of Laws No. 188 Item 1840) that changed the conditions for tax exemptions for entities operating in special economic zones. Pursuant to the article 6, section 1 of this act, these entities may apply for changes to the terms and conditions of their permits in order to adjust them to the principles for granting public aid in force in the European Union. Pursuant to the article 5, section 2 point 1 lit. b), point 2, point 3 of the act, the maximum amount of public aid for entities, which operate in a special economic zone on the basis of a permit issued before 1 January 2000, cannot exceed 75 % of the value of investments incurred in the period from the date of obtaining the permit until 31 December 2006, provided that in determining the maximum amount of public aid, the total amount of public aid obtained since 1 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 March 1999, until 31 December 2006.

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

ComArch S.A. approached the Minister of the Economy in order to change the terms and conditions of its permit. On 1 July 2004, it received a decision from the Minister of the Economy dated 24 June 2004 on the topic of changes to the terms and conditions of the permit (those mentioned above and those compliant with the act). The updated permit extended the period in which ComArch S.A. is entitled to use public aid for investments incurred in the special economic zone until 31 December 2017.
Pursuant to IAS 12, unused tax relief as at 31 December 2007 constitutes a deferred income tax asset. The limit of the unused investment relief as at 30 June 2008, discounted as at the permit date, is 25.48 million PLN.

As at 31 December 2007, the company presented a deferred income tax asset in the income statement due to activities in the SSE (hereinafter referred to as the "Asset") that was worth 8.74 million PLN. This Asset will be realised successively (as write-offs diminishing net profit of the Group) in proportion to the generation of Comarch's tax-exempt income in 2008. Within the first two quarters of 2008, due to the level of income achieved from activities in the Special Economic Zone in 2008, a part of Asset was dissolved and worth 4.08 million PLN. At the same time, pursuant to IAS12, the company will regularly verify the valuation of the Asset considering the possibilities of its realisation and further recognition. Additionally, the company signifies that the recognition of this Asset does not have any influence on cash flow in the company and in the Group (both the recognition and realisation of the Asset). This is an accrual based operation and is a result of the fact that the Group applies IFRS when preparing consolidated financial statements of the Comarch Group.

ComArch S.A. approached in order to get a new permit because it is still going to invest in the Special Economic Zone. The company received the permit on 17 April 2007.

2. During the first two quarters of 2008, the Group settled in part a deferred tax asset related to temporary differences that was recognised on 31 December 2007 and worth 0.65 million PLN. At the same time, an asset due to temporary differences was recognised in the amount of 0.96 million PLN as well as deferred tax provision in the amount of 0.11 million PLN. The total effect of the above-mentioned operations on the result of 2008 was 0.2 million PLN.

3. During the first two quarters of 2008, the Group reversed in total an asset due to tax loss in a subsidiary, ComArch Software AG that was recognised as at 31 December 2007, and worth 0.161 million PLN as well as in ComArch, Inc. worth 0.295 million PLN. The total effect of the above-mentioned operations on the result of 2008 was -0.456 million PLN.

4. Due to valuation of net assets of CCF FIZ (related to sales transaction of INTERIA.PL S.A. shares) a deferred tax provision was recognised in the amount of 36.34 million PLN.
The total effect of the all above-mentioned operations on the net result of 2008 was minus 40.683 million PLN.

All amounts are expressed in thousands of PLN unless otherwise indicated

3. FINANCIAL SITUATION OF THE CAPITAL GROUP IN THE FIRST HALF OF 2008

3.1. Financial Analysis

Balance Sheet

ASSETS	30 June 2008	%	31 December 2007	%	Change	%
Non-current assets						
Property, plant and equipment	209,598	29.2%	182,633	32.7%	26,965	14.8%
Goodwill	3,284	0.5%	3,284	0.6%	0	0.0%
Intangible assets	36,514	5.1%	35,559	6.4%	955	2.7%
Non-current prepayments	8,684	1.2%	8,458	1.5%	226	2.7%
Investment in associates	0	0.0%	0	0.0%	0	0.0%
Other investment	607	0.1%	106	0.0%	501	472.6%
Deferred income tax assets	8,111	1.1%	12,341	2.2%	-4,230	-34.3%
Other receivables	0	0.0%	0	0.0%	0	0.0%
	266,798	**37.1%**	**242,381**	**43.4%**	24,417	10.1%
Current assets						
Inventories	22,243	3.1%	32,839	5.9%	-10,596	-32.3%
Trade and other receivables	147,833	20.6%	188,550	33.7%	-40,717	-21.6%
Current income tax receivables	112	0.0%	0	0.0%	112	100.0%
Long-term contracts receivables	15,895	2.2%	17,806	3.2%	-1,911	-10.7%
Available-for-sale financial assets	10,175	1.4%	0	0.0%	10,175	100.0%
Other financial assets at fair value – derivative financial instruments	84	0.0%	0	0.0%	84	100.0%
Cash and cash equivalents	252,592	35.2%	66,362	11.9%	186,230	280.6%
	448,934	**62.5%**	**305,557**	**54.7%**	143,377	46.9%
Assets designated for sale	2,864	0.4%	10,551	**1.9%**	-7,687	-72.9%
Total assets	**718,596**	**100.0%**	**558,489**	**100.0%**	160,107	28.7%

The value of the company's assets increased by 28.7 % compared to the first half of 2008 and were 718.6 million PLN. The increase is related especially to current assets (an increase of 46.9 %) and is mostly result of a significant increase in cash and cash equivalents (an increase of 186.2 million PLN, i.e. 280.6 %) resulting from transaction on INTERIA.PL S.A. shares.

All amounts are expressed in thousands of PLN unless otherwise indicated

EQUITY	30 June 2008	%	31 December 2007	%	Change	%
Capital and reserves attributable to the company's equity holders						
Share capital	7,960	1.1%	7,960	1.4%	0	0.0%
Other capitals	131,845	18.3%	128,875	23.1%	2,970	2.3%
Exchange differences	-423	-0.1%	321	0.1%	-744	-231.8%
Net profit for the current period	160,052	22.2%	42,770	7.7%	117,282	274.2%
Retained earnings	149,396	20.8%	106,626	19.1%	42,770	40.1%
	448,830	**62.5%**	**286,552**	**51.4%**	162,278	56.6%
Minority interest	14,706	2.0%	14,228	2.5%	478	3.4%
Total	**463,536**	**64.5%**	**300,780**	**53.9%**	162,756	54.1%
LIABILITIES						
Non-current liabilities						
Credit and loans	89,482	12.5%	77,739	13.9%	11,743	15.1%
Other liabilities	0	0.0%	113	0.0%	-113	-100.0%
Deferred income tax liabilities	43,087	6.0%	6,634	1.2%	36,453	549.5%
Provisions for other liabilities and charges	2,357	0.3%	2,669	0.5%	-312	-11.7%
	134,926	**18.8%**	**87,155**	**15.6%**	47,771	54.8%
Current liabilities						
Trade and other payables	104,260	14.5%	152,867	27.4%	-48,607	-31.8%
Current income tax liabilities	1,343	0.2%	3,037	0.5%	-1,694	-55.8%
Long-term contracts liabilities	4,654	0.7%	7,125	1.3%	-2,471	-34.7%
Credit and loans	6,767	0.9%	4,945	0.9%	1,822	36.8%
Provisions for other liabilities and charges	3,110	0.4%	2,580	0.4%	530	20.5%
	120,134	**16.7%**	**170,554**	**30.5%**	-50,420	-29.6%
Total liabilities	**255,060**	**35.5%**	**257,709**	**46.1%**	-2,649	-1.0%
Total equity and liabilities	**718,596**	**100.0%**	**558,489**	**100.0%**	160,107	28.7%

An increase in the balance-sheet sum in total equity and liabilities results mostly from a significant increase in equity caused by high net profit generated in the first half of 2008. Equity increased by 162.8 million PLN (54.1 %), compared to the end of the previous year. Total liabilities remained the same although the liabilities structure did see a change. Non-current liabilities increased by 47.8 million PLN (54.8 %) linking to an increase of 36.5 million PLN in liabilities. This was due to deferred income tax and long-term bank credits for financing investment in the Special Economic Zone in Krakow. A decrease of 50.4 million PLN (29.6 %) in current liabilities resulted due to a decrease of 31.8 % in trade liabilities compared to the previous year.
Despite an increase in the value of liabilities due to credit and loans, the Group debts' degree was diminished, mainly due to a significant increase in equity.

Debt analysis	30 June 2008	31 December 2007
Debt ratio	13.39%	14.80%
Debt/equity ratio	21.44%	28.85%

All amounts are expressed in thousands of PLN unless otherwise indicated

Income Statement

	6 months ended 30 June 2008		6 months ended 30 June 2007	%	Change	%
Revenue	**274,229**	**100.0%**	**270,409**	**100.0%**	3,820	1.4%
Cost of sales	-213,481	-77.8%	-214,404	-79.3%	923	-0.4%
Gross profit	**60,748**	**22.2%**	**56,005**	**20.7%**	4,743	8.5%
Other operating income	484	0.2%	750	0.3%	-266	-35.5%
Sales and marketing costs	-22,848	-8.3%	-18,902	-7.0%	-3,946	20.9%
Administrative expenses	-25,472	-9.3%	-14,916	-5.5%	-10,556	70.8%
Other operating expenses	-2,764	-1.0%	-3,904	-1.4%	1,140	-29.2%
Operating profit	**10,148**	**3.7%**	**19,033**	**7.0%**	-8,885	-46.7%
Finance costs-net	192,189	70.1%	-121	0.0%	192,310	
Share of profit/(loss) of associates	0	0.0%	1,846	0.7%	-1,846	-100.0%
Profit before income tax	**202,337**	**73.8%**	**20,758**	**7.7%**	181,579	874.7%
Income tax expense	-41,858	-15.3%	-2,829	-1.0%	-39,029	1.379.6%
Net profit for the period	**160,479**	**58.5%**	**17,929**	**6.6%**	142,550	795.1%
Including:						
Net profit attributable to equity holders of the company	**160,052**	**58.4%**	**17,886**	**6.6%**	142,166	794.8%
Minority interest	427	0.2%	43	0.0%	384	893.0%

Within the first half of 2008, Comarch Group achieved strong financial results. Revenue from sales amounted to 274.2 million PLN. Operating profit was 10.1 million PLN (a decrease of 46.7 % compared to the previous year's 19 million PLN). As a result, the EBIT margin decreased from 7.04 % to 3.70 %. Net profit attributable to the company's shareholders amounted to 160.5 million PLN (an increase of 794.8 %) and net margin increased from 6.61 % to 58.36 %.

The table below presents selected financial data in nominal value (calculated according to IFRS) and in adjusted value (after the elimination of one-off events):

	6 months ended 30 June 2008	6 months ended 30 June 2007
Revenues from sales	**274,229**	**270,409**
Depreciation	9,382	8,101
Nominal EBIT (according to IFRS)	10,148	19,033
Impact of the managerial option costs on earnings	-2,970	-553
Impact on operating 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	-8,602	-1,030
Adjusted EBIT	**22,509**	**20,616**
Nominal net profit per company's shareholders (according to IFRS)	160,052	17,886
Impact of the managerial option costs on earnings	-2,970	-553
Impact on net earnings of the companies established by Comarch Corporate Finance FIZ	-34	0
Impact on earnings of the provisions for premiums due to net profit achieved by the Group in 2008	-8,602	-1,030
Impact on earnings of financial revenues achieved by Comarch Management Sp. z o.o. SK	4,158	0
Impact of assets on earnings due to deferred tax	-4,804	-2,039
Impact of assets dissolving on earnings due to tax loss in a subsidiary	-456	0
Impact of associate profit sharing on earnings	0	1,846
Impact on earnings of the sale of INTERIA.PL S.A. shares	152,556	0

All amounts are expressed in thousands of PLN unless otherwise indicated

Adjusted net profit per company's shareholders	**20,204**	**19,662**
Nominal EBITDA (EBIT + depreciation)	19,530	27,134
Adjusted EBITDA (EBIT + depreciation)	**31,891**	**28,717**
Nominal EBIT margin	3.7%	7.0%
Adjusted EBIT margin	**8.2%**	**7.6%**
Nominal net margin	58.4%	6.6%
Adjusted net margin	**7.4%**	**7.3%**
Nominal EBITDA margin	7.1%	10.0%
Adjusted EBITDA margin	**11.6%**	**10.6%**

Profitability analysis:	**6 months ended 30 June 2008**	**6 months ended 30 June 2007**
Margin on sales	22.15%	20.71%
EBIT margin	3.70%	7.04%
Gross margin	73.78%	7.68%
Net margin	58.36%	6.61%

Over the first half of 2008, after eliminating one-off events, the Comarch Group achieved financial results comparable to those in the first half of 2007. It is noteworthy the significant increase in revenues from sales of proprietary software and services, that levelled out the effect of the significant increase in remuneration in 2007, which increased costs over the first half of 2008. Decrease in the sales of the third party software and computer hardware is related to seasonal changes in demand for these categories of products. Adjusted operating margin amounted to 8.2 % reaching a higher level than in the previous year, i.e. 7.6 %. Adjusted net margin maintained at the comparable level of 7.4 % compared to 7.3 % last year.

Financial liquidity and turnover ratios

Liquidity analysis:	**30 June 2008**	**31 December 2007**
Current ratio	3.74	1.79
Quick ratio	3.42	1.49
Cash to current liabilities ratio	2.10	0.39

Due to very high levels of cash and cash equivalents, the Comarch Group had excellent financial liquidity within the first half of 2008. In the Management Board's opinion, Comarch Group has no issues with meeting contracted financial liabilities on time. Temporarily free funds are invested by the company in safe financial instruments like bank deposits, participation units in money investment funds and treasury bills.

Turnover analysis:	**6 months ended 30 June 2008**	**6 months ended 30 June 2007**
Current assets turnover ratio	0.61	0.94
Receivables turnover ratio (days)	97	112
Inventories turnover ratio (days)	52	73
Liabilities turnover ratio (days)	170	170
Liabilities turnover excluding liabilities due to investment credit ratio (days)	108	123

Turnover ratios indicate that company funds are used effectively. In the first half of 2008, the receivables turnover ratio increased marginally. This is the consequence of a lower level of trade receivables as of 30th June 2008. Furthermore, inventories turnover ratio also increased. The liabilities turnover ratio has remained at a similar level.

3.2. Explanation of Differences between Financial Results Given in the Annual Report and Forecasts of Results for the Given Year Published Earlier

The Group did not publish forecasts of results for the first half of 2008.

3.3. Changes in the Basic Rules of Management of the Issuer's Company and Its Capital Group

None present.

3.4. Transactions with Related Parties

Transactions with related parties, whose value exceeded 500,000 EURO in the first half of 2008, are transactions of purchase of goods and services from MKS Cracovia SSA for the amount of 3.13 million PLN; as well as transactions of sale of goods and services for ComArch Software AG for the amount of 6.09 million PLN and for CA Services S.A. for the amount of 4.7 million PLN. In the case of MKS Cracovia SSA these are mainly transactions of purchasing advertising services and in other cases mainly transactions within subcontracting IT and tele-IT works under contracts executed by particular companies in the ComArch Group.

3.5. Financial Liabilities

3.5.1. Bank Guarantees

On 30 June 2008, the value of bank guarantee and letters of credit issued by banks on order from ComArch S.A. was 28.97 million PLN.

3.5.2. Suretyships

As at 30 June 2008, there were no ComArch S.A.'s suretyships for the debts from lease agreements.

3.5.3. Credits

As at 30 June 2008, ComArch S.A. had liabilities due to credits in the amount of 96.25 million PLN.

ComArch S.A. credit lines:

a) An investment credit from Fortis Bank Polska S.A. with its registered seat in Warsaw in amount of 20 million PLN for the financing of the first construction stage of production and office buildings in the Special Economic Zone in Krakow. The crediting period may last a maximum of 10 years, i.e. until 2015. This credit has a variable interest rate. As at 30 June 2008, the value of the credit to be repaid amounted to 14 million PLN. A promissory note, the mortgage on land and the building insurance policy are security for this credit.

b) An investment credit from Kredyt Bank S.A. with its registered seat in Warsaw, for the financing of the second construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to 80 % of the investment value up to a maximum of 26.82 million PLN. The crediting period may last a maximum of 16 years at a variable interest rate. A promissory note, the mortgage on land and the building insurance policy are security for this credit. As at 30 June 2008, the value of the credit to be repaid amounted to 25.99 million PLN.

c) An investment credit from Fortis Bank Polska S.A. with its registered seat in Warsaw, for the financing of the third construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to 85 % of the investment value up to a maximum of 44 million PLN. The crediting period may last a maximum of 16 years at a variable interest rate and should be taken out by 30 September 2008. A promissory note, the mortgage on land and the building insurance policy are security for this credit. As at 30 June 2008, the value of the credit used amounted to 40.8 million PLN.

d) An investment credit from Bank Pekao S.A. with its registered seat in Warsaw, for the financing of purchase of land in the Special Economic Zone in Krakow. The credit amounts to 15.1 million PLN. The crediting period may last a maximum of 5 years at a variable interest rate. The mortgage on the land is security for this credit. As at 30 June 2007, the value of the credit to be repaid amounted to 15.1 million PLN.

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

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

3.6. Loans Granted

3.6.1. Loans

As at 30 June 2008, there were no unpaid home loans granted to employees of ComArch S.A.

As at 30 June 2008, the following companies of the Capital Group were indebted towards ComArch S.A. for loans granted: ComArch Software AG (1.878 million PLN), ComArch, Inc. (1.844 million PLN), ComArch LLC (0.085 million PLN), ComArch Panama, Inc. (0.742 million PLN), OOO ComArch (0.318 million PLN) and MKS Cracovia SSA (3.4 million PLN). Maturity dates for their payment come in the years 2008-2010.

3.6.2. Loans Granted to Managing and Supervising Persons

As at 30 June 2008, there are no unpaid loans as well as guarantees and suretyships granted by ComArch S.A. for the benefit of members of the Management Board, the Supervisory Board and their relatives.

3.7. Financial Risk

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

3.7.1. Credit Risk

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

3.7.2. Risk of Change in Interest Rates

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

3.7.3. Risk of Fluctuation in the Exchange Rates

The company is exposed to foreign exchange risk in relation to export sales and sales denominated in foreign currencies, especially in relation to foreign exchange of EURO/PLN and USD/PLN. At the same time, part of the company's costs is also expressed in or related to exchange rates for foreign currencies. In individual cases, the company hedges future payments with forward contracts and currency options.
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.

3.7.4. Financial Liquidity Risk

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

4. PERSPECTIVES FOR DEVELOPMENT

4.1. Factors Essential for Development of the Capital Group

4.1.1. Internal Factors

a) Increase in export 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 (licence fees),
- broader and more diversified circle of clients, which means a broader scale of activities;
e) Attractive training policy and attractive work conditions offered for employees of the Group;
f) Increasing awareness of the Comarch brand among prospective clients by promotion managed through the MKS Cracovia SSA;
g) Necessity of continuous investment in human resources to keep the company's competitiveness in the subsequent years
h) High levels of investment expenditure designated for research, and development activity, and development of new products and IT services.

4.1.2. External Factor

a) Enhanced requirements from clients for IT systems. There is an increase in demand for large, complex IT systems dedicated for specific users. This gives advantage to large IT companies such as Comarch, which offer a number of different technologies and products and which are able to provide technologically advanced solutions;
b) Development of Internet banking and more frequent usage of the Internet as a new distribution channel for financial products;
c) Change in business models in many branches as well as change in business strategies of many companies related to technical progress and quick economical development observed all over the world during last years, that enhances demand on new IT systems;
d) In relation to Poland membership in European Union, access of Polish companies to structural funds that will be allocated in part for development of IT systems or financing of R&D works;
e) Growing competition, causing decrease in achieved margins; competition between IT companies;
f) Continuous 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 which are unfavourable for exporters, especially EUR/PLN and USD/PLN, and which effect profitability of export sales.

4.2. Perspectives for Growth and Development of the Group in 2008

The growth in the IT market in Poland, as well as the overall economic growth in the Polish and world markets, should have a positive effect on Comarch's growth and development, and on the financial results it achieves. The pursuit of a consistent and resolute strategy to position itself on the market as a technology and product-oriented company is bringing results in an annually expanding client base with a high proportion of international companies. After Poland's integration with European Union, more and more foreign companies began to operate in Poland and the range of potential IT system clients will expand. In the same way, Comarch's activities on foreign markets should further increase sales and enhance its image among international corporations. This, in turn, will strengthen the company's competitive position on the Polish market.

Execution of ComArch S.A. strategy largely depends on macroeconomic conditions, beyond the company, especially on the level of IT investments in medium-size and large companies in Poland and abroad and on the fact that competition in the IT sector becomes more and more fierce. At the same time, effective management of operational risks is the necessary condition for execution of the strategy. The most important operational risks connected with the operations of the company are:
a) Risks related to R&D work (developing proprietary software products);
b) Risks related to assessment of time requirements for long-term contracts;
c) Risks related to failure to observe contract terms and conditions and contractors taking advantage of the provided performance guarantees;
d) Risk of foreign legal and political environment related to execution of export contracts;
e) Risk of decreased possibility (difficulty) of controlling and monitoring financial standing of foreign contractors.

4.3. Investment Plans

The globalisation of the economy and the liberalisation of trade mean that barriers for companies and their products are falling. The IT market is now an open, global forum where product price and quality are continuously compared. Along with the increased presence of foreign capital in Poland, even IT companies operating solely on the domestic market must offer products that are competitive in global terms. Right from the beginning, ComArch has enjoyed a reputation for generating innovative technical solutions and selling competitive products successfully on the international market.

This is why the company's aim remains to develop new and competitive products that will ensure its further growth and development and increase its value. Maintaining healthy sales dynamics requires expenditure on product development as well as on their effective promotion and marketing. This concerns both the modification of existing products and technologies as well as creating and designing new products.
Comarch's present policy entails research and development work directed to implementing and standardising products from the first moment they are being prepared for clients. This means that even if a product has been designed for a specific customer, the whole or a part of this software or code may then be used to produce a standard product. The effect of this is that individual contracts are more profitable and the client base expands. R&D work exceeded 16 % of revenue and was financed from Comarch's own funds and those won from the European Union. Over the next few years the Comarch Group will be managing innovative investment projects enabling further expansion into new business areas and onto new markets. They will be financed by money funds from sales of INTERIA.PL shares and other sources.

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

The most investment plan for the next year is continuation of the third investment stage in the Special Economic Zone in Krakow (construction of the production and office building, at 11.4 thousand square metres of the total space, including technical infrastructure). Value of works planned to be carried out in 2008 amounts to 22.62 million PLN. Planned completion date of the investment is on 30 November 2008.

5. COMARCH IN THE STOCK EXCHANGE

5.1. Resolutions of the AGM and the Board of Supervisors

5.1.1. Resolutions of the Board of Supervisors

A) Corporate Governance Principles

Pursuant to the rule number 3) included in the third part, pt 1 of the “Corporate Governance Principles”, in current report no. 14/2008, ComArch S.A.’s Management Board reported that on 9 June 2008 Supervisory Board of ComArch S.A. passed the resolution no. 4/6/2008 in which projects of the resolutions at the AGM, to be held on 25 June 2008, are given positive opinions.

On 9 June 2008, pursuant to the rule number 1) and 2) included in the third part, pt 1 of the “Corporate Governance Principles”, in current report no. 15/2008, ComArch S.A.’s Management Board presented, 2007 activities’ report of ComArch S.A.’s Supervisory Board and assessment of the company’s situation in 2007 including assessment of the company’s internal system control and risk management in the company.

B) Selection of an auditor entitled to audit and review financial statements of ComArch S.A.

The Supervisory Board of ComArch S.A selected Deloitte Audyt Sp. z o. o. to audit and review the financial statements and the consolidated financial statements of ComArch S.A. Deloitte Audyt Sp. z o. o. having its registered seat in Warsaw at ul. Piękna 18, is registered at number 73 in the list of entities entitled to audit financial statements. Deloitte Audyt Sp. z o. o. offered its services to ComArch S.A. within the scope of reviewing the consolidated financial statement of ComArch S.A. for first 6 months of 2006 and 2007, as well as auditing the annual financial statement of ComArch S.A. and the annual consolidated financial statement of ComArch S.A for 12 months of 2006 and 2007. ComArch S.A.’s Board of Supervisors selected auditor pursuant to art. 19 section 2 pt e) of the company’s Statute and pursuant to the operative regulations and professional standards. Agreement with Deloitte Audyt Sp. z o. o. shall be concluded for two-year period.

5.1.2. Content of the Resolutions Passed at the AGM

On 30 May 2008, pursuant to art. 395 § 1 and art. 399 § 1 of the Commercial Companies’ Code and pursuant to § 14 of the company’s Statute, the Management Board of ComArch S.A. convened the Annual General Shareholders Meeting of ComArch S.A., to be held at 09:00 o’clock on 25 June 2008, at Aleja Jana Pawła II 39A in Krakow, Poland. Agenda of the meeting was presented in the current report no. 12/2008. Projects of resolutions to be presented on AGM were published on 9 June 2008 in the current report no. 13/2008.

On 25 June 2008, the AGM passed the resolutions related to:
- removing from the agenda of the meeting the point regarding the election of the Returns Committee;
- passing the agenda of the meeting;
- approving the company's financial statement for the fiscal year 1.01.2007 - 31.12.2007;
- approving the report of the Management Board regarding the activities of the company in 2007;
- approving the activity report of the company's Board of Supervisors for the fiscal year 1.01.2007 - 31.12.2006 and audit of the company's financial statement and audit of the report of the Management Board regarding company's activities in 2007;
- approving the financial statement of the Capital Group for the fiscal year 1.01.2007 - 31.12.20076;
- approving the report of the Management Board of ComArch S.A. regarding the activities of the Capital Group in 2007;
- approving the report of the company's Supervisors Board of the audit of the consolidated financial statement of the Capital Group and of the report of the Management Board regarding the activities of the Capital Group in 2007;
- distribution of the company's net profit for the fiscal year 1.01.2007 - 31.12.2007
- acknowledging the fulfilment of duties by the members of the Management Board and the Supervisory Board in the fiscal year 1.01.2007 - 31.12.2007;
- election of Mr. Konrad Tarański to the post of Vice-President of the Management Board in ComArch S.A.;
- changes in the company's Statute;
- election of Mr. Maciej Czapiewski to the post of member of the Supervisory Board in ComArch S.A.;
- changes in the Rules for the Supervisory Board.

Information about new Vice-President of the Management Board was published in current report no. 17/2008 and about new member of the Supervisory Board in current report no. 16/2008.

The full content of the resolutions was published on 25 June 2008 in the current report no. 18/2008.

5.2. Operations on Shares of the Capital Group

5.2.1. Introduction of 9,400 Series A Shares to Trading

With the resolution no. 7/2008 dated 4 January 2008, the Management Board of the Warsaw Stock Exchange decided that pursuant to &19, sec. 1 and 2 of the Rules of the Warsaw Stock Exchange 9,400 ordinary bearer series A ComArch S.A. shares of nominal value of 1 PLN each are admitted to trading. Pursuant to &38 sec. 1 of the Rules of the Warsaw Stock Exchange, the Management Board of the Warsaw Stock Exchange decided that the shares mentioned in the point 1 will be introduced to trading on 11 January 2008, providing that on 11 January 2008 they will be assimilated by the National Deposit for Securities with other ComArch S.A. shares already in trading.

5.2.2. Change in Rights Attached to Series A Shares

Due to request of a shareholder and pursuant to resolution no. 1/16/2007 of ComArch S.A.'s Management Board passed on 13 August 2007 rights attached to 9,400 series A shares have been changed:
1) issuer's shares related to this change:
-9,400 registered preference series A shares
2) legal basis of taken action:
-Article 8 section 1 and 3 of ComArch S.A.'s Statute,
-Resolution no. 1/16/2007 of ComArch S.A.'s Management Board passed on 13 August 2007,
-Resolution No. 913/07 of the Management Board of the National Deposit for Securities dated 21 May 2007.
3) rights attached to shares before and after conversion
-before conversion – registered shares preferential for vote so that 5 votes in the General Meeting corresponds with each share,
-after conversion – ordinary bearer shares with no preferences.
4) number of converted registered preference shares: 9,400
5) number of votes at the issuer's general meeting after conversion: 14,991,796

5.2.3. Changes in BZ WBK AIB Asset Management S.A.'s Share in the Total Number of Votes at General Meeting of ComArch S.A.

a) 2 January 2008

As result of purchases of the shares, which were settled on 2 January 2008 as well as conversion of registered preference shares into ordinary bearer shares, clients of BZ WBK AIB Asset Management S.A. increased their share in total number of votes at ComArch S.A.'s annual general meeting by more than 2 %.
On 2 January 2008, there were 1,833,464 ComArch S.A. shares in the managed securities accounts of BZ WBK AIB Asset Management S.A. clients, which constituted 23.03 % of the company's share capital. This gave 1,833,464 or 12.23 % of the total votes at ComArch S.A.'s annual general meeting.
At the same time, BZ WBK AIB Asset Management S.A. informed that pursuant to art. 46, sec. 1, pt 1) of the Act on investment funds dated 27 May 2004 (Journal of Laws No. 146, pos. 1546, and subsequent changes), BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna authorised BZ WBK AIB Asset Management S.A. to manage investment portfolios of investment funds, whose body Towarzystwo is (hereinafter referred to as the "Funds"). With relation to authorisation mentioned above, this notice ought to take into account ComArch S.A. shares, which are held by funds.

b) 18 March 2008

As result of purchases of the shares, which were settled on 18 March 2008, clients of BZ WBK AIB Asset Management S.A. increased their share in total number of votes at ComArch S.A.'s annual general meeting by more than 2 %.
On 18 March 2008, there were 2,150,852 ComArch S.A. shares in the managed securities accounts of BZ WBK AIB Asset Management S.A. clients, which constituted 27.02 % of the company's share capital. This gave 2,150,852 or 14.35 % of the total votes at ComArch S.A.'s annual general meeting.
At the same time, BZ WBK AIB Asset Management S.A. informed that pursuant to art. 46, sec. 1, pt 1) of the Act on investment funds dated 27 May 2004 (Journal of Laws No. 146, pos. 1546, and subsequent changes), BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna authorised BZ WBK AIB Asset Management S.A. to manage investment portfolios of investment funds, whose body Towarzystwo is (hereinafter referred to as the "Funds"). With relation to authorisation mentioned above, this notice ought to take into account ComArch S.A. shares, which are held by funds.

5.2.4. Resolution of the National Deposit for Securities on Assimilation of Series A Shares

The Management Board of the National Deposit for Securities announced that decided to assimilate 9,400 ComArch S.A. shares (marked with the code PLCOMAR00061) with 6,193,396 ComArch S.A. shares (marked with the code PLCOMAR00012). Assimilated shares will be marked with the code PLCOMAR00012. The Management Board of the National Deposit for Securities announced that beginning from 11 January 2008 there will be 6,202,796 ComArch S.A. shares marked with the code PLCOMAR00012.

AFTER THE BALANCE SHEET DATE

None present.

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

a) Managerial Option Programme for 2005-2007

On 30 June 2005, the Annual General Meeting of Shareholders passed Resolution no. 51 on the managerial options programme for members of the Management Board and the company's Key Employees (17 persons in total). The objective of the programme was to additionally motivate members of the Management Board and Key Employees by options on Comarch shares (hereinafter referred to as the "Option") dependent on increases in the value of the company and its net profit. The program was executed through offers of newly-issued shares in the company in 2006, 2007 and 2008 to members of the Management Board and Key Employees. The value of the Option was at all times equivalent to the difference between the average closing price of the company's shares as of December of each year of the execution of the programme (beginning with 2005) and the issue price of shares offered to members of the Management Board and Key Employees.

Pursuant to the conditions of the program, the company has determined that:
a) the average capitalisation of ComArch S.A. as of December 2004 was 476.5 million PLN,
b) the average capitalisation of ComArch S.A. as of December 2005 was 441.7 million PLN,
c) the average capitalisation of ComArch S.A. as of December 2006 was 1,539.7 million PLN,
d) the average capitalisation of ComArch S.A. as of December 2007 was 1,410.4 million PLN.

The difference between the average capitalisation in December 2005 and the average capitalisation in December 2004 is negative, which means that the basic condition of the programme has not been met. As a result, shares for members of the Management Board and Key Employees weren't issued in 2006.
Basing on the company's quotations on Warsaw Stock Exchange, the Board of Supervisors agreed an increase in the company's cap of 1,098,010,607.08 PLN as at 31 December 2006. The Board of Supervisors agreed an option's value in the amount of 8.2 % of the increase in cap, i.e. 90,036,869.78. On 12 February 2007, the company's Board of Supervisors passed a resolution concerning execution of managerial option programme and declared that 441,834 series I2 shares will be issued, of nominal value of 1 PLN and issue price of 1 PLN. On 14 March 2007, the Board of Supervisors passed a resolution concerning changes in the resolution dated 12 February 2007, concerning execution of managerial option programme. As a result, 441,826 series I2 shares was issued, of nominal value of 1 PLN and issue price of 1 PLN. A subscription of I2 shares took place between 16 March 2007 and 23 March 2007.
The difference between the average capitalisation in December 2007 and the average capitalisation in December 2006 is negative, which means that the basic condition of the programme has not been met. As a result, shares for members of the Management Board and Key Employees will not be issued in 2008.

b) Managerial Option Programme for 2008-2010

On 28 June 2007, the Annual General Meeting of Shareholders passed Resolution no. 16 on the managerial options programme for company's Key Employees for 2008-2010. The objective of the programme is to additionally motivate members of the Management Board and Key Employees by options on Comarch shares (hereinafter referred to as the "Option") dependent on increases in the value of the company and increase in its capitalisation. The program will be executed through offers of newly-issued shares in the company in 2009, 2010 and 2011 to Key Employees. The value of the Option is to be at all times equivalent to the difference between the average closing price of the company's shares as of December of each year of the execution of the programme (beginning with 2008) and the issue price of shares offered to Key Employees. The basis for the calculation of the value of the Option shall be increases in company capitalisation, calculated as follows:
- For 2008 it will be the difference between the average capitalisation of the company in December 2007 and the average capitalisation of the company in December 2008; this will be calculated using the average closing price of Comarch shares in December 2004 as 69.53 PLN;
- For 2009 it will be the difference between the average capitalisation of the company in December 2008 and its average capitalisation in December 2009;
- For 2010 it will be the difference between the average capitalisation of the company in December 2009 and its average capitalisation in December 2010.

In the fourth quarter of the year that precedes the year of the Programme execution, the Supervisory Board of the company shall establish a list of Key Employees and single option factors. List of Key Employees and single option factors shall be established independently for each subsequent year. The total value of the all single option factors for each Key Employee in the given year shall amount to 3 % (in words: three percent) of increase in the company's capitalisation.
Pursuant to IFRS2, the company is obliged to calculate the value of the Option and classify it as a cost in the income statement in the Option period, i.e. from its issue date until its expiry date. The company

will recognise the value of the particular options beginning from the options' acquiring, i.e. an establishment by the Supervisory Board a list of Key Employees and single option factors for each subsequent year.
The company notes that despite the fact that the value of the Option decreases the net profit of the company and of the Group, this operation does not affect the value of cash flows. Moreover, the economic cost of the Option shall be classified in the income statement through its inclusion in the "diluted net profit" of newly issued shares for the participants of the programme. Despite the fact that the IFRS2 standard was officially adopted by the European Union to companies listed on the stock exchange in the preparation of consolidated statements, many experts point out its controversial nature – in their opinion, placing the cost of the Option in the income statement results in the double inclusion of the effect of the Option programme (once by result and second by dilution).

On 10 December 2007, with the resolution no. 3/12/2007, the Supervisory Board of ComArch S.A. established a list of Key Employees and single option factors for 2008. The total value of the all single option factors for each Key Employee in 2008 shall amount to 3 %.
Pursuant to IFRS2, the company has valuated the Option with Black & Scholes model and the Monte Carlo simulation technique. It was combined with the process of discounting non-negative financial flows related to the options calculated on the basis of the MAX () function. Apart from the assumptions resulting from the nature of the Option program described above, the following additional assumptions were adopted for the needs of the valuation:

- 5.74 % risk-free rate (the interest rate on 52-week treasury bills);
- 0 % dividend rate (the dividend rate in the period forecast as at the date of the passage of the programme);

34.45 % anticipated volatility (anticipated volatility based on historical volatility from the last 200 quotations prior to the date of the passage of the program on the basis of the average price of shares from opening and closing prices).
The determined Option's value amounts to 5.94 million PLN and it will be recognised in the income statement for 2008. An effect of the Option recognition in the income statement in the first half of 2008 was 2.97 million PLN.

5.4. Data Referring to the Agreement Signed with the Entity Entitled to Auditing Financial Statements

The Supervisory Board of ComArch S.A selected Deloitte Audyt Sp. z o. o. to audit and review the financial statements and the consolidated financial statements of ComArch S.A.
Deloitte Audyt Sp. z o. o. having its registered seat in Warsaw at ul. Piękna 18, is registered at number 73 in the list of entities entitled to audit financial statements. Deloitte Audyt Sp. z o. o. offered its services to ComArch S.A. within the scope of reviewing the consolidated financial statement of ComArch S.A. for first 6 months of 2006 and 2007, as well as auditing the annual financial statement of ComArch S.A. and the annual consolidated financial statement of ComArch S.A for 12 months of 2006 and 2007. ComArch S.A.'s Board of Supervisors selected auditor pursuant to art. 19 section 2 pt e) of the company's Statute and pursuant to the operative regulations and professional standards.
Agreement with Deloitte Audyt Sp. z o. o. was concluded on 29 August 2008 for one-year period and applies to review of the consolidated financial statement of ComArch S.A. for first 6 months of 2008 and audit of the annual financial statement of ComArch S.A. and the annual consolidated financial statement of ComArch S.A for 12 months of 2008.

5.5. Other Information Related to Stock Exchange Trading

5.5.1. Terms of Periodical Financial Reports

Pursuant to § 100 sec. 1 of the Regulation issued by the Minister of Finance on 19 October 2005 concerning current and periodical information pertaining to companies traded on the stock exchange, with current report no. 5/2008, ComArch S.A.'s Management Board presented terms of periodical financial reports in 2008.

5.5.2. The list of ComArch S.A.'s Current Reports and Financial Statements Made Public in 2007

On 17 April 2008, Management Board of ComArch S.A. presented the list of ComArch S.A.'s current reports and financial statements made public in 2007. The originals of these documents are located at the company's headquarters - al. Jana Pawla II 39a, Krakow, Poland. They are also available at http://www.comarch.pl/en/investors/reports

5.5.3. 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 3 April 2008.

5.5.4. ComArch S.A. Management Board Commentary to Events between 12 April and 13 April 2008

Due to events between 12 April and 13 April 2008 related to detention and release of Professor Janusz Filipiak, ComArch S.A.'s Management Board announced that:
- Charges against President of the Management Board were not related to activities of ComArch S.A. nor running a business in general,
- ComArch S.A.'s Management Board operated under standard rules,
- In Management Board's opinion, this case did not influence the future activities of ComArch S.A.

5.5.5. ComArch S.A. Management Board Commentary Related to Decline in Quotations of the Company's Shares

Due to significant decline in quotations of ComArch S.A. shares on 21 May 2008, ComArch S.A.'s Management Board announced in current report no. 11/2008 that does not know of any events that could cause that low quotations. The company's Management Board confirms previous declaration on financial results for 2008.

5.5.6. List of the Shareholders Holding at least 5 % of the Total Number of Votes at the AGM

Management Board of ComArch S.A. reports that accordingly to the list of shareholders participating the Annual General Shareholders Meeting of ComArch S.A. on 25 June 2008, Elżbieta Filipiak and Janusz Filipiak as well as BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A. on behalf of Arka BZ WBK Balanced Open Investment Fund, Arka BZ WBK Stable Growth Open Investment Fund, Arka BZ WBK Share Open Investment Fund, Lukas Open Investment Fund – Lukas Share Sub-fund, Lukas Open Investment Fund – Lukas Polish Dynamic Sub-fund, Lukas Open Investment Fund – Lukas Balanced Growth Sub-fund held at least 5 % of the total number of votes represented at this Meeting:

1. Janusz Filipiak - 846,000 registered preference shares which gave 4,230,000 votes at the AGM, which constituted 41.89 % of the all votes at this AGM and which constituted 28.22 % of the total number of votes;
2. Elżbieta Filipiak - 799,000 registered preference shares which gave 3,995,000 votes at the AGM, which constituted 39.57 % of the all votes at this AGM and which constituted 26.65 % of the total number of votes;
3. Married couple of Elżbieta and Janusz Filipiak - 94,000 registered preference shares which gave 470,000 votes at the AGM, which constituted 4.65 % of the all votes at this AGM and which constituted 3.14 % of the total number of votes.
4. BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych S.A. on behalf of Arka BZ WBK Balanced Open Investment Fund, Arka BZ WBK Stable Growth Open Investment Fund, Arka BZ WBK Share Open Investment Fund, Lukas Open Investment Fund – Lukas Share Sub-fund, Lukas Open Investment Fund – Lukas Polish Dynamic Sub-fund, Lukas Open Investment Fund – Lukas Balanced Growth Sub-fund - 1,155,000 ordinary bearer shares which gave 1,155,000 votes at the AGM, which constituted 11,44 % of the all votes at this AGM and which constituted 7,70 % of the total number of votes.

All amounts are expressed in thousands of PLN unless otherwise indicated

The total number of votes from all emitted ComArch S.A. shares is 14,991,796. Shareholders participating the Annual General Shareholders Meeting of ComArch S.A. on 25 June 2008 held shares giving 10,097,000 votes.

AFTER THE BALANCE SHEET DATE

5.5.7. Registration of Changes in the ComArch S.A.'s Statute

On 11 August 2008 ComArch S.A. received notice, dated 28 July 2008, concerning registration by the District Court for Kraków-Śródmieście, XI Economic Division of the National Court Register of changes in the company's Statute resolved by the General Meeting on 25 June 2008.
Pursuant to the above-said notice, previous article 18, section 1 of the company's Statute:
"1. The Supervisory Board shall appoint from among its members the Chairperson, the Vice-Chairperson, and also the Secretary of the Supervisory Board, as needed." is worded as follows:
"1. 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."
The unified text of ComArch S.A.'s Statute, registered with the decision of the Court of 28 July 2008, is available at http://www.comarch.pl/en/investors/corporate_governance

5.5.8. Registration of ComArch R&D S.A.R.L. in France

On 16 September 2008 Limited Liability Company was registered under the company name of ComArch R&D S.A.R.L. with its registered seat in Montbonnot-Saint-Martin, in France. Issuer's subsidiary, ComArch Software AG holds 70 % of ComArch R&D S.A.R.L. shares, that constitute 70 % of the share capital and 70 % of votes at the meeting of shareholders. The share capital of ComArch R&D S.A.R.L. amounts to 7,500 Euro and consists of 750 shares of nominal value of 10 Euro each. ComArch Sofware AG purchased the above-mentioned shares with internal means for the total price of 7,500 Euro. The shares were considered as significant due to the fact that ComArch Software AG exceeded 20 % in the share capital of ComArch R&D S.A.R.L. The subject matter of activities of ComArch R&D S.A.R.L. will be creation and implementation of IT systems, as well as advisement within the scope of IT systems.

Krakow, 29 September 2008

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		

6. Amendment to the Report of the Management Board

Methods of Calculation of Financial Ratios

Debt Ratios

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

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

Profitability Ratios

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

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

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

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

Return on Sales $= \dfrac{\text{Net Profit attributable to Shareholders}}{\text{Revenue}}$

Liquidity Ratios

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

Quick Ratio $= \dfrac{\begin{gathered}\text{Trade and Other Receivables+} \\ \text{+Cash and Cash Equivalents+} \\ \text{+Receivables due to Current Income Tax} \\ \text{+Available-for-Sale Assets+} \\ \text{+Cash and Cash Equivalents}\end{gathered}}{\text{Current Liabilities}}$

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

Turnover Analysis

Current Assets Turnover Ratio $= \dfrac{\text{Revenue}}{\text{Current Assets}}$

Receivables Turnover Ratio $= \dfrac{\left(\begin{array}{c}\text{Trade and Other Receivables+}\\ \text{+Receivables due to Current Income Tax}\end{array}\right)*180}{\text{Revenue}}$

Inventories Turnover Ratio (days) $= \dfrac{\text{Inventories*360}}{\text{Costs of Sold Goods and Materials}}$

Liabilities Turnover Ratio(days) $= \dfrac{\begin{array}{c}\text{(Liabilities+}\\ \text{-Liabilities due to}\\ \text{Long-term Contracts)*180}\end{array}}{\begin{array}{c}\text{Costs of Sold Products,}\\ \text{Services, Goods and Materials+}\\ \text{+Sales and Marketing Costs+}\\ \text{+Administrative Expenses+}\\ \text{+Other Operating Expenses}\end{array}}$

Liabilities Turnover Ratio excluding Liabilities due to Investment Credit (days) $= \dfrac{\left(\begin{array}{c}\text{Liabilities+}\\ \text{-Credits and Loans}\end{array}\right)*180}{\begin{array}{c}\text{Costs of Sold Products,}\\ \text{Services, Goods and Materials+}\\ \text{+Sales and Marketing Costs+}\\ \text{+Administrative Expenses+}\\ \text{+Other Operating Expenses}\end{array}}$