



# ANNUAL REPORT 2010



**ANNUAL  
REPORT  
2010**



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# LETTER FROM THE CEO TO SHAREHOLDERS

Krakow, 29<sup>th</sup> of April, 2011

*Dear Shareholders,*

*In 2010, the Comarch Group has succeed in export sales, yet again increased its level of revenue and achieved highly favorable financial results. In 2010, revenue from sales of the Comarch Group increased by 4.4 % and amounted to 761.4 million PLN. The Group achieved extremely positive financial results for sales of core proprietary products and services. There was an increase in EBIT margin from 2 % to 3.3% despite the restructuring of the German subsidiary company Comarch Software und Beratung AG, which continued in 2010, and despite the costs incurred through developing new and innovative IT projects. In 2010, the operating profit of the Comarch Group amounted to 24.8 million PLN, and net profit attributable to the company's shareholders reached 43.7 million PLN.*

*2010 also saw the Comarch Group continue to pursue its long-term growth strategy based on proprietary products and development of foreign activity. The Comarch brand is renowned both domestically and internationally and is associated with technologically advanced IT systems, high quality services and a professional customer-focused approach. Comarch systems support customers from various branches in dozens of countries not only in Poland and Europe, but also in both the Americas and in the Middle East. In 2010, the Comarch Group concluded IT contracts, significant in value and on the European market. They were signed with demanding customers, like E-plus, German telecommunication operator. The company's strategic guidelines for the coming year include the strengthening of the company's market position as a global provider of IT products and services for international corporations. To achieve this, the company plans to continue significant infrastructure investment and to intensify marketing operations, especially within the DACH region (Germany, Austria and Switzerland). From the beginning of 2011, the Group has been conducting its business on new markets in Europe and Northern America (Finland, Luxembourg, Canada). The Comarch Group is one of the largest IT enterprises on the domestic market and pursues a large number of projects in all sectors of the economy. A main success achieved by the company over the course of the year 2010 resulted in selling proprietary software to banks and financial institutions (with an increase of 19.1 million PLN in revenue) and to telecommunication enterprises (with an increase of 17.1 % in revenue).*

*The Comarch Group has placed great emphasis on its investment in human resources, in the most advanced technologies and in novel and innovative products in order to secure and maintain a long-term competitive advantage. Expenditure on research and development has now exceeded 12 % of sales revenue, which has been financed both by proactively seeking out European funds and from the company's own resources. In 2010, the Comarch Group acquired 200 employees, mostly IT specialists, as this is a key factor in executing an increased number of contracts, and in the further development of the company.*

*In 2010, Comarch continued to expand its production resources. Works on the fifth office and production building in the Special Economic Zone were continued and works on Comarch branch in Łódź has been initiated. Works on the construction of new offices and Data Center in Dresden and Lille were also continued. Following the completion of these investments, Comarch S.A. will be equipped with high quality workspace which will enable seamless execution of IT projects.*

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

Professor Janusz Filipiak



President of the Management Board



# COMPANY BODIES





## *Professor Janusz Filipiak*

**FOUNDER, PRESIDENT OF THE MANAGEMENT BOARD,  
CHIEF EXECUTIVE OFFICER COMARCH SA**

Janusz Filipiak is the founder and CEO of Comarch SA. He holds a Professor's degree in telecommunications, which enables him to give his organization unique competitive features from functioning on the convergence of the academic and business worlds. This is one of the main sources which provides Comarch with its unrivalled level of innovation and competitiveness. Professor Filipiak has over 20 years of experience in hi-tech industry. In the eighties he worked for France Telecom Laboratories (Paris) and held Scientist and Manager positions at Universities in Australia and the U.S. From 1991-1998, Professor Filipiak was the Head of the Telecommunication Department at the AGH University of Science and Technology (Kraków), and in 1991, he earned a Professor's Degree. He is the author of over one hundred publications in the domains of telecommunications and teleinformatics. He has written six books on teleinformatics (two of which were published in the U.S. and Western Europe), and still contributes to many specialist IT publications. The President of the Board of Directors of Comarch Software und Beratung AG (formerly SoftM Software und Beratung AG) since 2010.



## *Piotr Piątosza*

**PIOTR PIĄTOSA, VICE PRESIDENT OF THE MANAGEMENT BOARD COMARCH SA,  
DIRECTOR OF THE TELECOMMUNICATIONS BUSINESS UNIT**

Piotr Piątosza has a Master's Degree in Technological Physics from the AGH University of Science and Technology in Krakow, as well as the joint-award MBA from Oxford Brookes University and the Polish Open University. He also studied physics at the Johannes Gutenberg University in Mainz, Germany. From the beginning of his career with Comarch in 1998, he has held the positions of Director of Consulting at the Finance and Banking Business Unit, as well as Director of the Telecommunications Business Unit. He has been the Vice President of the Management Board since June, 2006. In 2009 he was appointed CEO of SoftM AG (a German company bought by Comarch in November 2008). In the years 2009-2010 the President of the Board of Directors of Comarch Software und Beratung AG. The Deputy President of the Board of Directors of this company at present.



## *Paweł Prokop*

**VICE PRESIDENT OF THE MANAGEMENT BOARD COMARCH SA  
DIRECTOR OF THE PUBLIC ADMINISTRATION AND UTILITIES BUSINESS UNIT**

Paweł Prokop graduated from the AGH University of Science and Technology in the Faculty of Electrical Engineering, Automatics and Electronics. He specialized in information technology and holds a Master of Science Degree. In 1995 he started working at Comarch SA and since 1996 he has been a member of the Management Board. In 2003 he became the Director of the Public Administration and Utilities Business Unit. He is also a graduate of the Executive MBA program organized by the Warsaw University of Technology Business School.



## *Piotr Reichert*

**VICE PRESIDENT OF THE MANAGEMENT BOARD COMARCH SA  
DIRECTOR OF THE BANKING, INSURANCE AND CAPITAL MARKETS BUSINESS UNIT**

Piotr Reichert holds a Master's degree in Economics from the University of Economics in Krakow, where he specialized in finance and banking. He also holds an MBA from the Oxford Brookes University-Polish Open University joint program.

Piotr Reichert has been working for the group since 1998. From 1998-2000 he initially worked as an ERP implementer in CI HTS-SA, while from 2000-2005 he was the Director of the Responsibility Center in the Finance and Services Business Unit. From 2005-2007 he was Director of the sub-sector responsible for operating loyalty systems in the Finance and Services Business Unit and he is now Vice President responsible for the Banking, Insurance and Capital Markets Business Unit.



## *Zbigniew Rymarczyk*

**VICE PRESIDENT OF THE MANAGEMENT BOARD COMARCH SA  
DIRECTOR OF THE ERP BUSINESS UNIT**

Zbigniew Rymarczyk graduated from the University of Economics in Kraków, where he specialized in management and marketing. His career at Comarch began in 2000 where since June 2004 he has been a member of the Management Board. From 2000-2002 he held the post of Finance Director and Vice President of Comarch Internet Ventures SA, in April 2002 he became the President of the CDN SA Management Board. Prior to performing these functions, he was the Director of the Application Service Provider Center at CDN SA. He began his professional career as Finance Director and Chief Accountant at Krzysztof Kapera SA, an authorized Mercedes-Benz dealer, and later became a member of their Management Board.



## *Konrad Tarański*

**VICE PRESIDENT OF THE MANAGEMENT BOARD COMARCH SA  
CHIEF FINANCIAL OFFICER**

Konrad Taranski graduated in Finance and Banking from University of Economics in Krakow and also took post-graduate courses in Financial Management at the Vienna School of Economics, as well as in Economics and Real Estate Valuation from Kraków Polytechnic. He has worked at Comarch SA since 1999. He began as a Financial Analyst before becoming a manager in the Finance Department in 2001. In 2007 Mr. Taranski took up the post of Deputy Chief Financial Officer at Comarch SA and he is currently the acting Chief Financial Officer of Comarch SA.



## *Marcin Warwas*

**VICE PRESIDENT OF THE MANAGEMENT BOARD COMARCH SA  
DIRECTOR OF THE SERVICES BUSINESS UNIT**

Marcin Warwas is a graduate of the AGH University of Science and Technology in Krakow, where he specialized in telecommunications. He has been working for Comarch SA since 1996, where he was a member of the Network Systems Management Board. From 1997-1998 he was Director of the Comarch SA branch in Warsaw. In 1998 he began working as Sales Director, and was subsequently appointed Director of the Services Business Unit in 2007.

## Supervisory Board

*Elżbieta Filipiak* (**CHAIRMAN OF THE BOARD**) is a graduate of AGH University of Science and Technology in Krakow in the field of Metallurgy, with a specialization in Metal Physics and Metallography. She has also pursued postgraduate studies at the Warsaw School of Economics in the field of Enterprise Finance Management. She and her husband Janusz Filipiak are the founders and main shareholders of Comarch SA. Elżbieta Filipiak holds the majority of shares in Grupa EFI SA, where she is President of the Management Board.

*Maciej Brzeziński* (**DEPUTY CHAIRMAN OF THE BOARD**) has received higher education in the field of Foundry at AGH University of Science and Technology in Krakow, where he conducted scientific research (PhD in the domain of Foundry). Between 1992 and 1995 he was the President of the Management Board of RBS Katowice. Since 1993, Maciej Brzeziński has been the President of the Management Board of Metimpex Kraków, a company that distributes technical articles. From 1994, he has been working as the President of the Management Board of Alwit Poland.

*Maciej Czapiewski* graduated in Management from the Economics Academy in Poznan, and in Law and Administration from Poznan's Adam Mickiewicz University. Between 1997 and 2005 he worked with the auditing company HLB Frackowiak i Wspólnicy Sp. z o.o. Since 2006, he has been President of the Management Board of HLB M2 Audyt Sp. z o.o. Earlier in his career he helped create and develop a production processes support application whilst on a professional experience placement at Rover Body and Pressings of Swindon, U.K. As well as being a skilled company financial analyst, he is also a specialist in auditing financial statements for listed companies and capital groups. From April 2007 to February 2008 he was a member of the Supervisory Board of PKO BP S.A.

*Wojciech Kucharzyk* is a graduate of AGH University of Science and Technology in Krakow in the domain of Electrical Engineering, Automation, Computer Science and Electronics. Between 1976 and 1991 he worked within a scientific capacity at the Institute of Electronics at AGH. In 1985 he worked as a visiting Professor in the Electrical Engineering Department at Arizona State University in Phoenix, AZ, U.S. Since 1992, Wojciech Kucharzyk has been managing a company that integrates tele-IT systems. He also deals with design engineering and implementations in the field of Customer Interaction Management. Between 1997 and 2002 he managed the Research and Development Center that realized advanced IT projects for the American company e-Share Communications - a world leader in systems for Call Centers.

*Anna Ławrynowicz* attained her higher education in the field of Technology at the Poznan University of Technology (Department of Mechanical Engineering). In 1983, she received a PhD from the Poznan University of Economics. In 2007, she qualified as an Assistant Professor in the field of Economics at the Wrocław University of Economics. From December 15<sup>th</sup> 1978 to October 30<sup>th</sup> 2008 she worked at the Technical and Natural University in Bydgoszcz, and between 2000 and 2008, she worked there as the Head of the Management and Marketing Laboratory in the Production Engineering Department, and later in the Faculty of Management. Between 1994 and 1996, she was the co-founder and member of the Management Board of Comarch in Krakow, as well as the Director of Comarch's branch in Bydgoszcz. Between 1997 and 2003, she was the owner and Director of the Agency for Enterprise Development in Bydgoszcz. From 2005, she has been a member of The Operational Research Society in Birmingham, U.K. Since the 1st of November, 2008, she has been working as an associate Professor at the Enterprise Institute in the Warsaw School of Economics. She is the author of over sixty publications, both in Poland and abroad, in the domains of Information Technology and Management.

*Tadeusz Syryjczyk* a graduate of AGH University of Science and Technology in Krakow in the domain of Electrical Engineering, Automation, Computer Science and Electronics (with a PhD in the IT field). He is the author of publications in the area of Game Theory and Programming Languages. Between 1971 and 1980 he worked within a scientific capacity at the AGH Institute for Automation and Electronics in Krakow, and from 1981-1989 in the IT Institute of AGH. Between 1987 and 1989 he worked at the IT company ABAKS in Krakow. He is the co-founder of the Krakow Industrial Society, and since 1989 has been its President. From 1989-1990, as well as from 1991-2001 he worked in Politics. Between 1989 and 1990 he was the Minister of Industry and from December 1998 - June 2000 he held the post of Minister of Transport and Naval Economy. In 1991 and from 2002-2003, Mr. Syryjczyk worked individually as a consultant and counselor. From 2003 to 2007 he worked as the Director in the European Bank for Reconstruction and Development in London (as a Polish representative in the Board of Directors). He is also a member of the Polish Tourist Country-Lovers' Society as well as the Polish IT Society.



## Shareholding Structure – 31<sup>st</sup> the of December 2010

Comarch SA's share capital consists of 8 051 637 shares at total nominal value of 8 051 637 PLN. According to the information possessed by Comarch SA, as at 31st of December, 2010, 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.

Shareholder	Number of shares	% of share capital	number of votes at the company's aGm*	% of votes at the company's aGm
Janusz Filipiak	2 620 010	32,54	6 192 010	41,16
Elżbieta Filipiak	846 000	10,51	4 230 000	28,12
The remaining members of the Management Board	103 762	1,29	141 362	0,94
The customers of BZ WBK AIB Asset Management S.A., <i>Including Comarch shares held BZ WBK AIB TFI S.A.</i>	2 756 060 1 814 612	34,23 22,54	2 756 060 1 814 612	18,32 12,06
Other shareholders	1 725 805	21,43	1 725 805	11,46
<b>Total</b>	<b>8 051 637</b>	<b>100,00</b>	<b>15 045 237</b>	<b>100,00</b>

## Comarch SA Share Performance 2010 (in PLN)



# Shareholding Structure – 29<sup>th</sup> of April 2011

## Shareholding - number of shares



29 th of April, 2011

## Shareholding - number of votes



29 th of April, 2011



*Comarch's Headquarters in Cracow*

# Comarch's 18<sup>th</sup> anniversary, Poland's Silicon Valley at the foot of Cracow's Wawel Castle

"The spin-off that brought Comarch to life in 1993 was the first, and in those days the only, corporate approach of its kind in this part of Europe. In America, this kind of business model was developed by companies such as Cisco or Sun" – said Professor Filipiak. It all began at the AGH University of Science and Technology in Cracow in room no. 415 where Professor Janusz Filipiak, head of the Department of Telecommunications, along with 12 students, made history by establishing Comarch.

## FACTS

## OUR SOFTWARE PRODUCTS





# COMARCH 2010 – FACTS AND FIGURES

## Comarch Capital Group – 2010 in Figures

Sales revenue	<b>761,361</b> millions of PLN
Operating profit	<b>24,819</b> millions of PLN
Net shareholder profit	<b>43,717</b> millions of PLN
Earnings per share	<b>5,44</b> PLN
Assets	<b>968,105</b> millions of PLN
Employment (31 <sup>st</sup> December 2010 excluding MKS Cracovia SSA)	<b>3 462</b> persons (growth of 6,2 %)

## Financial Data

In 2010, Comarch Group sales revenue climbed by 4.4 % to 761.4 million PLN year on year. Operating profit increased by 72.7 % to 24.8 million PLN and net profit attributable to the company's shareholders amounted to 43.7 million PLN, an increase of 35.3 %. EBIT margin was up year on year at 3.3 % (2 % in 2009) and net margin increased from 4.4 % to 5.7 %. On the 31st of December, 2010 the Comarch Group employed 3,462 people excluding employees of MKS Cracovia SSA. This represented a 6.2 % growth in the number employed, an increase of 202 people compared to the end of 2009.

The value of the Comarch Group's assets at the end of 2010 grew by 8.2 % from 895.1 million PLN to 968.1 million PLN. This resulted from a 14.9 % increase in current assets. Equity grew by 5.4 % over 2010 and was due in large measure to the sizeable increase in retained earnings in 2010. Liabilities and provisions for liabilities grew by 12.7 %.

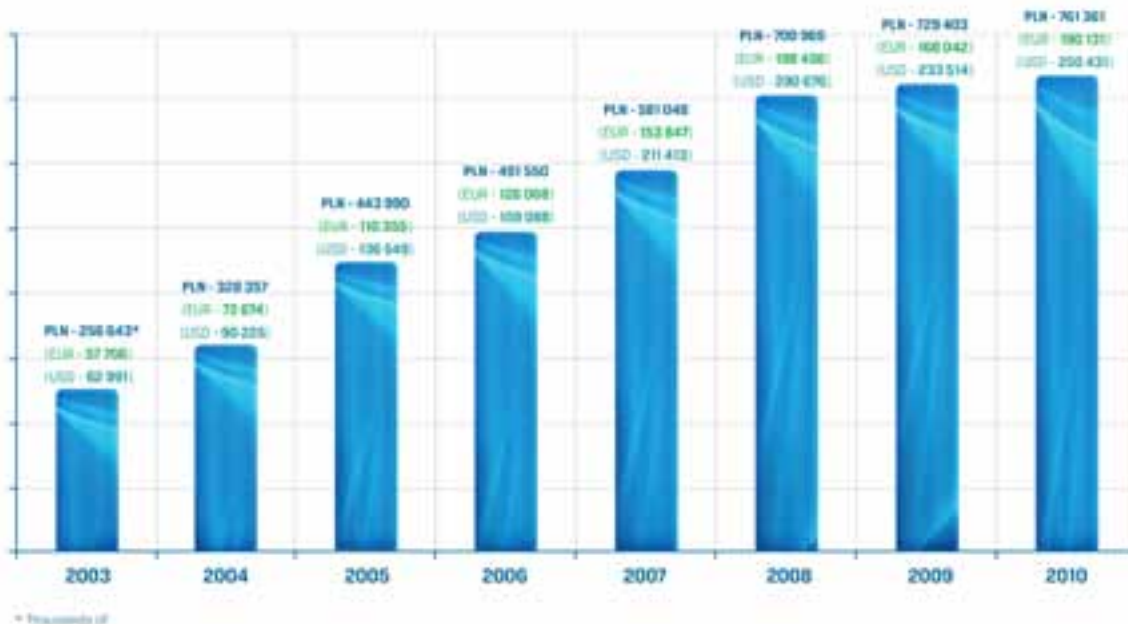
## Consolidated Financial Data

	2010	2009	2008	2007	2006
Revenue from sales	761 361	729 403	700 965	581 048	491 550
Operating profit	24 819	14 373	45 919	44 006	45 551
Profit before income tax	24 979	18 465	244 521	45 519	54 572
Net profit attributable to the company's shareholders	43 717	32 306	199 126	42 770	52 760
Profit per share	5,44	4,06	25,01	5,46	7,13
Assets	968 105	895 106	915 247	558 489	461 559
Book value	584 189	554 316	534 174	300 780	256 983

## 2010 Summary

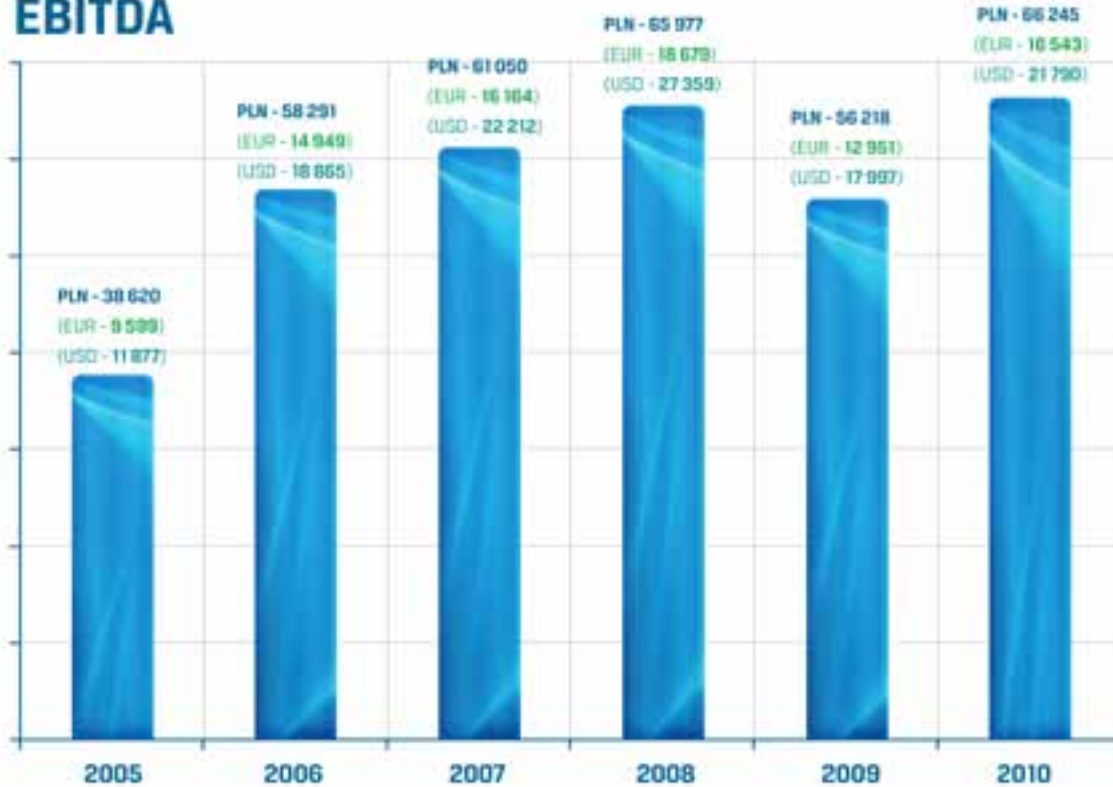
- » High growth in revenue, operating and net profit in comparison with 2009
- » Very good financial results from core activity, high level of consolidated EBITDA
- » Exceptional success in export sales - acquiring reference contracts; the value of export contracts included in the backlog for the current year increased by over 50 %
- » Increasingly higher share of long-term contracts, resulting in an increase in backlog for the following year of over 70 %
- » Increase in employment, increased competition on the labor market

## Sales revenue



\*data related to 2004 after adjustments to IFRS

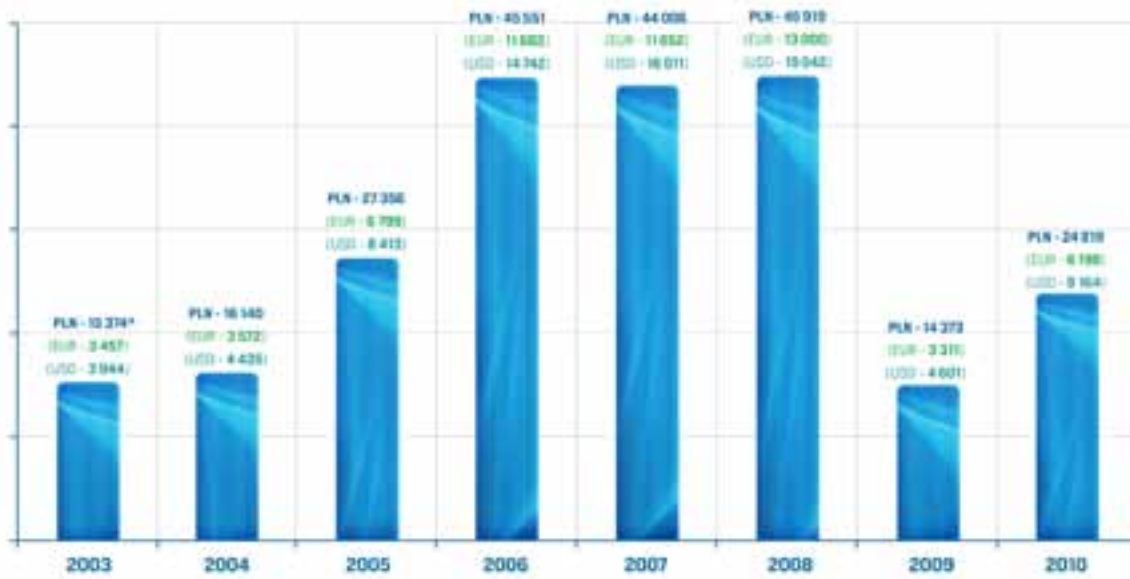
## EBITDA



\*data related to 2004 after adjustments to IFRS



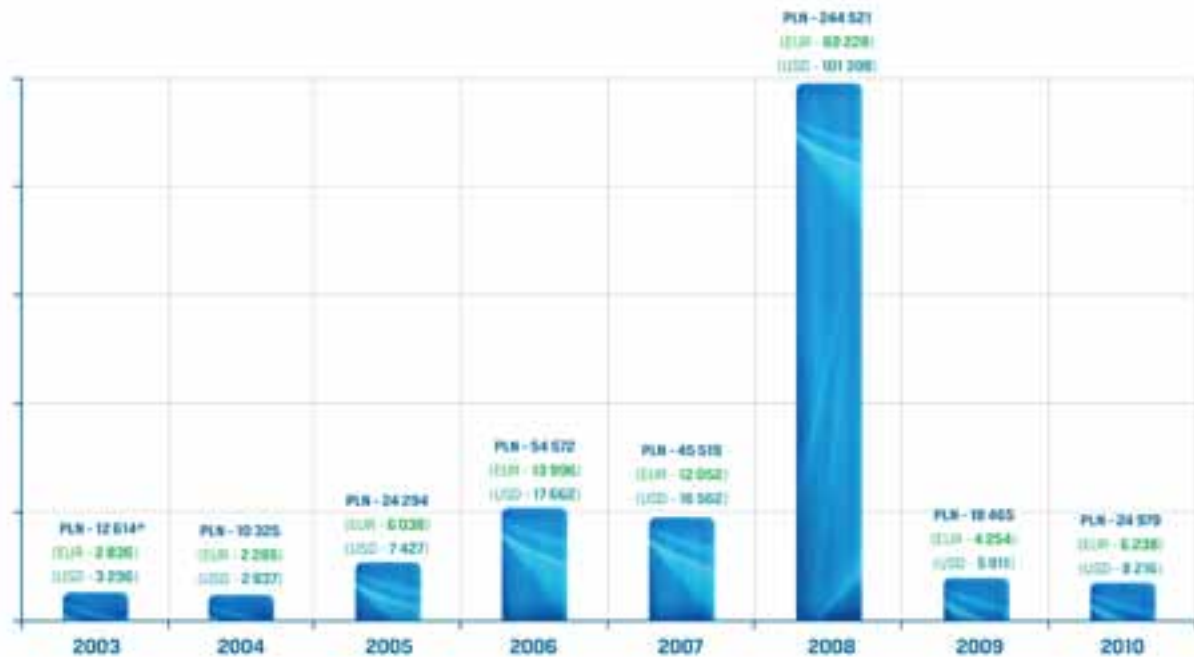
## Operating profit



\* Thousands of

\*data related to 2004 after adjustments to IFRS

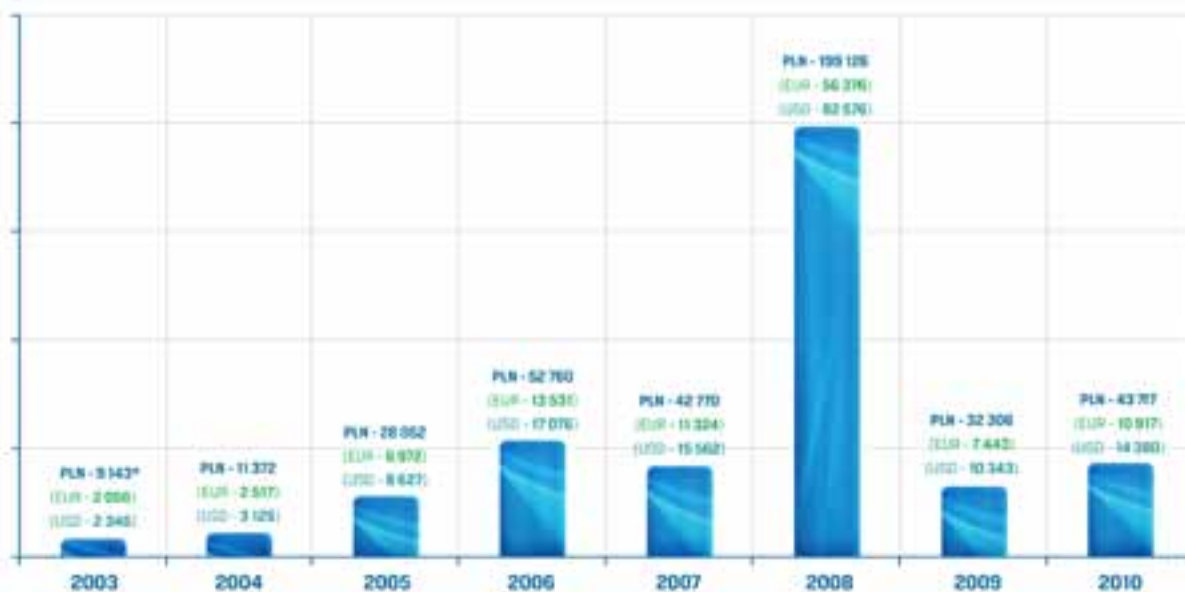
## Profit before income tax



\* Thousands of

\*data related to 2004 after adjustments to IFRS

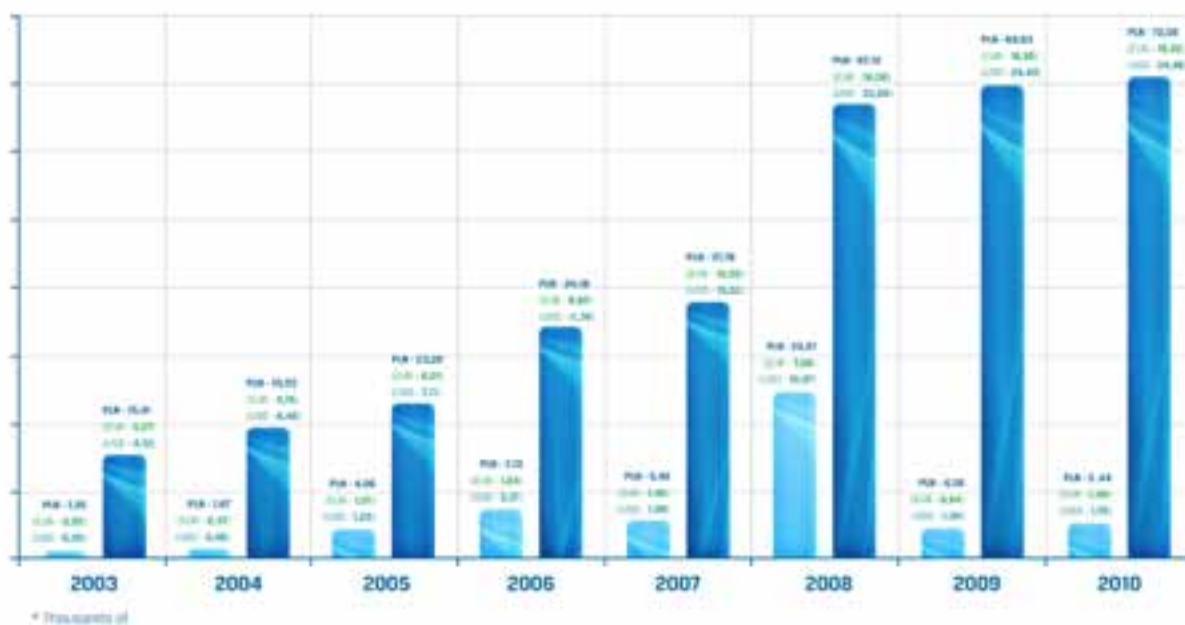
## Net profit per Comarch shareholders



\* Thousands of

\*data related to 2004 after adjustments to IFRS

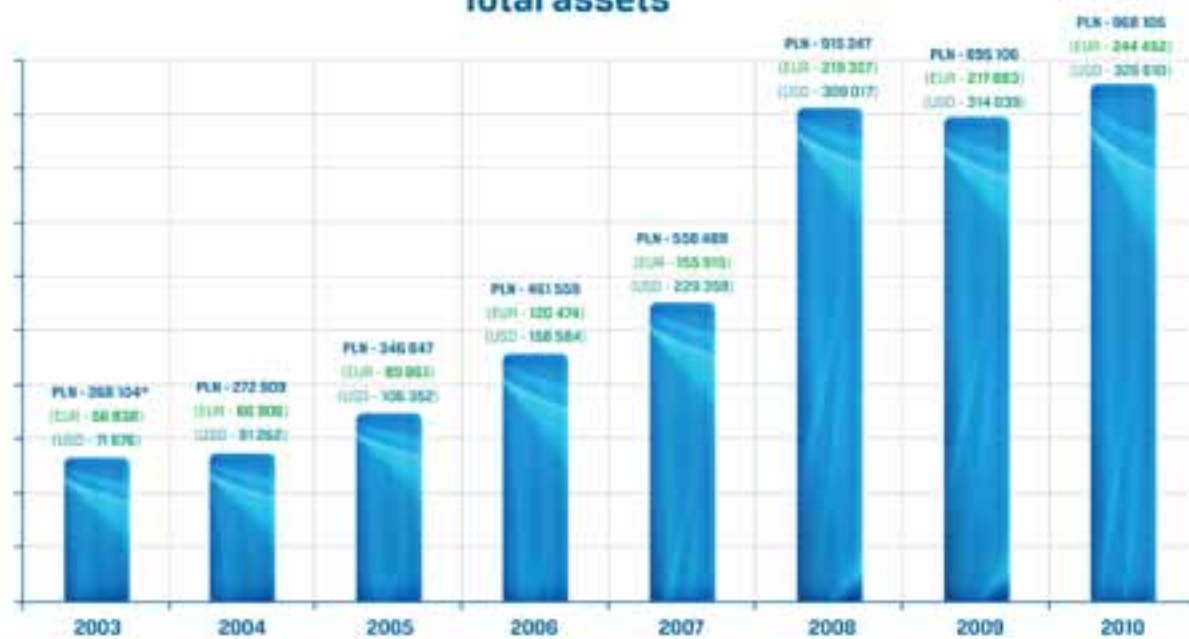
## ■ Earnings per share   ■ Book value per share



\* Thousands of

\*data related to 2004 after adjustments to IFRS

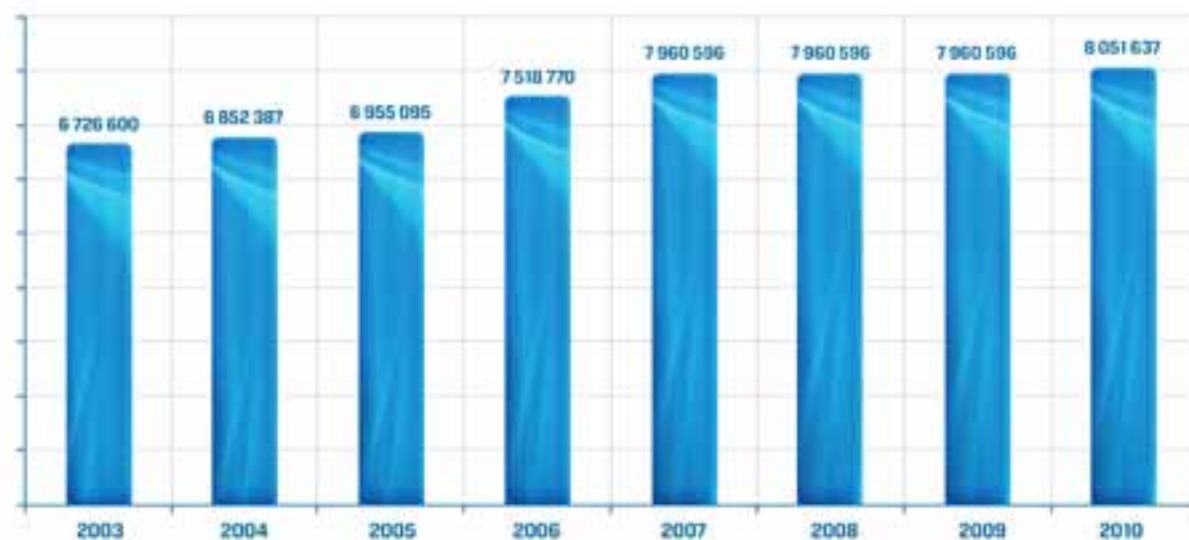
## Total assets



\*Thousands of

\*data related to 2004 after adjustments to IFRS

## Number of shares (units)



\*data related to 2004 after adjustments to IFRS

## Plans for 2011

- » Further development in foreign markets, with significant pressure in the DACH region
- » Efficient execution of prestigious export contracts, generating valuable references
- » Comarch infrastructure extension in Western Europe and Poland
- » Further investment in the medical sector – planned iMed24 Medical Diagnostic Center opening in Kraków
- » End of the restructuring program called DASD in Comarch Software und Beratung (SoftM)
- » Review and restructuring of companies established by CCF FIZ
- » Slight increase, under control, in the employment level, and control of labor cost level.

## Backlog for 2011

As of the 29<sup>th</sup> of April, 2011, the backlog for the current year, excluding Comarch Software und Beratung Group's backlog, amounted to 473.4 million PLN and was therefore higher by 19.4 % compared to the same period in the previous year. The value of services and proprietary software sales increased by 20.9 % up to 426.2 million PLN, and as a consequence, their share of the total backlog amounts to 90 % and is higher than in the previous year. It is noticeable

that the share of export contracts of the total backlog increased dynamically by 57.3 %. In the Group's opinion, the current value of its backlog confirms the steady recovery of both the Polish and global economy, as well as of the IT market. It also confirms the effectiveness of the expansion strategy abroad realised by the Group. Moreover, the structure of revenue contracted for the current year confirms the very strong financial position of the Group.

Backlog for the current year (excluding Comarch Software und Beratung AG)	At 29 April 2011	At 30 April 2010	Change
Revenues contracted for the current year	473 374	396 502	19,4%
including export contracts	154 048	97 941	57,3%
<i>% of export contracts</i>	32,5%	24,7%	7,8%
including services and proprietary software	426 191	352 616	20,9%
<i>% of services and proprietary software</i>	90,0%	88,9%	1,1%





# COMARCH CAPITAL GROUP

## *Software house selling and implementing its own software products*

Fast forward to the present, Comarch is now a global provider of IT solutions. As an international integrator and manufacturer of innovative systems, the company provides solutions for major economic sectors including telecommunications, finance, banking and insurance, trade and services, IT infrastructure, public administration and utilities, as well as small and medium enterprises.

Comarch specializes in billing systems, customer service, business management systems, ERP, IT security, CRM systems and sales support, electronic communications and business intelligence. The company also offers IT outsourcing services and consulting. In short, Comarch has created a whole range of finished products which meet customer expectations and specifications, creating sophisticated IT systems for special orders.

From the network of students working under Professor Filipiak, the company has expanded – and continues to do so. It now boasts a multinational network of subsidiaries and partners, employing nearly 3,500 highly skilled specialists (programmers, computer scientists and economists - graduates of the best Polish and foreign universities), from Chicago to Shanghai, across Europe, the Americas, the Middle East and Asia. Comarch is listed on the Warsaw Stock Exchange (symbol CMR) and the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse FWB®). Comarch has strengthened its position in the DACH markets in 2008, taking over the German group SoftM.

## *Comarch today*

Global Software House offering products and services for:

- » Telecommunications
- » Finance, Banking & Insurance
- » Government and Utilities
- » Trade & Services
- » Infrastructure
- » IT solutions to medical institutions, and Electronic Health Records to families and individuals

***Customers on 4 continents in more than 30 countries***  
***Over 3000 successfully completed projects***  
***3500 employees worldwide***

## *Comarch's strategic fundamentals that enable the company to sustain development:*

- » Development of Comarch's own products
- » Accumulation of high quality human resources
- » Permanent extension of international sales, R&D and delivery
- » Keeping the Comarch organization lean and mean
- » Customer satisfaction
- » Good mix of private and public ownership
- » Conservative financial management
- » Social responsibility

# Capital Group Organizational Structure

## Comarch Joint Stock Company, Cracow

### POLAND

CA Consulting SA  
Warsaw  
(99.90%)

SouthForge Sp. z o.o.  
Warsaw  
(100%)

MKS Cracovia SSA  
Krakow  
(49.15%)

Comarch Management  
Spółka z o. o.  
Krakow  
(100%)

Comarch Corporate Finance FIZ  
(100%)

Comarch Management  
Spółka z o. o. SKA  
Krakow  
(73.35% votes held by CCF FIZ; 26.65% votes held by Comarch S.A.; shares purchased by Comarch Management Sp. z o.o. SKA to be redeemed don't give any votes)

CASA Management and Consulting Sp. z o.o. SKA  
Krakow  
(100% held by Comarch Corporate Finance FIZ)

Bonus Management Sp. z o.o. SKA  
Krakow  
(96.45% votes held by CCF FIZ, shares purchased by Bonus Management Sp. z o.o. SKA to be redeemed don't give any votes)

Bonus Development Sp. z o.o. SKA  
Krakow  
(98.25% held by Comarch Corporate Finance FIZ)

Bonus Management Sp. z o.o. II Activia SKA  
Krakow  
(100% held by Comarch Corporate Finance FIZ)

Bonus Development Sp. z o.o. II Koncept SKA  
Krakow  
(100% held by Comarch Corporate Finance FIZ)

iMed24 SA  
Krakow  
(100% held by Comarch Corporate Finance FIZ)

iFIN24 SA  
Krakow  
(100% held by Comarch Corporate Finance FIZ)

iReward24 SA  
Krakow  
(100% held by Comarch Corporate Finance FIZ)

Infrastruktura24 SA  
Krakow  
(100% held by Comarch Corporate Finance FIZ)

iComarch24 SA  
Krakow  
(100% held by Comarch Corporate Finance FIZ)

### AMERICA

Comarch, Inc.  
Chicago  
(100%)

Comarch Panama, Inc.  
Panama  
(100% held by Comarch, Inc.)

# Capital Group Organizational Structure

## Comarch Joint Stock Company, Cracow

### EUROPE

Comarch AG  
Dresden  
(60.00%)

Comarch SAS  
Lille  
(100%)

Comarch R&D SARL  
Montbonnot-Saint-Martin  
(70.00% held by Comarch AG)

Comarch LLC  
Kiev  
(100%)

Comarch Software und Beratung AG  
Munich  
(80.89% subsidiary of Comarch AG)

OOO Comarch  
Moscow  
(100%)

Comarch Schilling GmbH  
Bremen  
(100% subsidiary of Comarch Software und Beratung AG)

Comarch Oy  
Helsinki  
(100%)

Comarch Solutions GmbH  
Vienna  
(100% subsidiary of Comarch Software und Beratung AG)

UAB Comarch  
Vilnius  
(100%)

SoftM France SARL  
Oberhausbergen  
(100% subsidiary of Comarch Software und Beratung AG)

Comarch s.r.o.  
Bratislava  
(100%)

Comarch Swiss AG  
Buchs  
(100% subsidiary of Comarch Software und Beratung AG)

### OTHERS

Comarch Middle East FZ-LLC, Dubai  
(100%)

Comarch Vietnam Co. Ltd.  
Vietnam  
(100%)

Comarch Software (Shanghai) Co. Ltd.  
Shanghai  
(100%)

In parentheses is the share of votes at Comarch SA

\* MKS Cracovia SSA is a subsidiary of Comarch SA under IFRS 27 points.13



## Companies of Group Comarch

ZYSKUJESZ  
CAŁĄ DOBĘ **iFIN24+**

Established in 2008, iFIN24 SA provides innovative online personal finance management solutions for individual customers and financial institutions. iFIN24 PFM is designed to help users make the most of their money through curbing unnecessary spending, minimizing debt, managing savings and making smart investments. iFIN24 is the sole proprietor and operator of the platform ensuring low maintenance costs and a flexible approach to market demands.

[www.ifin24.pl](http://www.ifin24.pl)



iReward24 SA was set up in October 2008 on the initiative of Comarch to support the development of loyalty programs. The iReward24 Loyalty Platform offered by the company is based on the innovative SaaS model (Software as a Service) which allows to reduce implementation costs and launch the program quickly. A wide range of functionality and the high level of software parameterization enables adaptation of loyalty programs to the needs of each company. An additional advantage is that, apart from the IT tool, iReward24 also offers comprehensive consulting services and analysis, which allows for efficient loyalty program management.

[www.ireward24.com/en](http://www.ireward24.com/en)



The company CA Consulting SA was launched by a team of experienced consultants from Comarch SA, pursuing projects for global clients from telecommunications and public administration. It belongs to the Comarch Capital Group. CA Consulting SA was established in 2004, primarily as CIV Sp. z o.o., and then assuming the name CA Services SA. As a result of re-branding, in the spring of 2010 the company's name was changed to CA Consulting SA. Today, the company operates in consultancy, offering a wide range of consulting services related to both the business and in terms of IT architecture, IT supervision and auditing. The company specializes particularly in the auditing of IT systems and IT security. It also offers services, including preparation of documents related to the feasibility or OPZ in the Terms of Reference Specifications.

[www.caconsulting.pl](http://www.caconsulting.pl)



The iMed joint-stock company was established in April 2008 as a result of separation from COMARCH Capital Group in order to focus on IT solutions in medicine. The iMed company developed a unique software: 'iMed24' dedicated to manage the work of General Practitioners, Health Care centers, Medical networks, Health diagnostic centers and Hospitals. The 'iMed24' software is a combination of modern architecture and proven technology which is the reason why it can be used in a single ambulatory as well as in a medical facility network. 'iMed24' allows to eliminate the paper medical records of patients. Due to its wide variety of modules, the software helps in online patient registration, NHF settlements, financial and accountant matters – in a nutshell, 'iMed24' supports efficient management of each Health Care Facility. Electronic records of a visit, e-prescriptions and e-referrals, simplifying the work of every doctor. Integrated with a website, the online patient registration system facilitates contacting a customer of Health Care Centers. The 'iMed24' software is characterized by its flexibility, intuitiveness, functionality and, also an open architecture and ability to integrate with other systems.

[www.imed24.pl](http://www.imed24.pl)



iComarch24 SA – a company, registered in 2009, that is entirely owned by Comarch SA. The company's offer is addressed to small and medium enterprises (SMEs) looking for modern solutions that could improve their business. Consumers can obtain access to tools from any given location, 24 hours a day, 365 days a year. There is also no need to install applications, since they are available through a Web browser - quickly, safely and comfortably. The full offer includes products such as: iBard24, iKsięgowość24, Comarch iOPT!MA24, Comarch iSklep24, iGaleria24 and iFaktury24.

[www.iComarch24.pl](http://www.iComarch24.pl)



SolInteractive is a creative agency. We build marketing communications that is focused around digital media. We provide end-to-end marketing services to our customers. Our team is experienced and manages a wide portfolio of services and technology (Studio SolInteractive). We are present in the market place since 2008, currently our team works out of Krakow, Poland and Munich, Germany.

[www.sointeractive.pl](http://www.sointeractive.pl)

## Comarch Software und Beratung AG

Comarch Software und Beratung AG (former SoftM Software und Beratung AG), with headquarters in Munich, is a leading provider of IT solutions to small and medium-sized enterprises. By means of its complete IT solutions, Comarch Software und Beratung AG helps SMEs to optimize their business processes and gain that all-important competitive edge. The company was founded in 1973 and today has a team of over 300 employees serving about 3,000 customers in 13 locations throughout Germany, Austria and Switzerland.

The company has been listed on the Frankfurt Stock Exchange since July 1998. Since November 2008, the majority shareholder has been Comarch S.A., based in Krakow, Poland. Comarch S.A, the parent company, is a global IT business solutions provider with more than 3,500 employees in 16 countries worldwide. Founded in 1993 and listed on the Warsaw stock exchange the enterprise pursues a strategy of long-term growth based on self-developed software products. In addition to modern software, Comarch's portfolio also includes extensive consulting and integration services as well as IT infrastructure solutions and hosting services. Comarch is active in the target markets such as telecommunications, trade, finances, public administration, IT infrastructure and SMEs as a provider of software and consulting, integration and programming services. Comarch Software und Beratung AG is integrated in the Comarch Group as a provider of IT solutions for small and medium-sized businesses as well as IT infrastructure.

Comarch Software und Beratung AG is active in three business fields:

- » Standard business unit software which comprises the development, sale and implementation of integrated commercial standard software.
- » The consulting business unit which offers services for the introduction and support of customer software products.
- » System integration, which offers products and services for IT infrastructure

### STANDARD SOFTWARE BUSINESS UNIT

The product portfolio in the standard software business unit includes ERP software to support the entire value chain of SMEs (sales, customer relationship management, purchasing, inventory management & logistics, production, accounting and controlling) as well as solutions for electronic data interchange (EDI) and document management (DMS/ECM).

The fastest-growing product line is Comarch Semiramis. This ERP software, which is completely developed in Java, and was designed to be used on the internet (enterprise resource planning = commercial business software). The special features of Comarch Semiramis are as follows: a zero administration client, all of its functions are accessed via internet browser; its simple, award-winning, intuitive design

ensures high user acceptance and productivity; and the fact that users are able to work together via the internet beyond office and company boundaries improves supply chain efficiency. With over 350 customer installations, Comarch Semiramis occupies a leading position among the new generation of ERP systems.

Furthermore, the proven ERP solution Comarch SoftM Suite which focuses on a few select target markets – platform: IBM System i; industries: food manufacturers and trade. Customers can rely on a secured release policy which allows long-lasting use of the product. They can also take advantage of the opportunity offered by Comarch Semiramis to change to the open Java world at any time they choose.

The ERP system Comarch Altum is a flexible solution for SMEs that are especially focused on the trade and services industry. The compact software standard version already has a broad range of applications and meets numerous requirements that would normally require additional solutions.

Comarch has been focusing on accounting solutions for many years. For this reason Comarch also provides separate stand-alone systems for these areas of application besides ERP solutions that include integrated financial applications. The solution Comarch Semiramis Accounting is available as a platform independent system. Furthermore, the accounting systems Comarch SoftM Suite Financials, Comarch DKS and Comarch Schilling, which are compatible with the IBM server system, will be offered.

A modern solution for EDI, the communication between businesses, named ECOD is integrated in the own ERP systems as well as InfoStore ECM, a solution for document management and enterprise content management.

Comarch's business software solutions are provided 'on premise', with software installations at the customer's site and also 'as a service', following on demand or cloud computing model.

The software solutions are directly marketed as well as indirectly via sales partners. Recently, the partner network for Comarch Semiramis has been extended. In addition to the distribution and implementation of standard software, a growing number of partners also offer the industry specific solutions that they have developed on the basis of Semiramis, for example for the textile and clothing industry, for suppliers, especially in the automotive industry, or the furniture industry.

## *Consulting Business Unit*

Via a decentralized organization with 13 sites in Germany, Austria and Switzerland, Comarch provides corresponding services (consulting, adaptation programming, data migration, etc.) in the consulting sector to introduce products to the customer. Consultants enact application studies in the run-up of software implementation and support the customers with the adaptation of software as well as release changes. Training and support are further services of the consulting sector.

## *System Integration Business Unit*

The system integration business unit is a full service provider with a cross-platform product range for the whole spectrum of IT infrastructure – from server and storage systems, peripherals, networks, and system-oriented software to DMS/ECM systems. The product range includes virtualization and server consolidation solutions, backup solution, high availability solutions and security solutions. Comarch System Integration therefore embodies the desired general infrastructure expertise that SMEs are looking for.

As full service provider, Comarch takes full responsibility for the customer's IT infrastructure, from conception and planning to installation and support. Comarch has been IBM's business partner for several years and, as its Premier Business Partner, has the highest IBM partner status.

## The DACH market is of strategic significance for the Comarch

*– The DACH market is of strategic significance for the Group – says President of Comarch SA and, at the same time, President of the German Comarch Software und Beratung AG, professor Janusz Filipiak.*

Almost 30% of the turnover of the Comarch Group comes from the German-language countries.

*– Comarch cooperates with German companies and provides solutions for all the sectors. The products offered by us are of the highest*

*quality, otherwise competition would be difficult for us. The obstacle for development of business in Germany is not the insularity of the market but the labour law in force there – President Filipiak says.*

Germany is not the only country in the DACH area (Germany, Austria, Switzerland), where Comarch is operating. The company has branches in all of these countries, and a new Austrian branch in Innsbruck which will be opened in spring 2011.

### COMARCH FOR THE TELECOMMUNICATIONS INDUSTRY IN GERMANY

Comarch achieved special success in the telecommunication industry. Three mobile operators: Telefónica O2 Germany GmbH & Co., T-Mobile, Vodafone D2, operating in Germany, already make use of the solutions of the company. The fourth company joined them in 2010: E-Plus Mobilfunk GmbH & Co. KG. It is the largest contract in the history of Comarch.

*– Winning these prestigious references is of strategic importance for Comarch. The recognition which we have won from our leading*

*players in the German telecommunications market helps us build the image of a stable and trustful company. The projects with the German mobile operators and MVNO/MVNE (Vistream) operators are still on the way, and cooperation is growing dynamically. However, this is only the first stage of Comarch building a strong position in the German market – says Piotr Piątosza, Deputy President and Director of the Telecommunications Sector, Comarch SA, and Deputy President of Comarch Software und Beratung AG.*



*Comarch's subsidiaries in the DACH region.*

Apart from further development of cooperation with the existing clients, Comarch intends also to enter the market of cable television suppliers for whom the company has dedicated solutions, as well as the market of energy suppliers and companies in the M2M (Machine-to-Machine) segment. The M2M platform is now enjoying major interest with mobile operators in Germany.

*– We believe that with strong references and the strengthening position of Comarch as a supplier of software for the telecommunication industry, with time we will become the first supplier that*

## THE FINANCIAL SECTOR

Apart from the telecommunication industry, Comarch offers solutions for the finance world. The sale structures for this market have been developed for the last 2 years. Comarch is proud with the achievements in this field and declares reinforcing its position in the German market in the banking and insurance sector.

*– Our first activities were focused on the analysis of the specific nature of the German financial market. The German banks, insurance or factoring companies for whom Comarch has a wide array of solutions, are different from their Polish equivalents. Therefore, the first step was to employ business consultants. Their main objective was to adjust the solutions of the company to the needs of the German financial market. Another task was to promote our solutions by coordinating marketing activities with other sectors. In the last 2 years, Comarch participated in the majority of the most*

## FLEXIBLE ARCHITECTURE OF ERP INNOVATIONS

The market of small and medium-size companies in Germany is still of immense potential. Companies more and more willingly accept innovative solutions to increase their competitiveness and adjust to the new challenges in the market. When many companies strive to find their places in the new reality, further investing into their products (often based on outdated technologies), Comarch enters the market with modern solutions. The company has been strongly investing in R&D for years, which resulted in the Comarch ALTUM business platform. The latest product faces the current trends, such as Business Process Management, Business Intelligence or e-commerce solutions, integrated in one package with the traditional ERP, all due to the flexible architecture. The industry-focused approach to business is the key element, which is typical of the German market. Comarch ALTUM is now focused on trade companies

### Comarch in Dresden

- » 1,500 m<sup>2</sup> » Office space
- » 600 m<sup>2</sup> » Data center Tier 4
- » Start of operation in Q1/Q3 2012

*comes to the mind of any German operator. We are persistently pursuing this goal – says Jacek Lonc, Deputy President of Comarch AG, responsible for the DACH telecommunications market in Comarch.*

*important German conferences for banks and insurance companies – reports Jakub Lewandowski, Managing Director Comarch AG. The first results of the investments are already apparent. The Company has signed two contracts for the implementation of Comarch systems in German financial companies and high interest in the offer is reported. Central systems for insurance companies and front-ends for banks enjoy special interest. Comarch is the only supplier of a central system for factoring companies in Germany, the system is built based entirely on web technologies.*

*– I feel optimistic about our chances in German banks and insurance companies. Despite the reservation of our partners and clients, it is clear that we can offer them high quality solutions and commitment of our implementation teams. The market is starting to appreciate our advantages – declares Jakub Lewandowski.*

(retailers) which are eager to look for new markets and open online shops or actively participate in online bidding. Comarch ALTUM is highly valued by independent experts. With the initial projects coming to the completion, the competence centres in Germany are expanded. This is an opportunity for both the product and the company. Targeting on the high-end segment of the midmarket with special focus on producing companies is the ERP software Comarch Semiramis, which is completely developed in Java and designed to be used on the Internet. As all of its functions are accessed via Internet browser, all users are able to work together via the Internet beyond office and company boundaries and thereby improve supply chain efficiency. With over 350 customer installations, Comarch Semiramis occupies a leading position among the new generation of ERP systems in the DACH region.

## COMMON BRAND

Comarch has integrated the naming convention in the companies taken over in the DACH markets. SoftM Software und Beratung AG was replaced with Comarch Software und Beratung AG, and the Swiss daughter company Solitas Informatik AG is now called Comarch Swiss AG. In 2009, the Vienna subsidiary was renamed Comarch Solutions GmbH. According to the resolution passed during the General Assembly of SoftM Software und Beratung AG on 17 June 2010, the registration of the new name of the company was completed. In early July, the change in the name of Solitas Informatik AG to Comarch Swiss AG was registered. With these activities, the Comarch Group consolidated its image in the German market.

Along with unification of the naming convention of the Comarch Group companies and changes in the products under the Comarch brand, the company became a strong strategic IT partner. Functioning under one brand, Comarch, strengthens the position of the group in the global market.

Changing the name from Solitas Informatik AG to Comarch Swiss AG, the producer of the document management system (InfoStore) gains benefits from the commitment of the Comarch group in the DMS/ECM issues. It enjoys broad support of the company for the InfoStore product in the scope of resources, technology and transfer of know-how. The unification of the names and products will bring about immense benefits.

## CSR IN GERMANY

The activities of Comarch in Germany are focused not only on the IT markets. The company undertook other enterprises to enhance its image across the Oder river. As Comarch took over the German SoftM group (now Comarch Software und Beratung), which had supported the TSV 1860 Munich team, the sponsoring activities for the football club were continued and increased.

Comarch was also the organiser of a series of Comarch Young Europe Experience 2010 concerts which commemorated the Chopin year. Frankfurt, Dortmund and Munich hosted the Beethoven Academy Orchestra which performed the works of the most eminent composers of the world.



*Comarch presented its marketing products but also its novelties during CeBIT in Hanover.*

## Comarch on the Seine

**Comarch strengthens its position in France. It builds its own data center. Comarch's own solutions made the Polish brand a reliable**

**business partner for many Western clients, including Auchan, Bouygues Telecom, France Telecom or BP.**

### Comarch for small and medium-size companies in France

Comarch started its activities in the French market in the area of small and medium-size companies in 2009. It currently employs about 30 persons, mostly business consultants and project heads. Entering the French market in this segment was preceded with months of arduous preparations, verification of business strategies and administrative activities. Earlier analyses proved that most of the systems offered by local ERP software producers was based on relatively old technologies in which innovativeness completely lost its significance. Additionally, apart from several international strong players in the French market, regional producers who are still operating in various business models (a network of partners, direct sales, dedicated solutions, etc.) were highly scattered and significantly represented.

*-Fast growth of the French market with our innovative solutions, in particular Comarch ALTUM, has major chances of success. This is confirmed with the first business activities and the early cooperation is interesting – reports Arkadiusz Ilgowski, the director of the French SMB sector of Comarch.*

*– The crisis in the market and its effects are here a major supporting factor, as Comarch is part of this trend Companies which, despite the crisis, must invest in changing the existing system to stay in the market are more willing to choose an innovative platform with a higher ROI index. It is even at the expense of a certain risk related to fresh operations of Comarch in the local market – adds Ilgowski.*

### Good reception of Comarch ALTUM on the Seine

In the SMB sector, the innovative Comarch ALTUM platform enjoys major interest on part of clients and prospective partners. Since 2009, the company won 15 clients, including the large Auchan brand which successfully uses the solution for managing sales and logistics of the scratch cards and mobile phone topups in 10,000 points of sale in the territory of France. The Comarch ALTUM platform is appreciated for modern technologies, integration of Business Intelligence and Workflow solutions, as well as well-designed architecture (true API to facilitate integration of the platform with the existing system).

At present, any producer of software may create their own solutions for management because the technologies used are com-

monly available. However, one cannot easily gain several years of experience in merging innovative technologies with the needs of business and excellent engineering backup facilities of Comarch which can turn even the most complex technically solutions into business success.

*– Business operations in France are obviously related to a risk which is closely monitored by the Board of Directors of the company, as because Comarch's International commitment is the unchanged priority. One of the highest challenges comes now in the form of the localization of Comarch ALTUM, i.e. creating such a solution which would be successfully fitted with the needs of local markets, German, French and, clearly, Polish – says Arkadiusz Ilgowski.*

### Cooperation with the French giant

The first international success of Comarch ALTUM was the implementation in Auchan, France. Cooperation has been developing since 2006. Comarch was then selected the supplier of telecommunications solutions for Auchan Telecom, then a newcomer in the market of virtual operators in France. It was a huge challenge for Comarch,

both at a complexity level of business processes and in operational management of the project. The Comarch ALTUM platform in Auchan supports, among others, the processes of purchase, delivery and distribution of products to indirect clients and final users of the A-Mobile mobile telephony. The software provides sales support

### Comarch in Lille

- » 2200 m<sup>2</sup> » Center of excellence
- » 1,300 m<sup>2</sup> » Data center TIER 4
- » 600 m<sup>2</sup> » Outsourcing office for customers
- » 300 m<sup>2</sup> » Space for offices
- » PCI-compliant
- » Fully integrated with Comarch's international main line
- » Start of operation in Q4 2011

in telecommunications services and processes related to the management of invoices and book-keeping. The sale of the cards is done in trade networks: the Auchan shops, franchise outlets, Relay boutiques and the French post office units. The integration of the Comarch ALTUM platform with the existing IT programs in the Auchan group was not a small challenge.

## Comarch support sales

The Services Business Unit was created by Comarch in 2010 in France in the scope of several new competencies. The sales of loyalty systems and campaign management was initiated and the company entered the large scale e-invoices and EDI documents market, with initiation of construction of the largest Data Center in the history of Comarch. The area of the Comarch server room building in France is over 2,000 sqm. – *This is big, even for Western conditions* – says Jacek Mikuś, directing the French part of the Comarch services sector.

Complex projects require locally a larger number of specialists, managers, implementation specialists and programmers. The recent crisis additionally forced large Western companies to search for new, better and more economic IT solutions.

*- France is very well developed in terms of IT culture. French companies use solutions on a daily basis which are still science fiction in Central Europe. Therefore, introducing new products in France, Comarch had to take this into account. However, this is advantageous when innovativeness is set as a standard. In Poland and in Russia we have tried to introduce a new solution for several years, but the market was not ready for it, while this technology is in common use in France. It opens major new possibilities for us. The market has far more needs and the projects are often larger. Take for example the Retail and FMCG market. This market in Europe is largely a market of French trade networks and producers. Comarch*

*- The implementation of the system facilitated automation of a large number of processes executed earlier manually by employees. At present, everything is done automatically, and we can easily configure these processes by changing their parameters. Integration with the currently used IT solutions and with the systems of our suppliers and recipients allowed a major reduction in operational costs and better management over business processes – says Mathieu Abt, Director of the IT Department in the Auchan Group.*

Comarch built the foundation for its success for further business activities in the SMB sector in France. In line with the strategy, the efforts of the company are now focused on developing a network of partners for the Comarch ALTUM platform. Comarch has significant experience in this field because, as a leader in the Polish market, it successfully offers its products to the end clients over a network of 1000 local partners. It has the ambition of repeating this success in France with gradual increase of the developing European partnership ecosystem around the Comarch ALTUM platform.

*sells solutions to them in the area of e-invoices, e-commerce and marketing management. Obviously enough, hosting services and infrastructure management continue to be important products for us – explains Mikuś.*

However, it is not individual projects implemented by Comarch in France which is most interesting, but their structure. Technology is often introduced in many channels of sale at the same time, including e-commerce. For example, support has to be provided for logistic processes for several business units in the company. Moreover, due to the size of the market, many of these projects are of international scale. Practically always several countries take part in the project, which is one of the more interesting aspects of the enterprise.

*The coming weeks will be very important for the company. – In retail sales it is time for sales to bring for about the best results. At the same time, it is the time when companies to buy solutions, extend contracts and plan IT budgets for the coming year. We are now in the process of negotiation of several very large projects for electronic EDI communication and several projects for loyalty system support with the use of modern multimedia technologies – comments Jacek Mikuś. – However, the crucial thing is that we intend to open our Data Center soon and make it available for local companies. It will start further large and interesting projects.*



## Telecommunications in the French version

The history of the Comarch telecommunications sector in France dates back to 2005 and to the cooperation with Bouygues Telecom.

*- We are pretty well known now mostly due to our clients, the key operators of the French market. Bouygues Telecom and France Telecom are interested in our OSS platforms. We have enhanced these solutions with cooperation with the prestigious clients in Germany - says Jean-Christophe Roulier from the French telecommunications sector of Comarch.*

Comarch is also increasingly better perceived by the "T2" operators who are interested in BSS solutions. In 2010, Comarch offered the M2M management system and the policies management in the French market. Starting with the second part of the year, all products of the company have been available in the Saas model, hosted directly from the local Comarch Data Center.

## Comarch in the Southern Europe

In October 2010, Comarch established a branch in Albania which supports pro-sale operations of the company in the dynamic Balkan market. As of now, we receive questions from various industries, including the telecommunications and power engineering sectors. In the case of the telecommunications sector, the projects worth mentioning were executed by Comarch in Montenegro for Crnogorski Telekom (of the Deutsche Telekom group) and Telenor Montenegro (the Telenor group). Another interesting country is Bulgaria where Comarch has supported IT projects for several years. For example, the implementation of the Comarch Dealer Management System solution for Vivacom, the national operator, was very interesting.

The projects financed from European Union funds are of high importance in southern Europe. Comarch actively participates in them. It offers both turnkey solutions and complete solutions or dedicated services. This activity may be noticed, among others, in Albania, in Cyprus and in Macedonia.

Apart from direct acquisition of the client, Comarch puts emphasis on the development of the partnership network in local regions. It is related to acquiring and training partners (although usually in the context of a specific client or contract), which in turn increases the possibility of reaching local, unique projects.

The contract of partnership signed in October 2010 with the Greek Ergoman company is worth mentioning here, where Ergoman is the supplier of turnkey solutions for telecommunications and IT. The main objective of this project is a shared growth of business in the Greek market.

Another Comarch product is also present in Southern Europe, ECOD (electronic flow of documents), which currently supports several thousands of clients in Bulgaria, Romania, Serbia and Croatia.

## Comarch in Turkey

Turkey is a large and interesting market in which Comarch is active. International corporations operate there, such as Metro and Carrefour, for whom Comarch successfully executed implementation tasks in other countries. As a result, despite a difficult start in 2005, Comarch ECOD is the largest EDI platform in Turkey, leaving the competition behind which had major advantage at the start.

Interesting results and perspectives are related to loyalty programs. The largest loyalty programmes gather almost 10 million users, which means increasing demand for efficient loyalty systems. Comarch already signed its first important contracts in this area.

Comarch along with its Turkish partners has been applying for government projects financed with European Union funds.

## *Comarch in the Eastern Europe*

### *7 years of projects implementations in Russia and The Ukraine*

Comarch began its journey on the Eastern European markets in 2004. Its first contracts were associated with servicing companies specialized in financial asset management in Russia. Shortly thereafter Comarch began to realize projects associated with managing electronic documents, and initial deployments of loyalty systems were initiated, currently Comarch serves more than four thousand customers in Russia and the Ukraine, has a dozen employees, and offices in Moscow, Kiev and Lvov. Poland's most distant clients have their headquarters in Vladivostok above the Pacific Ocean. The most prevalent users are from the retail, manufacturing, petroleum and financial sectors. Recently we have also acquired a significant contract with one of the largest telecom operators in that market.

Comarch's clients in Russia and the Ukraine include both major global corporations, such as Auchan, Carrefour, Heineken, Metro Group, and the largest Russian and Ukrainian capital groups, e.g., X5 Retail Group (the largest company operating in the retail sector in Russia) S7 Airlines (aside from Aeroflot, a key air carrier), Malina (the largest multi-partner loyalty program in Russia), Okko (a leading petrol station network in Ukraine). Despite the economic crisis, which also reached Russia and the Ukraine in particular, Comarch's business in these markets has been steadily growing for years attaining double digits.



## Comarch in the United States

**Comarch's branch established in the United States, which offers solutions in the loyalty systems and telecommunications area, is winning more and more with major U.S. IT companies on their home market.**

### *The most important thing in the U.S. market is an idea*

The very attractive over 300 million (population) United States market, with its enormous purchasing power and highly developed IT segment, is one of the world's most interesting export markets for IT companies. At the same time, it is the most demanding IT market. After all it is the home of industry leaders such as Oracle, IBM, HP, Microsoft, Cisco. U.S. customers often also have a much more innovative approach to requirements and business than companies from Europe or Asia.

*– For Comarch Inc. (subsidiary of Comarch SA) entering the U.S. market a decade ago was not easy. Initial difficulties in finding the first customers in the U.S. market where a result not bearing any local references and lack of confidence in technology other than American. With time, it turned out that both problems are insurmountable – says Dariusz Ner, President of Comarch Inc.*

The key to stable development of Comarch Inc. was finding a niche in the IT market and gaining a customer who does not follow the trodden path, who is interested in seeking unconventional solutions and a business partner as open as he is. For a few companies in the United States, Polish Comarch was just such a contractor.

In the U.S. telecommunications sector Comarch won a contract with State of Washington Department of Information Services to

provide OSS and WildBlue Communications Inc., a satellite internet provider operating across the United States.

In the case of the loyalty systems Comarch, taking into account the success in Europe, focused on the aviation and fuel sector. This decision proved to be correct as the company managed to obtain major customers in these areas. Among these clients is a leading U.S. airline, recognized as last year's most innovative on the market, JetBlue Airways, and a very large network of petrol stations. These references allowed Comarch to successfully expand the scope of its loyalty schemes in the area. At the moment, four other major contracts are being signed overseas, including one of the largest telecom operators and banks.

*– Comarch's branch in America is particularly proud to work with JetBlue Airways. This is one of the most innovative airlines in the United States. It is through this cooperation that Comarch has become widely recognized by companies across the Atlantic – explains Dariusz Ner, President of Comarch Inc.*

"ChiefMarketer" (an opinion leader in the U.S. market.) in its recent article highlighted the fact that Comarch is the only company able to meet the high demands set by JetBlue.

### *European experience a bargaining card*

Experience and references from the European continent (including those from countries east of Poland) gave Comarch many business advantages in the competitive IT market overseas. Currently, in the United States and Canada there is a clearly discernible trend towards introducing a "coalition loyalty program" model. It involves creating and managing a loyalty program through a separate organization independent of the partners in the program. Such a solution is already very familiar to Comarch from implementations carried out in Europe.

*– Until recently, companies with references from other world regions have had difficulty in entering the U.S. market because of*

*the limited confidence companies had for technologies that were relatively popular in the United States. However, in recent times we have observed a change in approach and now European IT solutions providers are perceived in the United States as those who are more innovative and carry proven solutions, and hence search for so-called "Best Practices" experiences, that can be transferred to the American market – explains Martin Kościak, responsible for business loyalty in the USA.*

Polish IT technology does not differ from the highest world standards. Its original approach to building solutions is appreciated by demanding partners from overseas.

*- An unconventional approach to business and Comarch's innovative products gave us quite a competitive advantage over competition in well-defined market areas, which we have focused*

*on. Therefore, we optimistically view Comarc's further development in the U.S. - says Dariusz Ner, President of Comarch Inc.*



*Comarch's company in USA is located in Chicago, IL*

## Awards

### POLISH BUSINESS EAGLE IN GERMANY FOR COMARCH (ORZEL POLSKIEGO BIZNESU)

Comarch received the Orzeł Polskiego Biznesu statuette in Germany in 2011. The company was the winner of the contest in the "IT – new technologies" category.

### THE MOST INNOVATIVE COMPANIES IN THE TELE-IT SECTOR

The Institute of Economics of the Polish Academy of the Sciences and the MSN Scientific Network awarded Comarch the second consecutive honour for the first rank among the most innovative companies in the tele-IT sector in 2009. Comarch was also ranked 5th (in 2008: 22nd) among 500 of the most innovative companies in Poland in 2009 (the report on innovativeness of the Polish economy in 2010 issued by the Institute of Economics of the Polish Academy of the Sciences, edited by Tadeusz Baczko). This ranking is the sixth edition of the report on innovativeness of the Polish economy whose results constitute the basis for creating the Strategy of Innovations for Poland. Its objective is Poland joining the group of the most innovative countries of the world by 2020 and the share of investments of companies in research and development at the level of over 0.3% GDP (by 2011)

### RZECZPOSPOLITA: COMARCH THE MOST INNOVATIVE COMPANY 2010

Comarch won in the next consecutive year the award of the most innovative company 2010 from a list of 2000 Polish companies in the ranking of "Rzeczpospolita" and the "Dobra firma" addendum. The Krakow-based company spent almost 11% (2008: 19%) of its proceeds from 2009 on research and development activities.

### COMARCH WON THE TITLE "REPLIES TO INVESTORS"

Comarch was awarded with the title of "Odpowiada inwestorom" (Replies to Investors). The Investor action organised by the economy daily "Puls biznesu" and the pb.pl portal was aimed at determining whether the company replies to questions of individual investors and whether it is efficient.

### COMARCH'S WEBSITE WON THE E-DIAMENT FORBES&ONET.PL AND ZUMI.PL GOLDEN CARD

E-diament Forbes&Onet.pl 2011 for the best corporate website in the małopolskie voyvodship and the award in the Diamenty Forbes 2011 ranking in the category of companies with the level of proceeds over PLN 250 m in the małopolskie voyvodship were won by Comarch. E-diament awards by Forbes&Onet.pl are awards for the companies



with the best developed corporate websites. The following was taken into consideration in assessment of the websites: presentation of the product / service, use of e-solutions, purchase options, electronic payments and website functionality.

### COMARCH IN THE FINALS OF THE EMINENT'S GOLD WWW 2010 CONTEST (ZŁOTA STRONA EMINENTA)

During the IV edition of the contest organised by the Association of Stock Exchange Issuers, Comarch was in a group of three companies with a sWIG80 index which may be proud of the best websites containing significant information for investors and stockholders.

### COMARCH WINNER OF THE BIG PEARL OF POLISH ECONOMY (DUŻA PERŁA POLSKIEJ GOSPODARKI)

Comarch was again distinguished by the Institute of Economics of the Polish Academy of the Sciences and the editors of the Polish Market magazine with the certificate in the ranking of Polish companies and was awarded the title of Perła Polskiej Gospodarki in the category of large pearls.

### BUSINESS MASTER (MISTRZ BIZNESU)

Comarch was distinguished as Mistrz Biznesu in the Telecommunications and IT category, awarded the "Businessman.pl" economic magazine.

### COMARCH WINNER OF IBM CENTRE OF TECHNICAL EXCELLENCE

The Comarch IT infrastructure business centre in Munich won the IBM Centre of Technical Excellence (CoTE) award. The award was given during the PartnerWorld Leadership IBM 2011 Conference which was held in Orlando, Florida. The award is dedicated for IBM business partners who won high competencies in the area of sale and technology.

### 2010 IBM PARTNER OF THE YEAR AWARD

Comarch has been awarded a 2010 IBM Partner of the Year in recognition of high level of sales of IBM solutions for SOHO market.

## COMARCH VALUED EMPLOYER

Comarch SA took part in the prestigious circle of Idealny Pracodawca 2010. In the all-Poland research conducted by the Universum company, among almost 8,000 specialists, Comarch was ranked 9th among 100 companies classified in the IT category.

## COMARCH IN THE BOOK OF LIST RANKING 2011 – IT&TELECOMS

II rank, Computer Systems Integrators (proceeds from integration of systems: PLN 231 m in 2009). III rank, Software Producers, Computer Software Producers (proceeds from sale of own software: PLN 168 m in 2009).

III rank, Top Investors in Special Economic Zones, the Largest Investors in special economic zones (Krakow Technological Park, the volume of the invested capital in SSE: PLN 213.5 m in 2009).

## COMARCH AMONG 2010 STOCK EXCHANGE COMPANIES

In the study of the Polish stock exchange companies conducted among specialists in capital markets to the order of the economic daily "Puls Biznesu", Comarch was ranked 11th and won 71 out of 80 points. 50 stock exchange analysts, 68 investment advisors and 62 brokers assessed all quotations in the Warsaw parquet of the company.

## LEADER OF MAŁOPOLSKA 2010 – BEST ENTERPRISE IN MAŁOPOLSKA

The Chapter of Association of Małopolska Communes and Poviats awarded the title of the Best Enterprise in Małopolska, Leader of Małopolska 2010. The winner in this contest was MKS Cracovia SSA for the Józef Piłsudski Stadium. Comarch is the co-owner and sponsor of MKS Cracovia.

## PROFESSOR NOMINATED FOR DEMES 2010 IN THE SPORT & BUSINESS CATEGORY

Janusz Filipiak, President of Comarch, sponsor and president of the MKS Cracovia SSA club and TSV 1860 was nominated for the Sport Business Prize, DEMES 2010, in the SPORT & BUSINESS category.

## BANKIER.PL AND THE CHAPTER OF THE V CONGRESS OF ELECTRONIC ECONOMY GIVE AWARDS TO BIOMETRIA COMARCH

The biometric method of logging in and authorising transactions in the Pekao SA corporate banking website, implemented in 2010 by Comarch, was appreciated by the chapter of the V Congress of Electronic Economy in the Project contest and by the chapter of the Golden Banker contest, where it won the award in the Innovativeness 2010 category.

## I RANK IN REGIONAL FORBES CSR AWARDS FOR COMARCH

Comarch was the winner of the first place in the Regional Forbes Corporate Social Responsibility Awards in the małopolskie voyvodship. The ceremonial giving of prizes to companies with social responsibility was held during the gala of Forbes&TAURON Biznes Forum.



## 2010 MICROSOFT PARTNER OF THE YEAR AWARD

Comarch has been awarded a 2010 Microsoft Partner of the Year Award in the category ISV (Independent Software Vendor), in recognition of high level of sales of Microsoft software licenses in 2010.

## COMARCH AMONG THE BEST COMPANIES WORKING FOR THE FINANCIAL SECTOR

Comarch was among the best businesses in the main category of the specialised ranking of "Miesięcznik Finansowy BANK".

## "HIT 2010" FROM GAZETA BANKOWA FOR COMARCH MOBILE BANKING

The Comarch Mobile Banking System was recommended by Gazeta Bankowa in the third edition of the "Hit 2010 for financial institutions" contest in the Solution category. Thus, Comarch was recognised in the third consecutive year. During earlier years, Comarch Contact Center and Comarch CAFE were recognised.

## COMARCH OPTIMA THE BEST PROGRAMME FOR LAWYERS

Comarch OPTIMA won first place in the report summarising the Polish market of commercial software and other paid IT tools for lawyers, prepared by "Gazeta Finansowa".

## COMARCH SERVICE QUALITY MANAGEMENT RECOGNISED THE 2010 PRODUCT

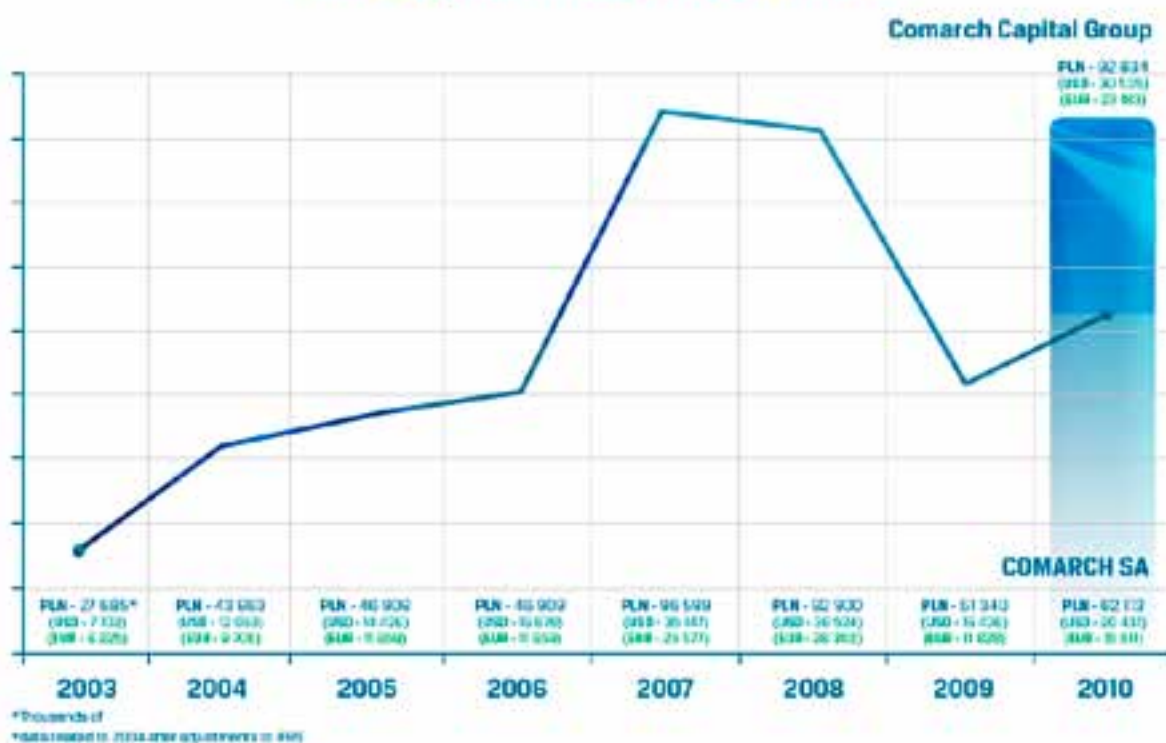
On 25 March 2010, Comarch was awarded the Złota Antena award for the third time, including for Comarch Service Quality Management in the "Product 2010 – solution for operators" category.

## Innovation – the Driving Wheel behind Comarch

Comarch is a strong, knowledge based company, with significant experience in developing sophisticated software and IT solutions for several key sectors. Most products offered by Comarch are developed in-house. Comarch's capacity for constant innovation is backed by its vast experience, highly qualified human resources (1100 experts employed in several research and development centers around the World) and above all, by considerable R&D spending.

A major part of Comarch's strategy is to conduct research and development aimed at implementing new products and their standardization from the very beginning, when they are being prepared for the customer. This ensures that even if a solution has been developed for a particular client, some, or all of the software code can be used to develop a standardized product. Such a strategy results in higher profitability and a growing customer base. In 2010, research and development expenditures exceeded 12% of Comarch Group revenues. Expenditures were financed by the Company's own funds as well as public R&D financing.

### R&D expenditure 2003-2010



Currently, several R&D projects are under way financed through the **7th Framework Programme**:

- » Marrying Ontology and Software Technology (MOST) – Coordinator
- » Advanced Data Mining and Integration Research for Europe (ADMIRE)
- » Net Information Integration Services for Security Systems (NI2S3)

In 2010, Comarch started work on a new project – "Innovative Platform for Market Research Analysis" funded through the **IniTech initiative**. The project is implemented on the basis of an agreement with **The National Centre for Research and Development** (NCBiR).

A number of Comarch's R&D projects are co-financed thanks to various European Union and Polish programs. Several R&D projects are in progress, co-financed by the European Regional Development Fund within the **Operational Programme Innovative Economy 1.4 - 4.1**, including:

- » Innovative platform for developing business applications in the SaaS model
- » Comarch Shopping Mall e-Platform
- » Automated Information Exchange Between Telecommunications Operators
- » Secure Internet Transaction Authorization System Based on External Devices
- » Implementation of an environment dedicated to analyzing financial instruments and the effectiveness of portfolio management
- » Comarch Mobile Finance
- » Customer Relationship Management System
- » Innovative IT System for the Factoring Process
- » Comprehensive Interfaces for the Electronic Data Interchange System
- » Advanced Marketing Information Management Platform
- » Innovative Mobile Sales Support Platform ECOD Agent 3.0
- » Reporting and Customers Service platform for Traditional Distribution Channels, ECOD Distribution 3.0
- » Customizable and interactive graphical user interface for an ERP system Comarch OPT!MA.

### **IT PRODUCTS ARE DEVELOPED IN SEVERAL LOCATIONS IN EUROPE**

- » **Poland** (Cracow, Warsaw, Katowice, Wroclaw, Poznan, Lodz, Gdansk)
- » **Germany** (Hannover, Munich, Bremen, Dresden)
- » **Austria** (Kirchbichl)
- » **Switzerland** (Buchs)
- » **France** (Grenoble, Lille)

## *Cooperation with Research Institutions*

Comarch cooperates with leading universities and research institutions in conducting R&D projects financed at the European and Polish levels. Such cooperation enables the exchange of knowledge in both directions, enhancing innovativeness. This results in the commercialization of research and provides Comarch with the opportunity to constantly interact with academic institutions.



**INNOVATIVE ECONOMY**  
NATIONAL COHESION STRATEGY

**COMARCH**

**EUROPEAN UNION**  
EUROPEAN REGIONAL  
DEVELOPMENT FUND



European Funds – for innovative economic development



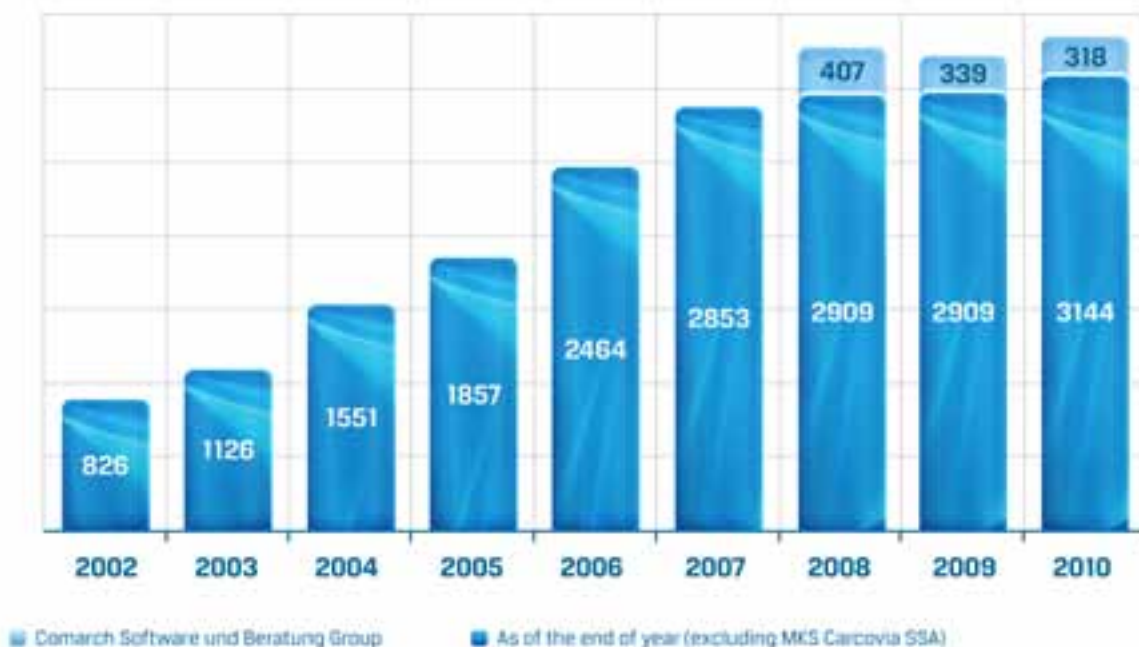
## The company's most valuable assets are its employees

"Comarch participates in the European process of talent search. Finding an appropriate candidate and motivating him to provide the highest quality of work is a challenge. Comarch, in order to attract future employees in early stages of their careers, closely cooperates with Krakow colleges and with several best colleges in Poland. Other opportunities come with the college facilities in Dresden (Germany), Grenoble (France) and Innsbruck (Austria). Every one of the Comarch research and development centres existing in Europe will be expanded with acquisition of young experts."

Professor Janusz Filipiak

- » Comarch employs nearly 3,500 people in Poland and worldwide
- » 60% of them are employed in the Krakow headquarters
- » 79% of the employees have higher education
- » 15,7% of the employees are students who are continuing their education
- » 21,4% of those employed in Poland are graduates of Krakow's prestigious AGH University
- » the average age of an employee at the Comarch Capital Group is 30

### Human Resources Comarch Group



## VALUED EMPLOYER

Comarch has been steadily increasing employment for many years and is not only one of larger, but also one of the distinct employers for students and specialists in the Polish IT market (according to the rankings prepared by Universum Polska). Comarch owes this position to very interesting projects to the people employed in the company work and a wide range of off-work proposals for employees.

Comarch offers the possibility for employees to benefit from external and internal training activities managed within the framework of

the training centre run in the company. The employees benefit from the welfare package: private medical care and a modern sport and recreation centre including a swimming pool, a gym and sauna units. Comarch also takes care of integrating the employed people who may take part in many cyclic events organised for them and their families. The company also recognises employees faithful to the company for years, by preparing a ceremonial event awarding commemorative medals for services for the company to those with 10-year terms of service. The Board of Directors of Comarch recognized this way 32 person in 2010.

## THE LARGEST EMPLOYEE TRAINING PROGRAMME IN THE IT INDUSTRY

Since 2003, Comarch has been managing the summer employee trainee programme, now the largest of this kind in the IT industry in Poland. Within the employee trainee programme, the company invites to its branches students of IT and economic faculties.

They work in groups on actual projects, under the supervision of experienced Comarch experts. 210 students participated in the employee trainee programme in 2010, 73% of whom became part of the company after the programme.



## Sponsorship and Corporate Social Responsibility

Since 2001 Comarch has sponsored the oldest sports club in Poland – MKS Cracovia SSA. Cracovia is a participant in the professional league of several disciplines, most important of which are football and hockey. The purpose of the investment in MKS Cracovia is to promote the Comarch brand. It is an integral element of the Comarch Group marketing strategy aiming at building Comarch's image as the IT integrator of first choice for large and medium-sized companies in Poland.

In the 9 years of Cracovia sponsorship, the football team has began playing in the Polish national league. The hockey team, on the other hand, has won three Polish championship titles during this period – the last one was in 2011. In the 2010/2011 season, the club teams are participating in the highest Polish league of football and ice hockey. The Comarch Cracovia ice hockey team won its 9th national championship during its 2010-2011 season. In November 2010, the Cracovia ice hockey team plays in the European continental semifinals in Rouen, France.

The hockey players are now the backbone of the Polish National Hockey Team. While assisting professional sports, Comarch

does not forget about children and youth. Every year youngsters and juniors place themselves high in their age categories. An important part of Comarch's sponsorship activities is the School of Sporting Championship where young people improve their talents to be the future players of Cracovia. In 2009 the older youth placed fourth in Poland, three players were appointed to play in the first league of football and two others to play for the U-23 – Polish representation made up of players less than 23 years of age and led by players such as Stefan Majewski, a former coach of the Polish National Team. Cracovia is also investing in hockey trainings for children. Cracovia's development proceeds in two tracks: sports and infrastructure. The club's old facilities were replaced by a professional sports complex which includes: a stadium which will meet all UEFA and FIFA requirements (the investment will be completed in autumn 2010), ice skating rink, training center, and a well equipped recreation center, called the Quiet Corner.

After seven years of Comarch involvement, the club owns a brand new ice hockey and football stadiums, and several modern training facilities, including a full size swimming pool.



*New MKS Cracovia football stadium*

## MKS Cracovia SSA - the oldest sports club in Poland



Cracovia was founded in 1906 and is Poland's oldest sports club. Comarch owns the club jointly with the municipality of Krakow. Its football team was Poland's champion in 1921, 1930, 1932, 1937 and 1948. The hockey team has also won frequent champion titles. Cracovia has an enormous amount of faithful fans all over the world. Perceived as a cult sports club, Cracovia is commonly considered the strongest Polish football brand. The most illustrious of Cracovia's well-wishers was Pope John Paul II.  
[www.cracovia.pl](http://www.cracovia.pl)



*Comarch Cracovia - Poland Ice Hockey Champion*

## TSV 1860 München

In the 2010/2011 season Comarch is the main sponsor of the TSV 1860 München, the venerable sport club in Bayern, Germany.



## Comarch Young Europe Experience 2010 in Germany

The Chopin Year 2010, which was the 200th birthday of the great composer was celebrated with a new concert series: Comarch Young Europe Experience. This year was to remember the legacy that Fryderyk Chopin left Europe, who was born and raised in Poland. The series of concerts were held at several locations in Germany: Frankfurt am Main, Dortmund and München.

## Telecommunication Progress Foundation

In 2010, the Comarch Capital Group, as a partner of the Telecommunication Progress Foundation, donated a significant amount of money for activities led by the Foundation. The Foundation was established in the mid- 90s. It specializes in the implementation of projects related to information and telecommunication technologies. The Foundation conducts trainings for universities, high schools and businesses on different levels covering a broad range of topics in the field of information technology, telecommunications and management. In support of the development of IT technology, Comarch has provided the Municipal Fire Department in Krakow with new computers, the Medical School of Silesia with Microsoft's CAL license and the Volunteer Fire Department with monetary donations.

## Employees for those in need

Comarch employees, in taking care of their own personal growth, do not forget about others. Every year Comarch employees donate money and gifts to various charity organizations. Prior to Christmas of 2010 employees in Poland made donations to such organizations as the AGAPE Foundation, Fundacji Niesiemy Nadzieję Foundation, The House of Lone Mother in Wrocław with Care and Education Center for Children No. 4 in Sosnowiec - Zagorze. And the animal shelter in Łódź. Each year, employees give 1 percent of their income tax to people and organizations and inform each other of those in need through a corporate internal website and weekly e-newsletters. Comarch gave a MacBook to a talented school student from Rajska Wioska which was donated through the Blżej Człowieka Foundation.



# System Policy

Comarch has been awarded a number of certificates as a result of our efforts to improve and develop the company's Quality Management System. Comarch has received the Certificate of Integrated Management System of Quality (EN – ISO 9001:2008), the Information Security Management System (EN-ISO/IEC 27001:2005), the Certificate of Environmental (EN – ISO 14001:2004) and Occupational Health and Safety (Polish standard), and the Certificate of Export Control Systems. These certificates were issued by the Polish Center for Testing and Certification (PCBC).

The Quality Management System ensures that all processes impacting the quality of products and services provided by Comarch are properly defined and employed. An efficiently functioning system guarantees that all processes are verified for effectiveness and efficiency, as well as constantly improved and adapted to fluctuating market conditions, technological advancements and specific client requirements.

The superior quality of our products and services is supported by the company's commitment to environmental protection and the creation of a safe working environment for employees and suppliers. Comarch's adherence to its corporate governance rules ensures an increasing level of trust between the company and its clients, suppliers and all other parties interested in Comarch's maintenance of standards in terms of product and service quality, environmental performance, occupational health and safety, as well as data and information security.

During the implementation of the Environmental Management System, a number of environmental aspects were identified. The results of the analysis also allowed us to identify several other important environmental factors, including emissions that impact a wide area, electronic waste and CRT monitors.



# Code of Conduct

## I. The Highest Ethical Standards

The Comarch Capital Group is aware of the importance of abiding by the regulations, legal provisions, working procedures and ethical standards set by the company. As a leader of the IT market in Central Europe, Comarch is committed to promoting ethics and to striving to be among the world leaders in fostering corporate responsibility, respect for human rights and environmental protection. The achievement of this goal is the joint responsibility of all Comarch employees.

The present Code of Conduct has been approved by the Comarch Capital Group Management Board, which is committed to the regular

assessment of the observance of the code and to amending it on the basis of the proposals submitted.

The Code reflects the ethical values that Comarch upholds and intends to abide by. For the employees of Comarch Capital Group, it constitutes a standard of behavior towards fellow-employees as well as towards superiors, customers, partners, and local communities when doing business and also when involved in business-related activities.

The present Code of Conduct shall be circulated and publicized by the activity of Comarch SA's PR department.

## II. The Mission of the Comarch Capital Group

### RESPONSIBILITY FOR THE SUCCESS OF OUR CUSTOMERS

Comarch is a global supplier of IT services, which comprehensively supports customer relationships and optimizes operational activity and business processes. The company's in-depth knowledge of the industry is its main advantage and we hand this on to our customers in the form of integrated IT solutions. Ever since its establishment Comarch has placed great emphasis on the delivery of applications and professional services of the highest quality in such a way as to ensure that they can be optimally applied in the Customers' day to day activities. In this respect, Comarch has already acquired a strong position as a supplier of comprehensive IT solutions. The Comarch Capital Group aims at delivering innovative IT solutions to all sectors of the economy. Almost 3,500 experienced specialists and consultants work for our customers in the US, Europe and the Middle East. We have conducted 3,000 comprehensive implementations and these have benefitted from

the use of the most modern technologies, in-depth knowledge of market trends and a sense of responsibility. More than 60,000 customers in Poland and abroad use Comarch software and we are proud of the fact that many of our international customers consider Comarch to be an excellent example of a thriving Central European IT company that is efficiently winning global markets. The company's domestic and international product development strategy is supported by extensive R & D investments, whose value amounted to more than 13% of revenue for 2008. In concentrating its efforts on spreading knowledge, Comarch organizes research and development programs based on cooperation with consultants, analysts and customers. The main idea of these programs is to disseminate knowledge and to check, compare and revise our ideas for the development of new technologies while also taking into account market trends. Comarch's strategy is based on using the diversified experience and knowledge of its employees to deliver a full range of IT services from consulting and the implementation of individual solutions through to outsourcing.

## III. The Values Cherished by the Comarch Capital Group

In relationships with the Group's internal and external stakeholders, Comarch upholds universal values by fostering honesty, diligence and conscientiousness in the delivery of tasks entrusted to the Group. These values include quality and innovation as personal

standards, mutually beneficial cooperation, fostering of trust among co-workers and partners as well as respect, understanding and a willingness to help regardless of position or orientation of opinion.

## IV. Maintenance of the Highest Standards of Work

The Comarch Capital Group respects and maintains international standards regarding human rights as well as international standards of work, perceiving them as fundamental and universal.

The Comarch Capital Group respects and executes labor law regulations as well as health and safety provisions and ensures that employees are always treated in accordance with the requirements in force.

The group respects the prohibition of discrimination based on: race, social status, ethnicity, religion, impairment, disability, gender, sexual orientation, political affiliation and views, age and marital status. The company guarantees freedom of conscience and religion as well as freedom of speech and opinions.

The Comarch Capital Group promotes teamwork that is free from any prejudice and consciously derives strength from the values which are there to draw on and that stem from the diversity among the employees. In return, the group makes every effort to guarantee timely and fair remuneration, possibilities for development, stimulating challenges and excellent working conditions.

The Comarch Capital Group protects its employees' copyright and, with regard to international standards, respects their intellectual property as a personal good that should be free from any abuse. The group respects the prohibition of the following: the work of children below the age of fifteen, the use of corporal punishment, mental and physical coercion, insults and sexual harassment and considers the workplace as one which is free of such practices.

## V. Lack of Tolerance for Corruption, Fair Competition

The Comarch Capital Group observes the rules of fair competition and prevents bribery, illegal payments and corruption.

It is the duty of Comarch Capital Group employees to avoid any activity leading to a conflict of interests, namely receiving and offering presents as a part of business and commercial activity. It is forbidden to pay or to propose bribes or illegal services to

state officials or to the representatives of political parties in order to make or to keep a transaction. Comarch employees shall not derive benefits or assist in deriving benefits from opportunities which may arise as a result of using company information or their position within the Group.

## VI. Partnership in Business

### CUSTOMER RELATIONSHIPS

Comarch Capital Group's main principles are responsibility for its customers' success as well as respect and openness to their needs. Comarch delivers innovative IT services of the highest quality, which result from the employees' experience and exceptional skill, and from cooperation with the leading research and development centers in Poland and abroad. The Group spares no effort in ensuring that the IT solutions delivered correspond with the highest standards and customer requirements.

### CONTACTS WITH PUBLIC ADMINISTRATION

As far as contact with public sector customers (central and local government, community partnerships, treasury companies, public health centers) is concerned, the provisions of the Public

Procurement Act of 29 January 2004 (Journal of Laws, 2007 no. 223, item 1655 with amendments) are applied. These provisions regulate the method of communication with the ordering person during the tender procedures, the scope of activities which can be undertaken by the parties to the procedure as well as the resources available for legal protection.

### SECURITY IN INTERNATIONAL BUSINESS

In order to ensure control and security in the trading of products, technologies and services which are strategically important for your security, Comarch Capital Group has implemented the Export Control System, which guarantees that international and domestic standards and requirements are applied.



## VII. Integrated Management System

The Comarch Capital Group places particular emphasis on the quality of the products it offers and the services it provides. Quality initiatives are therefore undertaken to ensure that the ever-increasing and more specific expectations of customers on both the Polish and international markets can be met.

The Integrated Management System guarantees the correct and system-administered realization of all business processes which have a bearing upon the product and on service quality. The effective operation of this system ensures that processes are continuously monitored and that they are improved and adapted according to changing market conditions, technologies and

customer requirements. The emphasis placed upon the quality of products and services runs parallel to the Group's active support of environmental protection and strict adherence to the security principles that apply to employees and suppliers.

Compliance with the rules and systems implemented at Comarch results in relations of trust being developed between the company and its customers and suppliers. In this way Comarch's corporate image is reinforced in the eyes of all parties interested in the effects of the company's activities within such areas as product and service quality, impact upon the natural environment, occupational safety and health, information and data security and the sale of dual-use products.

## VIII. Corporate Governance – Observing the Principles

Comarch adheres to the Code of Practice for Companies Listed on the Warsaw Stock Exchange and operates in accordance with the 'comply or explain' principle which requires a company to

provide the market with an unambiguous explanation of having violated a good practice.

## IX. Ecological Awareness

The Comarch Capital Group follows the legal regulations regarding the protection of the natural environment. Comarch makes great efforts in limiting the impact of its activities upon the natural environment by minimizing the exploitation of natural resources and

the amount of waste resulting from current activities. Moreover, the company promotes an ecological lifestyle among its employees by supporting initiatives that encourage the active protection of the natural environment.

## X. Corporate Social Responsibility

The Comarch Capital Group has been deeply involved in social activities since its inception, by propagating the idea of an extended social platform for promoting sport and advanced IT technologies. As far as promoting and supporting sports is concerned, the principal object of Comarch's engagement is MKS Cracovia SSA, the oldest sports club in Kraków which participates in professional leagues and competitions in several sports disciplines with a focus on football and ice hockey. The Comarch Capital Group is also involved in promoting sports among young people.

Comarch provides its employees with permanent and free access to recreation facilities located in one of the company buildings, and so encourages them and their families to lead an active life.

Another idea widely promoted by the Comarch Capital Group is the popularization of knowledge regarding the most recent IT technologies. Every year, a group of approximately 200 students of IT participate in a three-month summer internship program at Comarch which enables young people from all over the world to become familiar with cutting-edge IT solutions for business. Furthermore, Comarch supports Polish science by taking part in and co-financing scientific conferences.

Finally, the Comarch Capital Group is also a frequent sponsor of cultural events, including festivals, concerts and other socially significant activities.

## XI. Implementation and Enforcement

All obscurities, ambiguities and problems related to the interpretation of the Code of Conduct should be submitted to the Spokesperson on Ethics appointed by the Management Board. Comarch employees

are encouraged to present any remarks or suggestions regarding the modification of the Code of Conduct.



# CORPORATE GOVERNANCE

Corporate governance is primarily the organization and standardization of activities aimed at ensuring an appropriate balance between the interests of all parties involved in the creation and operation of the company, serving primarily in its development. On 4 July 2007, the Supervisory Board of Warsaw Stock Exchange (GPW), on the motion of the Board of Directors of the Stock Exchange, adopted new corporate order rules under the name of Good Practices of Companies Listed in GPW. On 19 May 2010, GPW made changes in the Good Practices of Companies Listed in GPW. The changes in the Good Practices of Companies Listed in GPW became effective on 1 July 2010.

The Board of Directors and the Supervisory Board of Comarch SA do their best in observing most of the principles of the Good Practices of Companies Listed in GPW in the scope covered by the principle of "comply or explain" which consists in the Company providing the market with unanimous information about practice violation.

The Good Practices of Companies Listed in GPW are the subject of the annual reports on the proceedings in the scope of observing the corporate order principles, prepared by companies in the stock exchange. The Board of Directors of Comarch SA have decided to observe all the principles of the Good Practices of Companies Listed in GPW in the scope covered by the "comply or explain" principle. The Board of Directors of Comarch SA enclosed the report on application of the corporate order principles by Comarch SA in 2010 with the annual report for 2010, which was released for the public on 29 April 2011.

Comarch SA fully observes all the rules included in the Good Practices of Companies Listed in GPW except for the recom-

mendation related to broadcasting the sessions of the General Assembly of Stockholders. The Company does not observe some recommendations in the scope of the salary policy and sustained participation of women and men in execution of the management and supervision functions in the companies. The detailed information on these issues may be found in the report on observation of the corporate order principles by Comarch SA in 2010.

Comarch complies with all of the principles of Best Practices for WSE Listed Companies other than the recommendation concerning the transmission of proceedings at the AGM. The company does not transmit proceedings of the AGM via internet nor does it publish their details on its website. However, the company is considering this possibility due to changes in the commercial companies code.

The Comarch Capital Group pays special attention to improving the company's communication with its external environment. The team responsible for investor relations, together with the department of communication, takes every effort to ensure reliable, complete and transparent information about Comarch, either through the company's website, email and in the course of direct contact. The main source of information is an extensive website as well as numerous meetings with the management board during the year organized upon request of investors, analysts and the media. Representatives of the management board participate in the Road Show, where they can characterize Comarch's activities, successes and its business plan for upcoming years. Presentations of the periodic results of the Comarch Capital Group are also a current source of information about the company.



*Comarch's Conference and Training Center*

# MASS MEDIA AND SOCIAL MEDIA ABOUT COMARCH



## International media about Comarch

Comarch is continuously present in international press, both in information sections and in the industry news.

The company has become the object of the documentary broadcast at the best time of CNN. In the opinion of the reporters of the American station, the Krakow-based company is a good example of executing the slogan "the Pole can do it."

The German 3SAT television channel prepared the Avanti Polonia! material dedicated to Comarch, a successful company across the Oder river.

The DACH region is one of more important markets for Comarch. The position, plans and development of Comarch in the German market was the focus of the interview for the "Commercial News" prepared by the Polish-German Chamber of Industry and Trade, discussed by Comarch President, Professor Janusz Filipiak.

Comarch is continuously present in the international industry press. To name just a few examples, European Communication Magazine:

Out of chaos comes opportunity; Vanilla Plus Magazine: Talking Heads: Comarch identifies big new operator opportunity; Billing OSS Magazine: Challenges to be faced when serving business customers; Pipeline Magazine: Thriving as Web Platform Enabler – beyond 'dumb pipes.

The British Wise Marketer magazine in its September issue described Comarch as the only company which was capable of meeting a very demanding timetable for implementation of the loyalty system for the JetBlue airline. Moreover, Comarch responded to the invitation for tender preparation within just 7 days. This unusual short turnaround "was admired by the airline," Wise Marketer stated.

IEEE Communications Magazine, published in the USA by the Institute of Electrical and Electronics Engineers, ran an extensive presentation of Professor Janusz Filipiak.

## *Comarch in the internet, press, radio and television*

Comarch is continuously present in key dailies, weeklies and monthlies in Poland and Germany. Statements made by Comarch experts are also quoted by the IT industry press, as well as press and websites of all the industries of the Polish economy. The news agencies are specifically interested in the stock exchange presence and international expansion of the company: Polska Agencja Prasowa, ISB of Internet Securities Inc. in the Euromoney Institutional Investor media group, Thomson Reuters, Bloomberg.

Our experts participated in studio meetings, like in the series "Na Celowniku" by Virtualfocus, where desktop virtualisation was the subject matter of discussion. In the main broadcast of Wiadomości TVP1, our expert commented changes in VAT rates. The company was continuously present in TVN CNBC and TV business. Programmes I, III and IV of Polskie Radio hosts Comarch experts on the ongoing basis to comment all the news from the world of new technologies. FBU sector products and innovative solutions implemented by Comarch were broadly discussed in domestic press, among others in "Rzeczpospolita", "Gazeta Bankowa", "Bank" monthly, "Gazeta Ubezpieczeniowa", "Miesięcznik Ubezpieczeniowy" and other industry media. FBU sector specialists many times commented in the media as experts information related to new technologies and trends in the market of financial services. The Comarch

infrastructure in the area of the Krakow SSE was a stage for the photoshoot for the campaign promoting the "Zostań Małopolskim Przedsiębiorcą II" project financed with European Union funds. The campaign is related to promoting entrepreneurship among the residents of Małopolska.

Comarch was also presented in "Glamour", strangely enough. When you enter a shop, you will be automatically identified. The intelligent basket will locate the products which you want to buy and will give you their prices, reports the magazine for women. The "What changed life of women?" essay by Justyna Michalczyk of the Comarch services sector reports intelligent dressing rooms fitted with touch screens and 4D mirrors.

The end of 2010 brought changes in the regulations of value added tax (VAT) rates. These changes applied to each entrepreneur irrespective of the scale of the conducted activities and covered not only the IT systems but also touched companies on the business side. The experts of the ERP Sector of Comarch in all-Poland business media, but also in local ones, advised entrepreneurs how to smoothly pass to the new rates and to protect business against negative consequences of the changes.



*Recordings made by Comarch TV can be seen on YouTube, Comarchs website and on business portals.*

## *Comarch in the community media network*

The ever-growing significance of community media which become a perfect two-side communication platform between organisations and web surfers was the impulse to take advantage of these new innovative information channels by Comarch.

Both company sectors and particular business departments opened their profiles in community websites: a fanpage in Facebook, cockpits in Blip, profiles in Twitter and GoldenLine and LinkedIn, as well as channels in YouTube and Vimeo. The complete list of presence of Comarch in community media is available in the web-based press centre in the Social media tab.

The strategy of operation assumed by the company assumes bilateral communication and interaction with the users of these services. The fans, observers, followers, forum users and subscribers

are offered fresh and very often not published elsewhere information, photos and graphic and video materials. Press conferences, webinars, training sessions are also transmitted over the Internet. Web users will thus find in the network of Comarch social media the current information about a rich offer of Company products, but also general messages about the sectors in the form of summaries, forecasts and trends, financial news, humorous pieces about the industries and information about interesting items.

The company also prepares video materials which make the solutions offered by Comarch more familiar, and experts of the company share their knowledge in the area of IT systems.

You are welcome to join Comarch in Facebook, presence in Twitter and blipping.





# COMARCH SALES STRUCTURE

Due to the type of IT systems offered by the company, medium-size and large companies (who are the largest clients of advanced IT solutions all over the world) constitute the main group of clients. Majority of company's products are addressed to specific groups of customers, while IT services are of universal nature and are offered to all groups of customers. Comarch's offer is dedicated to both Polish and foreign customers. Currently, the Group's strategy is based on the sale of an increasing number of products on international markets, especially in Western Europe. Sale in the company is highly diversified, with no dependency on one major

client. In 2010, the share of none of the customer exceeded 10 % of the sale in Comarch Group'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 2010, no supplier provided products and merchandise at the value exceeding 10 % of Comarch Group's proceeds on sale.

## Geographical Sales Structure

	2010	%	2009	%	2008	%
Domestic (Poland)	445 666	58,5%	410 523	56,3%	553 421	79,0%
Export	315 695	41,5%	318 880	43,7%	147 544	21,0%
Revenue from sales	761 361	100,0%	729 403	100,0%	700 965	100,0%

Foreign sales at the Comarch Group in 2010 recorded decline of 3.2 million PLN and were down 1 % year on year. The share of foreign sales in overall sales was at 41.5 % against 43.7 % in 2009. The Group denoted significant increase in revenue from sales from core activities. The total recorded foreign sales revenue take into

account a decrease of 2 million EUR in the Comarch Software und Beratung Group's sales and the strengthening of PLN vs. EUR by approximately 8 %. Domestic sales increased by 35.1 million PLN, i.e. 8.6 % compared to 2009.

## Geographical sales structure



\*Thousands of

Sales in Europe in 2010 declined by 6.6 million PLN and account for 93.5 % of foreign sales at the Comarch Group, where sales in the DACH region are the most important. Sales to both of the Americas were 23.6 % higher than in 2009. The share of sales to remaining countries maintained the previous year's level and is consistent

with the Comarch Group's decision to concentrate sales on the DACH market, which has been continued by the Comarch Group in 2010. Looking back over the year as a whole, the structure of geographical sales remained at a consistent level.



## Geographical sales structure

	2010	%	2009	%	2008
Poland	445 666	58,5 %	410 523	56,3 %	553 421
DACH	207 618	27,3%	204 311	28,0%	57 302
Europe – other countries	87 433	11,5 %	97 322	13,3%	69 568
North and South America	15 091	2,0%	12 210	1,7%	15 462
Remaining countries	5 553	0,7%	5 037	0,7 %	5 212
<b>TOTAL</b>	<b>761 361</b>	<b>100,0%</b>	<b>729 403</b>	<b>100,0%</b>	<b>700 965</b>

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

	2010	%	2009	%	2008	%
Telecommunication, Media, IT	165 311	21,7%	148 209	20,3%	114 696	16,4%
Finance and Banking	136 277	17,9%	117 135	16,1%	146 709	20,9%
Trade and Services	94 016	12,3%	60 222	8,3%	65 421	9,3%
Industry & Utilities	72 539	9,5%	106 337	14,6%	63 222	9,0%
Public Sector	66 641	8,8%	59 307	8,1%	203 728	29,1%
Small and Medium Enterprises – Poland	67 498	8,9%	55 785	7,6%	54 727	7,8%
Small and Medium Enterprises – DACH	147 328	19,4%	169 682	23,3%	37 624	2,1%
Others	11 751	1,5%	12 726	1,7%	14 838	5,4%
<b>TOTAL</b>	<b>761 361</b>	<b>100,0%</b>	<b>729 403</b>	<b>100,0%</b>	<b>700 965</b>	<b>100,0%</b>

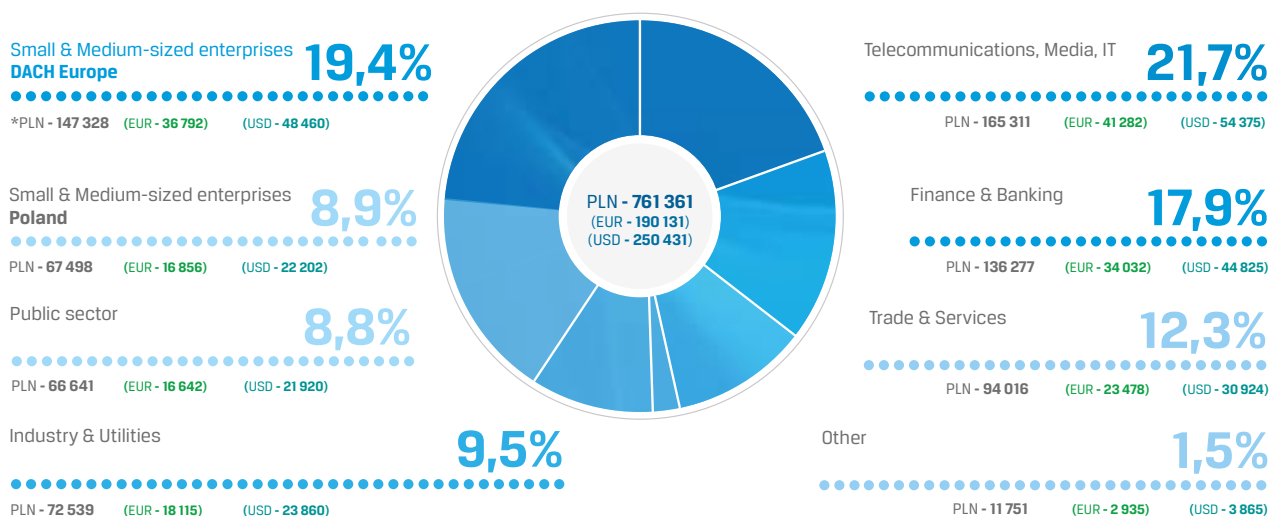
In 2010, there was no significant change in the market's sales structure. The most important customers are those in the telecommunication sector (share of 21.7 %), the finance and banking sector (share of 17.9 %) and the SME – DACH sector (share of 19.4 %). The share of sales to customers in the industry and utilities sector and in the SME – DACH region decreased significantly (from 14.6 % to 9.5 % and from 23.3 % to 19.4 % respectively). The share of sales to customers in trade and services sector increased from 8.3 % to 12.3 %. The share of other sales in total sales remained at a stable level.

In nominal values, there was a significant growth in sales to customers in the majority of sectors. Sales to the public sector grew by 7.3 million PLN, i.e. 12.4 %; sales to the finance and banking sector grew by 19.1 million PLN, i.e. 16.3 % and sales to the telecommunication, media and IT sector grew by 17.1 million PLN, i.e. 11.5 % compared to those in 2009. There is noticeable high increase in sales to the SME – Poland sector (an increase

of 11.7 million PLN, i.e. 21 %), despite the nature of this market (mass customer). There was also a significant increase (33.8 million PLN, i.e. 56.1 %) in sales to trade and services companies due to an execution of one-time high-valued delivery of Microsoft software in the fourth quarter of 2010. Sales in the industry and utilities sector fell by 33.8 million PLN over the course of the year and dropped by 31.8 % during 2009. Sales to customers in small and medium sized enterprises in the DACH region declined by 22.4 million PLN with a 13.2 % decrease year on year. This was an effect of an ongoing conducted restructuring programme at the Comarch Software und Beratung Group and the strengthening of the EUR/PLN exchange rate by approximately 8 % compared to the previous year.

Looking back over the year as a whole, the structure of sales by the customer segment remained at a consistent level, and it was only in Q4 that sales to the trade and services sector outperformed overall sales.

## Market Sales Structure



\*Thousands of

## Products Sales Structure

	2010	%	2009	%	2008	%
Services	513 387	67,4%	500 573	68,6%	354 827	50,6%
Proprietary software	91 460	12,0%	74 657	10,3%	78 479	11,2%
Third party software	78 983	10,4%	93 614	12,8%	134 710	19,2%
Hardware	61 809	8,1%	46 149	6,3%	115 152	16,4%
Others	15 722	2,1%	14 410	2,0%	17 797	2,6%
<b>TOTAL</b>	<b>761 361</b>	<b>100,0%</b>	<b>729 403</b>	<b>100,0%</b>	<b>700 965</b>	<b>100,0%</b>

Sales of IT services and Comarch proprietary software are still a developing part of the Comarch Group's revenue year by year. In 2010, there was growth in the sales of IT services and Comarch proprietary software of 26.6 million PLN and 5.1 %. Yet the share of proprietary services and software in overall sales for the year constituted 79.4 % (78.9 % in 2009). Sales of computer hardware and third party software maintained the previous year's level (140.8 million PLN compared to 139.8 million PLN in 2009) and their share in total sales amounted to 18.5 % (19.1 % in 2009). The Comarch Group recorded a growth of 12.8 million PLN and 2.6 % in sales of proprietary services. This relatively small increase in revenue is mostly a result of a decrease of approximately 1.2 million EUR in sales of Comarch Software und

Beratung Group services and the strengthening of PLN vs. EUR. Sales of proprietary software grew significantly faster and increased by 16.8 % million PLN, i.e. 22.5 %, and achieved 91.5 million PLN. There was a decline in sales of third party software (14.6 million PLN, i.e. 15.6 %), mostly as a result of deliveries of Microsoft software which were lower than in the previous year. Sales of computer hardware were higher by 15.7 million PLN and 33.9 %. Other sales constituted 2.1 % of total sales and was higher by 9.1 % than those in 2009 but hold a marginal meaning in Comarch's activity.

Looking at 2010 as a whole, the structure of sales by product type remained at a constant level, and it was not until Q4 that third party software sales showed any upward movement.



# IMPORTANT CONTRACTS CONCLUDED IN 2010

## *KPN optimizes multinational corporate customer management with a Comarch solution*

**Comarch delivered a comprehensive set of BSS modules to help KPN lower operational costs, improve customer satisfaction and speed up the launch of new services.**

KPN discovered a market opportunity for managed mobile services and began delivering mobile communications to European multinational companies. This resulted in the end customer benefiting from significant reduction in overall costs of mobile communications within the company. Instead of having many providers from various nations, they were provided with one contract, a unified service in every country, as well as an advanced self-service and mobile telephony cost reporting functionalities.

*– The reason KPN decided to cooperate with Comarch was the competitive advantage offered by the proposed solution. The components of KPN's previous BSS system required vast amounts of manual work by its users. The time needed to introduce improvements was too extensive. Maintenance costs were high and rising. Finally, a decision was made to purchase a new, integrated solution and Comarch matched our requirements perfectly. Furthermore, Comarch to be very willing in meeting our requirements – states Cees Versteeg, IT and Operations Director, KPN Managed Mobile Solutions.*

## *The E-Plus Group selected Comarch as a strategic partner for Next Generation Network Planning*

**This innovative platform delivered in the Managed Service model improves the efficiency of network planning and, in particular, supports the accelerated roll-out of the E-Plus high-speed data network.**

Comarch signed a contract with the E-Plus Group to deliver an innovative network planning and configuration OSS platform. The solution is provided in a Managed Services model, over a single platform, and covers the whole network planning and configuration process, including inventory and configuration of Radio Access, Transport, and the Core Network. Through tight integration with the

live network, simplification of business processes and automation of operations, the solution improved several KPIs, such as efficiency and time-to-market. Comarch's responsibilities also covered supporting the roll-out of new technologies, including HSPA+ and LTE. Comarch provided a solution supporting planning and configuration of Radio Access, Transport and Core Networks.

## *Comarch successfully delivered its Billing Cloud to fring, a global mobile VoIP leader*

**Comarch signed an agreement with fring, a leader in global mobile VoIP and ideo communications, for a high availability Billing Cloud service.**

Thanks to the Comarch Billing Cloud, fring was able to add fringOut to its services portfolio. fringOut lets fringsters call any landline or mobile in the world from their mobile phone at very attractive prices, starting from 1€/minute. As the billing service is provided from the Comarch Cloud, the project was completed within a very short time. The billing

service is provided to multiple fring data centers around the globe. The delivered solution covers the entire process of product preparation. It defines details of the services offered to customers, provides and resells them over available channels, activates service control and billing, as well as monitoring and reporting.

## *GTS Poland chose the Comarch Convergent Billing solution*

**Comarch delivered its Convergent Billing tool to enable GTS Poland to improve its billing processes and to speed up the launch of new services.**

GTS's need for a new billing solution was seen as essential to maintaining its leading market position, it would also help it to launch novel services more rapidly while improving the

automation of its processes. Using the Comarch system gave GTS a range of advanced capabilities, especially for marketing, finance and billing as well as IT departments. Furthermore, it

helped to fulfill the requirements for system stability and compliance with industry standards.

The project enabled quick and reliable product profitability analysis, as well as improved billing accuracy. Using the Comarch solution, GTS can decrease the costs relating to billing issues and

this has a positive impact on company's cash-flow. Additionally, it enables increased billing process reliability and precision while minimizing the amount of billing issues, CRM and billing system integration and process automation.

## *Comarch implements an innovative class 5 service platform at Telefonía DIALOG, Poland*

**Comarch signed a comprehensive contract with Telefonía DIALOG, one of the biggest independent telecoms providers in Poland for the provisioning, installation and implementation of a service platform based on class 5 Soft Switches.**

Thanks to this new platform, Telefonía DIALOG is able to offer voice services via VoIP technology and has the option of launching a number of novel services that have not been available so far, such as hosted PBX, SIP Trunking, VAS, audio/video connections or conference calls (including the workinggroup model). Comarch's platform guarantees the availability of services from any location or device, based on a broad range of access types (VoDSL, ETTx, PON, WiMAX, WiFi, etc.).

*- The area of VoIP-based services augmented to our offer for communications service providers is of particular strategic importance to Comarch. This addition to our solution portfolio, allows us to carry out the transformation of TDM networks to IP networks, while at the*

*same time providing support for traditional and next generation services, with robust assistance from our BSS and OSS products* – highlights Piotr Piatosa, Director of the Telecommunications Business Unit, VP and Member of the Board, Comarch.

The contract signed between Telefonía DIALOG and Comarch also encompasses integration of the platform with Telefonía DIALOG's existing tools, including customer service systems and a billing platform also provided by Comarch. Additionally, Comarch is providing a warranty and post-warranty service, technical support and training for Telefonía DIALOG employees, as well as development of the platform in the future.

## *LOT Polish Airlines passengers are now flying with Comarch*

**Comarch SA and LOT Polish Airlines have signed a multi-year agreement for the implementation and support of the Comarch Corporate FFP system (LOT Corporate), Comarch Mobile (LOT Mobile) and the implementation and support of a new LOT Portal.**

*- To meet LOT expectations head-on, Comarch provides advanced loyalty tools that give many possibilities, for example flexible management of business rules, advanced segmentation of passengers and innovative and personalized communication with passengers. This is another important contract in the airline industry. Let me point out that during the previous year we signed a contract with JetBlue Airways, an American airline, which is setting trends overseas in the aviation industry* – says Marcin Warwas, VP of the Services Business Unit, Comarch.

*- Comarch's solution will improve customer service quality and two-way communication. Implementation of these changes is*

*a continuation of the LOT strategy to increase the level of customer service. We are confident that each airline passenger, both individual and corporate, will benefit directly from the increased functionality. These changes will continue to contribute to offering customers new features to enhance the comfort of our service* – Says Thomas Kochan, Director of IT and IT Strategy, LOT.

Under the agreement, Comarch provides three modules: LOT Corporate; designed for corporate passengers, LOT Portal; enabling content management, designed for all customers, and LOT Mobile; which enables direct contact with clients using modern channels of communication with intelligent mobile tools.

## *Jeronimo Martins Distribution extends cooperation with Comarch*

**Jeronimo Martins Distribution owner of the Biedronka chain, and Comarch are extending their existing cooperation in the field of electronic document exchange. The two companies signed a contract to implement and support the latest version of Comarch ECOD 2.0.**

The agreement was signed for a six year period. An important aspect is its ecological approach to the environment. If we were to count the amount of electronic documents JMD would replace through the Comarch ECOD Platform, it would amount to approximately 4,000 trees. That's close to 5000m<sup>2</sup> of forest, and that many trees would have to be cut down if electronic documents were to be replaced with the traditional paper version.

Introducing the new version of Comarch ECOD, which supports e-invoices, will improve the management of electronic documents and bring many business benefits to JMD. I will enable, among others, storing each document, previewing it, quick search, recording every operation made on a document and electronic access to the tax office, which will contribute significantly to optimize productivity. In a broader sense, it will also reduce post office queues and save thassociated time.

*- We combine modern, cost-effective document management and ecology - says Wojciech Józefowski, Director of IT JMD - Today it is possible to successfully minimize the printing of paper by introducing modern information systems to companies. One of the pillars of our philosophy is to be a trustworthy member of the environment - signing an agreement with Comarch confirms that we will not stop a declarations.*

JMD has been committed to promoting an environmentally friendly attitude for many years, including promoting recycling and saving natural resources. Segregating waste is practiced in more than 1,600 Biedronka stores throughout the entire country. Energy-efficient lighting is also gradually being introduced.

*- Jeronimo Martins Distribution has been using the Comarch ECOD Platform since 2003, signing such an important contract makes us very happy, extending cooperation confirms the quality of services provided by Comarch - says Sławomir Sajak, Sales Director of the Services Sector, Comarch.*

Jeronimo Martins Distribution owns Poland's largest retail chain, BIEDRONKA which has more than 1,600 outlets. Stores are located in nearly 600 large and small cities, offering carefully selected high quality products, at low prices every day. The company employs over 30 000 employees. Since 1995, JMD has invested more than 5 billion PLN in Poland. Biedronka is a leader on the retail market with the highest rate among customer preferences in Poland - at 58% (PBS DGA). Biedronka is also one of the most popular and valuable Polish brands and waawarded the prestigious Superbrands award three times.

## Renault Poland and Comarch signed another contract for the provision of IT services

**Since 2000, the network of Authorized Partners of Renault Poland has been benefiting from IT infrastructure outsourcing provided by Comarch. Another contract was signed in this long-term cooperation. It includes licensees in Poland and abroad.**

*- Positive cooperation, professionalism and the suitability of the IT services to the requirements and development of the business produced another contract, which includes licensees in Poland and the Baltic countries. The contract provides for IT services including various business processes, such as hosting of the Dealer Management System (which is a major, comprehensive system for Renault dealership business management), end-user support, support for communication processes as well as data security - says Paweł Szymanski, Director of the Center for IT Integration, Consulting and Outsourcing, Comarch.*

*- Another agreement with Comarch will further optimize the costs of operating anIT infrastructure. This is very good news for Renault licensees, who are the main beneficiary of this contract. Provision of their IT outsourcing services on the specified SLA levels ensures reliability and stability of customer service (through reliable access to the Dealer Management System) as well as investment*

*protection (through the use of scalable systems, which will develop together with the company) - says Andrzej Szczepański, Director of Information Technology, Renault Poland Sp. z o. o.*

Renault is present in 118 countries, employing 120,000 people, and already has a 110-year history. The Group consists of three brands: Renault, Dacia and Renault Samsung Motors. For over 10 years it has been operating within the Renault-Nissan alliance.

Comarch provides services related to outsourcing of IT infrastructure for several clients in Poland and abroad. Within these projects Comarch realizes work related to service, maintenance and administration of server and network infrastructure and support for client end-users. There are 15 typical outsourcing projects, taking place on-site or remotely based on the customer's infrastructure. In addition to the projects which are implemented, projects are also hosted in the Comarch Data Center.

## BP Awarded as a Golden Client of Comarch

**The Trade and Services business unit gave out the Golden Client of Comarch Award. The award was won by BP Poland, a client of Comarch, in the areas of loyalty programs (Comarch Loyalty Management), WAN outsourcing and the electronic document exchange system – ECOD.**

The year 2009 was the first year for the Golden Client Award. Sales Director Peter Dziurzyński says: *– BP Poland is a very important client for us. The loyalty system implementation for BP Poland has allowed for subsequent implementations in other countries where BP conducts loyalty programs. These include Germany, France and Spain.*

Commemorative medals were awarded in Kraków to marketing department representatives of BP Polska. Golden Client awards will be given every year to customers who actively assist in Comarch's development as well as helping it to reach out to new customers and markets.

## Comarch CDN XL enters Asian market

**Kotrak Bis, a Comarch Platinum Partner, signed an agreement for the implementation of the Comarch CDN XL system in Vietnam. This will be the first implementation of this system in Asia. The contract includes software licenses and implementations of Comarch CDN XL in three factories in Vietnam, belonging to the international company De Heus, a world leader in the animal feed industry.**

The choice of the ERP software and implementation company was mainly based on the flexibility and functionality of the Comarch CDNXL system as well as the experience and competence of Kotrak Bis, with whom De Heus has been working for several years. The implementation will cover all operational areas of the company along with analysis and control.

*– Signing another foreign contract with De Heus is very important in terms of the potential of the Vietnamese market. It is a huge success for us, and we believe; it to be a good sign of our conquest of Asia. The process of obtaining contracts abroad requires determination as well as time. It is not easy persuading foreign companies to purchase a Polish that is being implemented by a Polish integrator. We have succeeded because we began cooperation with De Heus starting with implementation in Poland and proved that we have a competent team. De Heus has consequently entrusted us with further implementations in South Africa, Russia, and now in Vietnam* – said Jakub Imosa, Managing Director, Kotrak Bis.

*– Purchasing Comarch CDN XL licensing and implementation services in De Heus Vietnam is a great success for Comarch and our partner Kotrak Bis. Previously, our system was implemented in South Africa, Poland and Russia. The extension of the installation to another country confirms the global quality of Comarch CDN XL. It is still more valuable because it represents the decision mechanisms of a global company, an industry leader, and far the only Polish implementation of the ERP system on this scale. In addition, we are doubly excited about the project in Vietnam, because Comarch has recently opened its branch in this country. Our offer for Asia currently includes the ECOD system. This year we will also be extending our activities in the field of ERP systems* – said Zbigniew Rymarczyk, Vice President of the Management Board, Director of the ERP Business Unit.

The De Heus corporation is based in the Netherlands. It also operates in Poland, the Czech Republic, South Africa and Vietnam as well as holding, shares in companies in Belgium, Russia, Egypt, Ethiopia and China.

## Sales Platform already in UNIQA

**Comarch has completed a major phase in the implementation of a sales platform for UNIQA Insurance Group. The Comarch platform (CAFE for Insurance) is a modern front-office solution, which ensures maximum simplicity and automation of the insurance agent's daily activities. The solution provides UNIQA with an effective and optimal use of new distribution channels.**

*We appreciate the importance of our sales network, whose competence and efficiency are the source of the UNIQA insurance group's success. Therefore, the development of the integrated sales platform run together with Comarch is particularly important to us. The platform features allow for an easy and quick sale of insurance products by our agents, cooperating insurance brokers and car dealers. It also supports customer relationship management through the integrated CRM module. Moreover, sales specialists*

*and managers receive online access to information concerning the realization of sales and earned commissions. The Comarch solution enhances our sales processes and relationships with customers due to much better access to information on the distribution network as well as its activities* - states Hans Christian Schwarz, Vice-President of UNIQA in Poland. *– The implementation project was carried out according to schedule and the sales platform was favorably received by our agents.*

UNIQA Group Austria is one of the leading insurance groups in Central and Eastern Europe. In Poland, the UNIQA Group operates through two companies – property insurance and life insurance. Apart from the Austrian market, UNIQA is present in 20 European countries: Albania,

Bosnia and Herzegovina, Bulgaria, Montenegro, Croatia, Czech Republic, Kosovo, Liechtenstein, Macedonia, Germany, Poland, Romania, Serbia, Slovakia, Slovenia, Switzerland, Ukraine, Hungary and Italy.

## Internet Banking now in Thailand

**Comarch has successfully finished implementation of the Comarch Internet Banking transaction platform at one of the biggest Thai banks, TMB Public Company Limited, a member of the ING Group. It is the first implementation of Comarch Internet Banking on the Asian financial market.**

The Comarch Internet Banking solution for TMB will support corporate clients. The functional scope of Comarch Internet Banking includes cash management, a credit and deposit account list, report management (import, export), and more. The Comarch Internet Banking information and communication platform will enable TMB employees to carry out complex user and task management activities as well as the management of fees and charges.

*Bank customers are becoming more and more demanding, they need access to their accounts instantly 24/7 from any place in the world. Comarch Internet Banking is a very effective solution - every financial institution knows that their competitive advantage in the*

*market depends on meeting customer needs, emphasizes Robert Florczyk, Sales Director, Comarch SA.*

*We are aware of the fact that an innovative bank offering the highest levels of service technology must provide its customers with easy access to their accounts through the Internet. We decided to implement the Comarch solution, not only due to its wide functionality and flexibility of further development, but mainly because of the high level of security it guarantees. We have just launched the functionality of the transactional platform and we can already observe an increase in our clients' interest explains Patchanee Vongsilpawattana, Head of Transactional Banking Group, TMB.*

## Comarch automates client reporting and communication in SKAGEN Funds

**SKAGEN Funds, a leading Norwegian funds management company, has decided to automate the client communication and reporting processes with the Comarch Reporting Platform.**

The project aims to deliver best-class reporting to individual and institutional clients in several countries owing to comprehensive internal reporting and analytical tools based on data warehouse technology and business intelligence. Communication within the company, as well as between advisors and clients will be provided through a reliable web portal accessed via different communication channels. The project takes advantage of Comarch's unique long-term experience in business intelligence, data warehousing, performance and attribution analysis as well as building communication platforms. The comprehensive solution will be delivered in a secure and scalable SaaS model from one of Comarch's Data Center locations in Europe.

*– Building long-term relations with clients based on trust, transparency and communication has become the key challenge for the investment industry. In this project we will combine our deep domain knowledge of portfolio and performance reporting with the services infrastructure providing a flexible, scalable and reliable environment to meet SKAGEN's business goals. We look forward to another successful implementation due to strong commitment from both sides, says Grzegorz Prosiowicz, Business Development Manager at Comarch SA.*

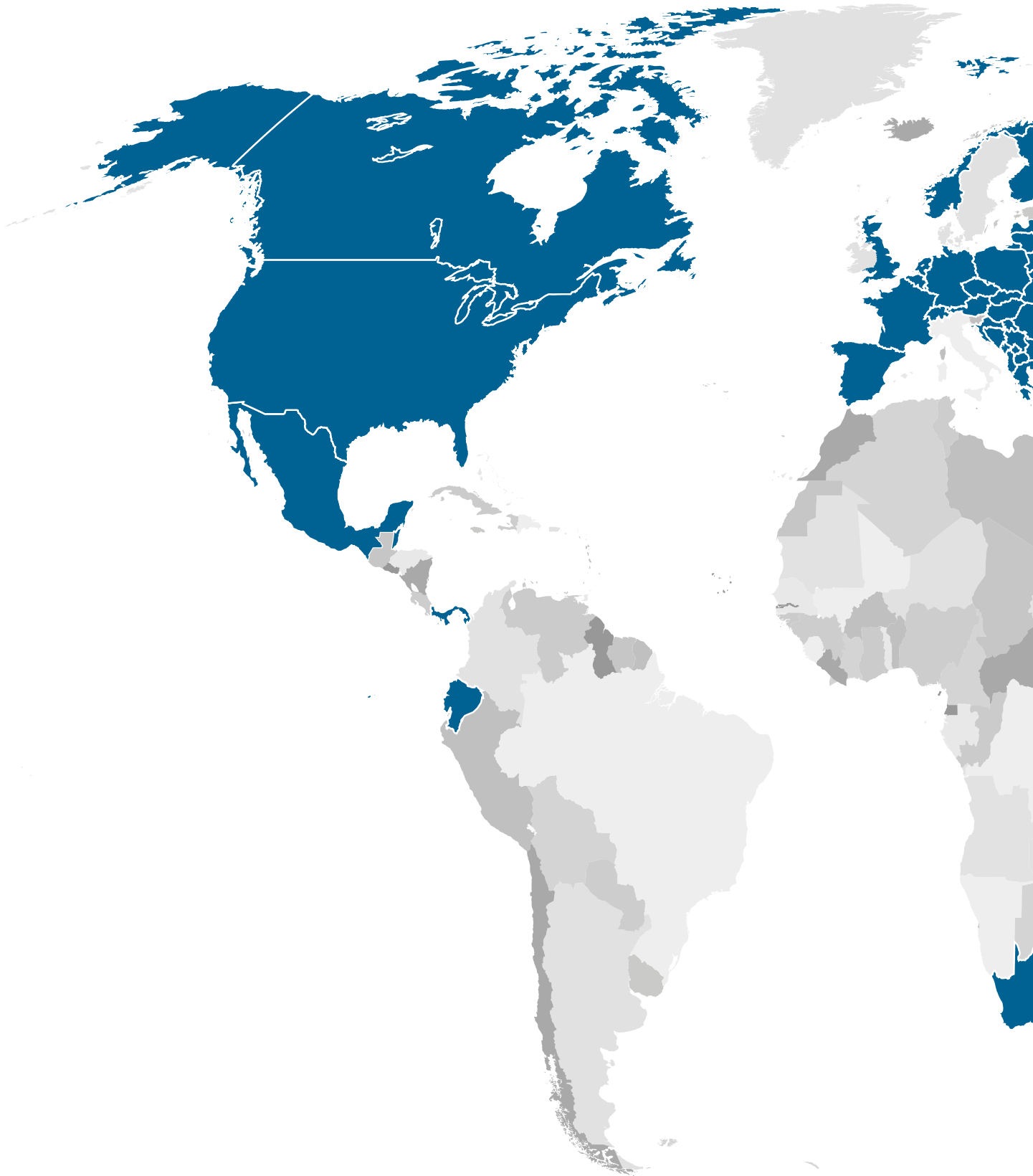
It is important for SKAGEN Funds to design and implement a bespoke reporting platform that can best retell the unique SKAGEN story. We believe that in Comarch, we have found a strong and flexible IT partner for the entire project lifecycle – from custom design, through implementation to operations. This platform will help SKAGEN deliver on our client commitment to provide world-class communication and services, underlines Jim Sumpter, who is the project manager for client reporting at SKAGEN Funds, along with Bjørn Tjemsland.

SKAGEN Funds is an independent, leading, Norway-based, investment funds management company. SKAGEN's sole objective is to provide its clients with the best possible risk-adjusted return by pursuing an applied value-based and active investment philosophy with broad mandates - a philosophy based on common sense.

Comarch is a global IT business solutions provider, our primary advantage lies in the extensive domain knowledge acquired in finance, telecommunications, retail, government and SME sectors accumulated in our software products which we use to develop and integrate sophisticated business IT solutions that may be delivered from the Comarch Data Center and provided as an end-to-end service with guaranteed SLA.



*Comarch's global*



*customers*





# **PUBLIC ADMINISTRATION, UTILITIES AND LOCAL GOVERNMENT BUSINESS UNIT**

**Sector APUS Comarch is one of the leading suppliers of solutions for public administration, local government institutions, university-level education facilities, health care facilities as well as companies from the broadly understood utilities industry.**

Due to long-term experience in project execution in state administration, sector employees have high qualifications in the scope of managing large and complex 'turn-key' projects.

Comarch means state-of-the-art project methodology, efficient solutions and the continued pursuit for technological novelties.

Our portfolio includes executions of some of the largest IT projects in the country (in many ministry offices, institutions, budget and commercial companies), a broad offer of SOA services and many dedicated projects.

ERP class solutions are also among our flag achievements. These include Comarch Egeria, well known in the utilities industry and in university-level educational facilities, as well as Comarch Semiramis; a modern system based on JAVA technology offered for production and trade companies. We also have extensive domestic and international experience in implementing third party ERP systems (Oracle EBS).

## *Projects for Central Administration*

Last year, Comarch signed three significant contracts with the **Ministry of Foreign Affairs (MSZ)**. The contracts covered the following implementations: a document flow system in diplomatic facilities all over the world, a new version of the MSZ portal for the head office and for all diplomatic facilities, and an ITSM system for the head office. The implementation of Comarch WorkFlow, planned for 3 years, assumes complete electronic management of documents generated and processed in all MSZ facilities. Additionally, the Printing System along with the system for monitoring, management and reporting the print service for all print devices, will be implemented within the project.

Comarch and its business partners signed a contract with the **Social Insurance Company (ZUS)** for execution of the Clients Movement Management System in over 325 local ZUS units. The system is a key element of the Electronic Services Platform project for ZUS clients, aimed at improving support for citizens and accessibility to information. A new, richer and more user friendly version of the ePUAP platform was delivered for the **Ministry of Home Affairs and Administration**. ePUAP is the electronic platform of public administration services, created as a tool for faster and more effective communication of the citizen with the office as well as data interchange between offices. With ePUAP, the citizen may arrange many official issues without the necessity of a personal

visit to the office. The platform allows the offices and institutions to create their own applications and to manage extensive communication. The project, completed in 2010, was a continuation of earlier contracts which saw the implementation, execution and maintenance of the ePUAP platform. Comarch designed, produced and implemented a prototype for a system of analyses, statistics and reports, within the designing stage of the PI Project: "Electronic Platform for Collecting, Analysing and Making Available Medical Events Digital Resources within the Health Care IT Programme." The data warehouse implemented by Comarch in the prototype version enables data collection, storage, maintenance and processing from many different sources. It also creates comprehensive analyses, statistics and reports for the new model of the Medical Statistics System for the National Health Fund and other scientific purposes.

A project expansion of the Integrated IT system (ZSI db) with a new module, "State Treasury Estate Properties," was executed for the **Ministry of Treasury**. The work included data migration, training, and implementation of the module which enables managing the register of estate properties belonging to the State Treasury resources on the basis of Articles 60 and 60a of an act signed on August 21, 1997 on estate property management. Continuation of the contracts concluded in earlier years included execution of the module for social benefits support.

## Projects for Local Administration and solutions the supporting e-community

Comarch is committed to providing IT solutions for cities and opening public offices for the needs of citizens using the Internet.

The first such project was a contract signed with the **Municipal Authority of Kościerzyna**. The comprehensive implementation, based on Comarch eGovernment Suite platform solutions, includes various modules and systems, starting with ERP, e-office and document flow, through to GIS solutions and systems supporting the daily work of local government administration. The system will allow the full execution of an information society throughout the authority.

The main objective of the project signed by Comarch with the **Municipal Authority of Głogów** was to prepare the authority to provide services for the benefit of local citizens. The project introduced an effective and modern system of public administration management and facilitated access to information and communication technologies for citizens as well as ensuring integration with e-services at a country level (e-PUAP). The implemented system consists of 6 thematic portals (based on the CMS mechanism in the Comarch Portal platform) and the Local Certification Centre (Comarch PKI). Thematic portals ensure coherent information policy in such areas as: culture, tourism, education, museums, and public services. Additionally, the culture and tourism modules provide access to, among others, online booking of tickets for cultural events (the ticket booking module) and browsing information about Głogów and the region on interactive maps based on GIS solutions. During the project, the Głogów City Card will be expanded to include services related to payments for official issues and cultural events. Within the Public Services System, the residents will gain the possibility of filing in electronic applications over the Internet. Office employees will be integrated within the existing flow of documents in the office and its units.

To ensure common access to the products, so-called e-kiosks; with access to the full functionality of the entire system will be set up in four places throughout the city. A modern class ITSM system was also implemented to support processes and manage IT infrastructure in the office.

Another contract was concluded by Comarch with the **Zabrze City Hall**. It provided an innovative system for cultural e-information. Its most interesting element was construction of a unique 3D module of the city plan, allowing the user to take "virtual walks" across the city along with the possibility of becoming acquainted with the location of cultural facilities as well as their offer.

Another interesting e-project was signed at the end of the year in cooperation with LTC Sp. z o.o. with the **Marshal of Voivodship Office in Łódź**. It stipulated the delivery and implementation of the IT system and navigation for a horse-riding trail and monitoring of the rider and horse. The project was called "Tourism in the saddle – the infrastructure of an innovative and unique tourist product." It features IT services provided for the process of supervision over tourist traffic and an IT infrastructure for points of monitoring active tourists located on selected trails. Tourists equipped with GPS devices, they may not only be supported with information but also continuously supervised for safety reasons.

Development and implementation of innovative methods of integrating cadaster data, the basic map, topography database and modernization of public services, provided by the Geodetic and Cartographic Services, was the subject matter of a contract concluded last year with surveyor's office of **the Mazowieckie Voivodship**.

Comarch is also committed to advising on projects. One of these was signed in cooperation with CA Consulting with the **Regional Water Management Board in Krakow** to prepare the IT PLUSK system for common Polish and Slovak borderline waters for the needs of the Master Water Directive and Flood Directive within the Program of Trans-National Cooperation between the Republic of Poland – Republic of Slovakia 2007–2013. The objective of the project was to improve the availability of information on waters, including elimination of barriers resulting from the state borderline and increasing responsibility for decisions related to the shaping of the water environment conditions and the method of using waters.

Last year saw the completion of two projects which support the development of the e – community. The first is the project **e-Policja** – an electronic communication platform (closed in mid-year), allowing the citizens of Pomorze to communicate with the police and arrange many administrative issues without the necessity of personal appearance at police stations. Implementation of the e-Policja system included 39 police units: the voivodship police station, all county and municipal stations, and some local stations. The units have been provided with the capacity for interchange of documents and correspondence through the main component of the system – the Electronic Document Flow System.

The second project is **Green Line**, the system to provide support for persons seeking employment in labour offices. The tele-IT infrastructure was provided by Telekomunikacja Polska S.A., and Comarch along with consortium partners developed and imple-

mented the System Access Application along with the analytical and reporting module and the Green Line System Knowledge Base. The system will ultimately cover over 300 counties in 16 voivodships.

## *Projects for health care and university-level education facilities*

Last year, Comarch completed implementation of an integrated IT system, Comarch Egeria, at the **University Clinic Hospital no 1 im. N. Barlickiego in Łódź**. The hospital already enjoyed the benefits of the Comarch Egeria system modules in the scope of managing personnel and salary issues, implemented by our partner. However, to provide a full range of IT services for business activities this implementation focused on the processes related to book-keeping, accounting, procurement and internal management of the company. The project achieved the assumed objectives, such as unification of business processes, automation and simplification of operational procedures, unification of the integrated IT system's functions and ensured full control over the ongoing activities.

Contracts were also signed with the **State Higher Vocational School in Jarosław**. The subject matter of the contract was the delivery and implementation of an integrated IT System along with the provision of technical assistance. It is also worth noting that the following systems will be implemented next to the ERP class system for university-level education facilities (Comarch Egeria Edukacja): electronic flow of documents (Comarch Workflow) and expanded reporting tool (Comarch GenRap). Moreover, the system will be integrated with the e-PUAP platform via Comarch PKI.

Projects which cover implementation of the Comarch Egeria Edukacja system were completed in three educational facilities.

The Integrated IT system, Comarch Egeria Edukacja, was successfully implemented in the **University of Szczecin** (the project covered part of the Back Office). The full version of the Comarch Egeria Edukacja system (the Front and the Back Office) was implemented in the **State Higher Vocational School in Tarnów**.

In September, the implementation in the **Medical University in Lublin** was also completed. The completed project covered two functional areas of the Front Office (dedicated for student management and scientific and research issues) and the Back Office (the part of the system is responsible for the work of the administration, own property management and procurement). The Virtual College tool was additionally developed and implemented. It is a portal used for the online management of student issues. Virtual College facilitates communication between students and employees of the dean office and the didactic employees of the educational facility.

## *Projects in utilities industry companies*

The year 2010 marked completion of projects in the heating, water pipeline and municipal transport industries. All of these covered implementation of specific "industry" versions of the Comarch Egeria system.

The project executed in **PWIK Rybnik** included specific modules for the water pipeline industry. During execution of this project, immense emphasis was put on optimization of system functionalities, which secured a high level of ergonomics for operators.

An implementation was also completed in **Energa Kogeneracja** in Elbląg. The project covered the full functionality of the system.

The largest and most complex project for municipal companies was an implementation in for **Public Transport in Gdańsk**. A new repair and building module was implemented which allowed management of transport depots and repair garages. Implementation of the Microbus system (by the German IVU company) and its integration with Comarch Egeria enabled the building of cost allocators, and settlements for complex systems of work for bus and tramway drivers.

## Competencies in implementation of Oracle solutions

Implementation of the ERP II class system, E-Business Suite 12.1, and Oracle Enterprise Performance Management, in the **Agricultural Social Insurance Fund** (KRUS), started by Comarch in 2010, is a very large and demanding project.

It covers key areas of KRUS operations, such as finances, budgeting, warehouse management, purchases, managing human resources and business intelligence.

It is interesting that the solution proposed by Comarch will be fully compatible with the SOA concept which constitutes one of the key elements of the IT work strategy in KRUS.

Signing the contract with KRUS was possible due to long-term experience in the implementation of Oracle products.

The project completed in **Węglokoks S.A.** is an example of such projects. It was the first Oracle application to be implemented in Poland on such a large scale. The delivered software offered functionalities for all business processes executed by Węglokoks (even the ones which were previously not supported by IT tools).

## Other

Many projects were executed as additional sales for existing clients.

A complex migration of systems was completed for **PKO Leasing**, the Comarch Database Archive application was implemented in **BZ**

**WBK Leasing S.A.**, and the Leasing Partner Care tool was implemented in **SG Equipment Leasing Poland**. Moreover, the HR part of Comarch Egeria was implemented in **Fabryka Cukierków Pszczółka Sp. z o.o.**, isolated from Krajowa Spółka Cukrowa.

## APUS PRODUCTS AND SOLUTIONS

The APUS sector has offers olutions for five groups of recipients:

- » Public administration (both central and local government);
- » Public use companies,
- » Education and academic facilities,
- » Health care units,
- » and commercial businesses.

Comarch solutions are developed based on the most modern international standards, and the highest class specialists constitute the personnel who participate in their implementation.

The most important solutions implemented in the public administration sector include:

## New products

### *Comarch Semiramis – modern ERP for industry and distribution*

**Comarch Semiramis** is an integrated ERP II solution developed for comprehensive handling and effective management of company processes.

The system was created using Java technology, which guarantees the possibility of working with various databases and operation systems in a three-layer architecture. The system is fitted with

a complete range of modules necessary for business management. Apart from production, logistics or financial functionalities, it has a data warehouse system and framework for the management of business processes. With the MultiSite functions, the system supports multi-firm and multi-branch organizations, reflecting their complex

structure in one database. UnNICODE technology allows elements of the company's structure to be located in different countries and time zones, as well as work based on different legal systems and currencies. The users may also utilize various languages.

## *Comarch e-Investor – Support for investors*

**Comarch e-Investor** is a solution addressed to local government units. It is a modern system supporting various investors (individuals, institutions and companies). Dedicated for investor support, the system may be used in many investment fields (information,

research, organizational, spatial and transport). The solution includes the Investor's Portal (along with the investment search engine), and information system, with an integrated Document Flow that supports the entire system.

## *Comarch RNP (Labour Amount Registration) – Planning and settling work*

**Comarch RNP** is used for planning and declaring working time (as well as registering attendance). The system plans tasks for employees and registers their actual attendance and execution of entrusted tasks. This solution ensures easy settlements for costs of work,

optimization of employee effectiveness and friendly reporting. It is a solution dedicated for settlements of measure-focused budgets in local government units.

## *Comarch e-Turysta – Promotion of cities and regions on the internet*

**Comarch e-Turysta** is a modern, interactive platform for the multi-level promotion of tourist destinations and spreading information about them on the internet. Interactive maps include visualization of tourist trails, descriptions of gastronomy points, night accommodation facilities and places of active rest, as well as weather forecasting services. Apart from the information function, the system enables booking various services (including tourist

guides, special attractions, and support in selected languages) for individual tourists and groups. The platform may also act as a medium for sharing information by business people, scientists and enthusiasts from the given region. Information in the system may also be presented on the InfoKiosk network available in the city or in the field in tourist information centers.

## *Comarch Database Archive – Intelligent modelling of large data volumes*

**CDA** is a tool used for optimization of archived data and its planned management. The system enables creating new data partitions by isolating them from active partitions and the appropriate rebuilding of database structures, partition disconnection and archiving, au-

thorization for deletions and data recovery. Moreover, CDA enables the management of access to transaction data with dedicated application filters (integrated in the application).



## Other products

### *Comarch Workflow – Document and communication management*

The **Comarch Workflow** system for the electronic flow of documents offers tools which allow effective planning and organization of the document flow and related tasks, as well as archiving letters and cases. Industry related system versions were developed for various sector recipients, and focused on support for specific

processes and documents. Comarch Workflow, offered for the utilities industry, supports electronic client service (applications, contracts, complaints and failure reports); the system offered for JST supports citizen services, and the education version enables handling of recruitment, student issues and research aspects.

### *Comarch Egeria – Support for organisation management*

**Comarch Egeria** is an ERP class system which enhances management of the institution and offers broad support in making decisions. It has a modular design and is highly configurable, which means that it can be adjusted to the individual needs of each client. The basic functional areas of the Comarch Egeria system include: Finances-Accounting (including Planning – Budgeting), Vindication, Fixed Assets Management, Managing Personnel, Logistics (along with Client and Procurement Management) and Decision Support Area. The unique solution of the Controlling module based on the thematic data warehouse ensures support for the processes of budgeting, tracking budget execution and settlement of costs. It also monitors the current financial situation of the company. Moreover, the system offers numerous industry-focused modules dedicated for

supporting specific needs of various companies and institutions, including taxes and local charges, estate property management, residential additions, tickets and fines, public aid and enforcement – for local government units; billing – for utilities companies, leasing – for leasing institutions, academic front-office system – form university level facilities, and repairs and technical services (ROT) used in various industries. The ROT module has a dedicated support functionality for a city public transport stock. The version for utilities companies enables integration with GIS and with remote reading systems. Comarch Egeria enables installation in complex organizations and capital groups, ensuring support for many legal entities in one system (database) and also offering report consolidation mechanisms.

### *Comarch Portal – Modern communication and data exchange tool*

**Comarch Portal** is a modern tool to support institution or company communication with their business environments. BOK (customer service unit) will be the best advantage of the utilities company portal, student services for college facilities and patient services for hospitals. Apart from publication of information, the Comarch Portal enables management of multimedia files and e-learning support. The system has integrated tools for managing documents, but

integration with Comarch Workflow also allows electronic support (with online forms) of the produced and received business documents. Thematic video chats, forums and the FAQ option support information interchange. Definable questionnaire forms published online allow running ad-hoc marketing polls among website visitors and analyzing their results.

### *Comarch E-Urząd – Support for community services*

**Comarch E-Urząd** is an online public services platform including a number of modules which allow execution of tasks set for local government public administration units by the legislator. Intuitive tools allow autonomous management over the application, ensur-

ing support for the processes of content creation and publication. This offers a guarantee of effective and efficient communication with clients by way of an electronic document interchange. The

solution is based on the CMS system which allows management over the content and structure of the portal.

The modular design allows flexible adjustment of the solution to the needs of the user.

Comarch E-Urząd includes the following modules: Digital Office, Public Information Newsletter, Information Portal, Intranet.

## *Comarch Education – Support for education management*

**Comarch Education** is an integrated system supporting the work of education departments and their subordinate educational facilities in the scope of collecting data about the education path of the pupil, creating organizational sheets, managing finances, personnel, salaries and using the Internet as a medium of communication between participants of the education process. It is addressed to

local government units, thus activating it along with other Comarch products leads to the achievement of objectives set for the Polish administration in the scope of using IT technologies. The integrated Comarch Education system constitutes a complete solution supporting management over educational units on all levels, i.e. both didactic and administrative processes.

## *Comarch Business Intelligence – System for reporting and analyzing data*

**Comarch Business Intelligence** is software which supports decision-making processes with data analysis. These solutions provide special performance for the clients who manage large volumes of data, have many systems or area locations, and expanded needs in

the scope of visual data presentation. Comarch BI offers its users the possibility of creating analyses with flexible grill-down, filtering measures and dimensions, visualization of key performance indexes, and manager cockpits.

## *Comarch Data Interchange – Building interfaces for file-based data interchange*

**CDI** is a highly configurable tool supporting transfer of data. Is it used for interchanging data with various entities, reporting to external institutions or processing data without user attention.

The system allows planning tasks and reviewing, verifying and correcting the recorded data.

## *Comarch PKI – PKI infrastructure support system*

Comarch PKI consists of the following components:

- » **Comarch PKI Electronic Signature** – with modules, which enable placing and verifying electronic signatures, which meet the statutory requirements for electronic signatures
- » **Comarch PKI CA** – software used to provide support for managing certificates throughout their life cycle, from filing the application for issuing the certificate, to its expiry or cancellation.
- » **Comarch PKI UPO** – a component which enables generation of the Official Commissioning Certificate. Comarch PKI ensures cooperation with HSM.



# TELECOMMUNICATIONS BUSINESS UNIT

**Comarch is a global supplier of industry standard IT products and services for the telecoms industry in the OSS and BSS area. We supply customers all over the world including Tier-1 mobile, operators, fixed and broadband operators, multi-service and cable providers, ISPs as well as MVNO and MVNE. What fundamentally distinguishes the company is the focus it puts on the flexibility and configurability of its delivered solutions, which are developed in-house and customized to suit the specific needs of our customers. Comarch's solutions are business driven and developed based on customer demand.**

Our unique solutions allow operators to provide the highest quality of services to their customers, ensuring their satisfaction and continued patronage. The loyalty of Comarch's customers has always been the strongest confirmation of the quality of our solutions in the areas of **billing and inter-partner settlements**, as well as **management of telecoms networks and services**.

During its 18 years of activity the company has accumulated much experience and knowledge in the fields of design, implementation, and IT solutions integration. Our customers span across four continents and include some of the market's largest players, such as **Telekom Deutschland, T-Mobile Austria, E-Plus Germany, Vodafone Germany, Telefónica O2 Germany and Auchan Telecom, France**.

## *New Products*

Comarch's portfolio for telecoms operators is growing in light of changing market expectations. Our offer in this industry is evolving in a direction indicated by the needs of our customers. Therefore, the development of our **flagship product line, the BSS suite**, is based on a centralized product catalog – the **Comarch Central Product Manager**. In addition, the BSS solution has developed an **M2M (Machine-to-Machine)** solution, in response to the growing market interest in this type of activity.

A new and improved **Comarch Self Care version (6.6)** has also been released on the market. It is a web self-service tool enabling communications service providers to provide their end customers with an online portal, where they can manage their profiles and service subscriptions. The improvements introduced to this product define the relationship between the users of the portal, manage their profiles and enrich the automatic configuration of the operator with additional elements, enabling system implementation in a shorter period of time (even less than 10 weeks).

Our awareness of the current high demand for effective solutions services offered in the cloud as well as their management led

Comarch to introduce a **comprehensive solution in this area in 2010 – Comarch Cloud Service Management & Billing**. The solution is dedicated to service providers in the cloud (Cloud Computing Service Providers) who offer services in a SaaS model, which require efficient management and accounting. The solution not only simplifies business model transformation, it also supports IT management and data and subscription processes. The transformation also includes data migration, verification of process definitions, generating test data, reports, and history of migration.

On the other hand, **Comarch Bill Shock Prevention** is a new solution that supports mobile and virtual operators (MVNO) in preventing 'bill shock' situations (a situation in which an operators' customer receives a bill significantly higher than usual, mostly as a result of using data services when roaming). This solution allows the operator to set limits on the use of the service, and the final customer can decide whether this limit will be expressed in megabytes, minutes, or in monetary value. It was developed with reference to Regulation (EC) no. 544/2009 of the European Parliament and European Council of 18 June 2009, which specifies, among others, how operators can enable their customers to control roaming bills.

## *Cooperation with Third Party Companies*

Comarch is continuously strengthening its international cooperation with leading integrators on the telecoms market. This provides additional impulses to improve our BSS and OSS offer for operators. In addition, our membership in professional organizations, including the **TM Forum, ETIS, GSMA and the UPnP Forum** confirms that our products meet industry standards (including, inter alia, eTOM and ITIL).

Our solutions of the area of OSS and BSS are offered directly by Comarch or through business partners. Our recent successes, especially in OSS, have shown the importance of having partners during the sales process and product implementation. This applies mainly to large global contracts (like those from T-Mobile and Vodafone) as well as some geographic regions (such as the Middle East).

A deal worth mentioning is a **new partnership** made at the beginning of 2010 with the American company **Verecloud**. Through exchange of experiences and a strong portfolio Comarch BSS /

OSS, along with Verecloud's knowledge of the local market, can offer appropriate solutions for U.S. corporations, with services in both the private and public cloud.

## Achievements and Awards

**In 2010, Comarch's solutions were recognized by various organizations and companies operating in the analytical telecoms industry.**

In recognition of innovation the solution **Comarch Next Generation Network Planning** was awarded first place in the **Network Technology category by NGN Magazine**. The company signed a significant contract for the product with the German E-Plus. This solution supports mobile operators in planning and managing the network. It allows you to simplify and automate processes and tasks through the integration of planning, optimization, management and supply network configuration. It also represents a significant step towards providing operators with specific functionalities for networks like SON (Self-Organizing Networks).

The **Comarch Field Service Management (FSM) solution was highlighted in the regularly published "OSS / BSS Global Competitive Strategies" report, developed by a division of Frost & Sullivan, Stratecast**. The report highlights the numerous advantages of Comarch's solution in terms of modern market reality.

According to **Fortune Magazine's Top 500**, the largest global corporations implement products and solutions from Comarch's portfolio. Fortune's ranking presents the most profitable and fastest growing companies in the world – **Comarch supports 28 leading global companies**. Global companies which benefit from Comarch's software include Deutschland Telekom, Telefonica O2 and Vodafone.

## Facing the Customer Needs

Following the success of the **BSS/OSS workshops** organized by Comarch in 2009, the company continued its BSS/OSS series in 2010 with a new set of events held in **Germany, Austria, Switzerland** and for the first time in **Belgium**. These meetings formed part of a series of workshops held by Comarch in Germany, Austria, Switzerland, **Greece, Poland and Sweden**. Because of the **regional character** of

the workshops, Comarch is able to respond to the needs of each participant individually. They will be organized again in 2011 due to strong interest from local telephone companies. During these dedicated workshops, Comarch experts and special guests will cover topics that are currently generating a buzz in the telecoms market without the need to travel to remote locations.

## Business Development

The year 2010 ended with many new contracts and completed implementations. A flagship service, **Comarch Cloud Service Management & Billing** was delivered and implemented at **fring, a leader in global mobile VoIP and Video communications**. Thanks to Comarch's solution, fring has been able to add fringOut to its service portfolio. It enables the users to call any landline or mobile device in the world from their mobile phone at a very attractive price. The billing service provided by the Comarch Cloud was completed within a very short period of time and the main purpose of the project was to provide this service to multiple fring data centers around the globe.

Meanwhile, **GTS Poland, one of the largest alternative communications carriers, providing up-to-date, integrated services to corporate customers**, decided to **implement Comarch Convergent Billing**, to improve its billing processes and to help speed up the launch of new services. GTS's need for a new billing solution was seen as essential to maintaining its position as market leader. This Comarch system grants the operator a range of advanced capabilities, especially for marketing, finance and billing, as well as IT departments. The following services were delivered to GTS: Comarch Convergent Billing, data migration from the legacy sys-

tem, integration with third party systems, as well as maintenance and support.

Since the second half of 2010, **KPN, the leading telecoms and ICT service provider in the Netherlands, optimizes multi-national corporate customer management with a Comarch solution.** A comprehensive set of BSS modules was delivered to help KPN lower operational costs, improve customer satisfaction and launch new services, faster. The competitive advantages of the solution that influenced KPN's decision were based on the effective relationship between quality and price. The delivered solution was extremely well integrated, and was the most flexible and comprehensive out of all the solutions that were short listed. The self-service and portfolio management functionalities were also positively evaluated. A further important factor influencing KPN's decision was its proximity to Comarch's offices (in Belgium and Poland) and the

possibility to outsource all aspects associated with maintaining and managing applications to the Comarch Data Center.

In August 2010, **Comarch signed a comprehensive contract with Telefonía DIALOG**, one of the biggest independent telecoms service providers in Poland. The contract stipulated the **the provisioning, installation and implementation of a service platform based on class 5 Soft Switches**. Thanks to this new platform, Telefonía DIALOG is able to offer voice services via VoIP technology, and has the option of launching a number of novel services that were not previously available.

Cooperation also guarantees that the platform integrates with Telefonía DIALOG's existing tools, including customer service systems and a billing platform, which was also provided by Comarch. Additionally, Comarch ensured a warranty and post-warranty service, technical support and training for Telefonía DIALOG employees, as well as the development of the platform in the future.

## SOLUTIONS FOR TELECOMMUNICATIONS OPERATORS AND CONTENT PROVIDERS

**Comarch solutions are developed in order to comply with the requirements of individual customers.**

**The Comarch M2M Platform (Machine-to-Machine)** is an end-to-end solution supporting mobile operators in entering and succeeding in the M2M (Machine-to-Machine) connectivity market. It enables them to provide Intelligent M2M Connectivity and supports operators in the most important processes within BSS and OSS. It also includes a self-service portal for partners, enables mediation, service activation, event appraisal, control of resources, managing workflows, performing mass operations on SIM cards, managing business processes and much more.

**Solutions for Wireless Operators** include many tools necessary to run a mobile business, in the following areas: convergent billing, interconnect billing, CRM, partner relationship management, revenue sharing, roaming and voucher management. Thanks to these solutions, mobile operators can smoothly deliver, control and bill core and value-added services and easily manage their relationships with customers and other operators. New revenue streams can be found by targeting new customer groups more effectively, with solutions such as the Comarch Business Customer Domain Transformation.

**Solutions for Fixed and Broadband Operators** provide a unique set of pre-configured products in OSS and BSS areas that are the main focus for this type of operator. This includes Convergent Bill-

ing, Process-Driven Inventory, Next Generation Service Assurance, Next Generation Service Management, Policy Management and Service Quality Management.

**Comarch solution for MVNOs** is an end-to-end system aimed at MVNOs (Mobile Virtual Network Operators) that supports all the business needs of such an operator. Core components of the solution are Convergent Charging, Interconnect Billing, CRM for Telecoms, Voucher & Top-Up Management, Data Services support and Point of Sale applications.

**Comarch's solution for MVNEs** is aimed at companies delivering services to MVNO operators. The solution performs tasks related strictly to telecommunications (e.g. integration with a Mobile Network Operator network, product catalog, CRM, Self Care, managing a network of partners and convergent billing), as well as those related to ERP (e.g. Comarch Altum).

**Comarch solution for Cable Operators** ensures a high quality of delivered services, provides automation of field forces, transfers the telecoms experience to a multi-service cable TV business and many more. The solution consists of the following products: CRM for Telecoms and Self Care, Convergent Billing, Billing Mediation and Active

Mediation, Field Service Management, Service Inventory Management and Network Inventory Management, Service Quality Management and Fault Management, Service Activation and Interpartner Billing.

**Comarch Business Customer Domain Transformation** is a modular and fully integrated solution based on a modern architecture. All modules are founded on a coherent concept of Comarch OSS/BSS products and on the best IT system integration standards. The solution is aimed at corporate customer service departments within telecoms operators, key customer service departments, as well as departments concentrating on advanced infrastructural and value-added services (VAS) for the corporate customer segment.

**Comarch Cloud Service Management & Billing** supports business processes, IT Management, subscription and data management, both in the private and public cloud, in addition to simplifying transformation towards offering cloud services. It can be delivered in the Infrastructure as a Service (IaaS) and Software as a Service (SaaS) model. The solution is dedicated to Cloud Computing Service Providers offering any service within the SaaS model, and Data Centers providing services in the IaaS model. It also handles Communication Service Providers looking to monetize investments in infrastructure.

**Comarch Bill Shock Prevention** is a solution designed under EU regulations, which state, among others, how telecoms operators should allow users to control their roaming bills. It helps mobile operators and MVNOs to prevent "bill situations," which occur when users receive bills in excess of the normal amount, which typically results from roaming services utilization. It supports setting limits of service usage for the customers and controlling voice, data and SMS services in real-time.

**Comarch Prepaid Mobile Broadband** solution for MVNOs extends the service portfolio of the operator by providing simple wireless internet access for subscribers. The customer can purchase wireless data cards from points of sale and after obtaining a data card, the subscriber can connect to the Internet. For prepaid accounts, if the account balance is too low, the subscriber is redirected to a captive portal located in the open garden.

**Comarch Wholesale** is a complete solution for wholesale departments, supporting them in everyday operations and protecting the operator's business interests. It provides support for wholesale-specific business processes with advanced, high performance billing, routing optimization, integrated trading functionality and automatic network configuration management as well as support for dispute management and reconciliation processes.

**Comarch Process-Driven Inventory** is a solution from the OSS (Operations Support Systems) platform and aims at increasing the

network's potential and efficiency of operations through integrated, umbrella-management of network resources and operations. It has been designed to include another layer - network management solution processes. It also defines, manages, automates and optimizes network and service processes according to business and technical rules.

**Comarch Self-Organizing Network (SON)** enables operators to simplify network planning and optimization and extend their network within the plug & play feature. The Network can self-configure and continuously self-optimize in response to network and traffic changes. Any required fault correction actions are autonomous via self-healing mechanisms. The operator defines workflows and policies through which it can control the network, but the hardest work is carried out by the network itself. The solution also delivers true automation based on a comprehensive view of a multi-vendor network and technology-agnostic service layer provided by Comarch Network Inventory & Comarch Service Inventory.

**Comarch Next Generation Network Planning** is a multi-vendor and multi-technology solution that provides support for activities related to the planning and management of a mobile network, including radio, transport and the core network. It enables simplification and automation of network operations through the integration of planning and optimization, configuration management, and network provisioning functionalities. It also delivers Self-Organizing Networks (SON) capabilities.

» **Comarch Configuration Management** is part of NGNP and is responsible for network configuration. It generates configuration in a specific format for a given device or delivery based on data from the planning system. It also delivers this configuration to devices and managing systems and uses an interface based on OSS Mediation.

**Comarch Next Generation Service Assurance** is a solution which supports telecoms operators in providing the required quality of services to customers and is composed of three modules: SLA Monitoring, Fault Management and OSS Process Management. It contains a progressive and strong correlation engine that assures clear data presentation and root cause analysis. The system enables service assurance to control from one convergent, central application.

**Comarch Next Generation Service Fulfillment** is a solution which realizes the component-based service creation concept to reduce the service lifecycle and enables CSPs to quickly update the customer service portfolio. Comarch NGSF is aimed at managing convergent services and embracing content-based services delivered by partners via service components easily integrated into the service catalog. It is based on two pre-integrated products: Service Inventory (with the essential role of the service catalogs) and OSS Process Management (responsible for service fulfillment implementation).

**Comarch Next Generation Service Management** is a solution that enables a fast and cost effective introduction of new and exciting customer services leveraging technology convergence. Comarch NGSM supports the complete service lifecycle from service inception and implementation of service fulfillment to assurance

processes. It is perfectly suited for achieving a high innovation rate for services based on technology convergence, both mobile and fixed, combined with content based services and enables to keep costs low and avoid being trapped in the complexity of new services which potentially eat up profit.

## OUR OFFER

### *Comarch Business Support Systems (BSS)*

**Comarch BSS Suite has a flexible, scalable, open architecture that supports the entire fulfillment and billing chain. Using the Suite, providers can address the industry's most formidable challenges, including revenue sharing and settlements, the deployment of next generation services and convergent billing.**

Products within the Comarch BSS Suite have been designed and developed in-house, meaning that the customers can count on shorter delivery times, as well as better quality and more secure deployment. Additionally, all BSS products are based on a unified data model for reference data and product catalog. This provides a short time-to-market, while facilitating system management and configuration. Mass and real-time, rule-based data processing is at the core of the provided competences. This includes service agnostic and multi-industry rating, charging and billing. There are no limits to workflows and business processes, as they are configured in the development or implementation process.

businesses' specifics that helps communication service providers sell more services and get closer to their customers. It is designed to integrate well with the existing OSS/BSS infrastructure.

The Comarch BSS Suite contains the following products :

**Comarch Convergent Billing** is a comprehensive, advanced tool supporting telecom operators in the billing and charging area. It is an efficient, highly scalable system able to process huge amounts of data. A user-friendly interface ensures an intuitive, no-effort usage. The system enables the offering of innovative services, thanks to billing based on events related to IP, VoIP, GPRS and UMTS services.

**Comarch Corporate Self Care** provides online ordering, data management and reporting for corporate customers. It is also a telecoms expense management solution increasing the value of a service provider's offer. Managers of an enterprise customer can set spending limits for their employees and receive notifications when the limit is exceeded. By making use of virtual hierarchies, the company can delegate responsibilities to manage and control costs and services to middle and lower management.

**The Comarch Central Product Manager** deals with offers and product specifications, defines relationships between various products and specifies which of these are exclusive or sold only as a component of a bigger package. It also defines target customers, their locations and many other parameters. The system is based on the TM Forum Information Framework, also called the Shared Information Data model (SID).

**Comarch Self Care** is a web self-service tool enabling communications service providers to provide their end customers with an online portal, where they can manage their profiles and service subscriptions without the help of a call center agent. It includes Customer Self Care, Business Care, Partner Self Care and Dealer Care, all within a common framework but with unique individual features. It enables end customers to browse and analyze their account information and current usage, activate or deactivate services, view bills in an online form, perform online top-ups, payments and much more.

**Comarch CRM for Telecoms** is a flexible solution that provides a single customer view and automates key sales, marketing and customer care processes. It is a tool dedicated for the telecom

**Comarch Master Resource Management** fulfills the role of a central inventory of resources for multiple telecommunication systems. Its main purpose is to be a central location for the resource inventory database, lifecycle management and logistical support. It is commonly used to manage data such as SIM cards, mobile phones or MSISDNS and is integrated with CRM, point of sales, billing system and self service applications. It provides these applications with one consistent list of available resources, which allow using those resources efficiently by multiple sales channels.



**Comarch Voucher and Top-Up Management** is an independent component, which supports mobile and IP operators in managing vouchers and recharging user accounts. The system can be integrated with the existing network infrastructure such as media gateways or it can be delivered with a dedicated IVR module.

**Comarch Billing Mediation** is a fully scalable, processing and distributed data collection system, which supports any kind of service and provides chargeable data to any billing system. It offers a number of data collection and data distribution adapters easily integrated with the telecoms infrastructure, including exchanges, charging gateways, GSN nodes and data sources such as databases. A number of north-bound interfaces allow easy system control when it works alongside other systems (umbrellas) running on-demand data processing scenarios.

**Comarch Active Mediation** connects the network to the billing system. It enables controlling, charging and billing of voice, data and content services in the billing system with a real-time charging interface. Connectivity is possible in any network type. The solution is based on 3GPP standards and also supports many additional industry standard interfaces. The modularity of the solution allows customers to only use the components appropriate for the configuration they require.

**Comarch InterPartner Billing** enables to exchange settlements and invoices and share revenue or costs with other service providers. It also helps to make the most of existing relations with the business partners. The system handles any service type (including voice, data, premium, content), in any business model (including enabling, reselling, wholesale), for any kind of relationship with national and multi-national partners.

**Comarch Partner Relationship Management (PRM)** is designed to support telecoms operators in managing and automating relations with business partners. It supports service providers in their complex relationships with partners / suppliers and provides core features such as agreements management, workflow processes, regulated services support (BSA, LLU, WLR), dispute management, orders handling, SLA auditing and managed communication channels.

**Comarch B2B Gateway** is a solution that enables a service provider's business partner to access the underlying BSS system and automate communication between the operator and his/her business partners. It enables access for business partner systems to the underlying BSS system and integrates external systems into the operator's own BSS environment as well as providing unified communication between all integrated services and optimizing business processes by automating the communication between the operator and his/her business partners.

**Comarch Policy Management** is a more efficient solution for controlling network resources, applications and customer experience, in order to not only increase the performance of a telecoms operator's business but also to enhance his/her customers' satisfaction. It integrates with the underlying network elements in order to enforce policies. This component can also be incorporated with external billing and CRM systems, instead of using its own online and offline charging functionalities.

**Comarch 3arts (AAA)** is a platform for telecommunication operators and service providers, requiring a rapid introduction of novel and advanced services for their customers. It covers the entire process of product preparation, defining the details of the services offered to customers, publishing and retailing these services over available sales channels, activating, controlling and billing such services as well as monitoring and reporting.

**Comarch Service-Agnostic Transaction Engine** is a component specialized in processing information about various transaction types. Processing can be configured using rules and may include configuration for data loading, pre-processing, rating/pricing, aggregating, statistic building, correlating with other events and storing in the database. The Transaction Engine can process the data in real-time as well as in batch mode.

**Comarch Billing SaaS** is a telecom-grade billing system, available in the Software as a Service model (SaaS). The service supports key business processes, including customer management, product management, rating, invoicing, dispatching, partner management and customer self-care.

## *Comarch Operational Support Systems (Comarch OSS Suite)*

**Comarch OSS Suite is a comprehensive platform for managing the corporate IT and telecoms infrastructure, which provides services independent of the operator's technological background. Apart from traditional OSS functions such as Fault Management, Performance Management and Inventory Management, the suite is also equipped with an integrated OSS Process Management.**

This provides a combined eTOM and ITIL process environment based on TMF GB921V together with libraries of ready-to-use processes. Another function of Comarch OSS is a Service Inventory, which provides a flexible service modeling environment, while Service

Management enables by defining propagation rules for events from a resource to service and customer level. Service Management thus expands the Fault and Performance Management function with a new dimension of services and customer layers.

The Comarch OSS Suite contains the following products:

**Comarch OSS Process Management, which** is one of the key modules of the Comarch OSS Suite. It enables to fully monitor and control the execution of all management processes. It readily masks the complexity of internal process dependencies and relationships allowing system operators to focus on their tasks. It provides OSS systems with higher efficiency and change management processes, full control over incident and problem resolution processes, task automation and reduced operation times & costs, as well as better utilization of existing resources and improved service quality leading to stronger customer loyalty.

**Comarch SLA Monitoring** is a high level monitoring solution designed to model a full range of business services and SLAs concerning options provided by the operator. Each customer's Service Level Agreement (SLA) defines a set of specific services tuned to the needs of the customer, along with quality parameters that can be technical (e.g. measured service availability) or organizational (e.g. reaction time, notification time). SLA can also define rate reductions and discounts that are applied when a service provider fails to meet the desired service parameters or does not fulfill an agreement.

**Comarch Customer Experience** plays an overarching role in service monitoring and service quality management, transforming service management by providing an insight into a customers' perception of services. It helps realize the concept of switching from network-resource-centric operations to customer-focused ones.

**Comarch Inventory Planning** is a product that allows managing planned changes in an operator's network and services. It is designed to support operators in managing the data necessary for planning. The module models network and service development, identifies the required changes and compares them to each other or to the current network. Configuration management systems can be triggered based on the data generated from the information stored in the Inventory Planning module. Comarch Inventory Planning also supports closed-loop scenarios with a reconciliation module, so planners can see the effect of their work in a live network, which is extremely important for operation planning and increasing the efficiency of the planning and integration departments.

**Comarch Service Inventory Management** is responsible for modeling and storing information related to customer-centric services and their dependencies upon resource-centric services. Service Inventory is the starting point for efficient Service Monitoring and SLA Management that can be realized either by other modules of Comarch OSS Suite (Service Level Management) or by integrated 3rd party systems.

**Comarch Service Quality Management** is a product, which joins both service modeling knowledge and functionalities with service state

and quality monitoring. It is responsible for gathering the network, applications and service statistics, aggregating them, and presenting these entities against service models. Additionally, it enables propagating KPI's from Resource Facing towards Customer Facing Services, applying thresholds and monitoring them.

**Comarch Service Monitoring** enables monitoring complex services implemented over various network technologies and managing domains. The product can be pre-integrated with the Comarch Network & Service Inventory for enhanced service management capabilities.

**Comarch Network Inventory Management** is designed to store complete information of a network's resources enabling new and innovative ways of not only fully utilizing the network's potential, but also increasing the efficiency of its operations. The key function of this product is to present the current, historical and future state of telecoms/IT networks. This specifically concerns operations related to modeling links, planning, designing and configuring equipment, address assignment and control, resource numbering and preparing reports. This module provides detailed network element information and allows the user to search the database using a wide range of criteria.

**Comarch Service Activation** is a fully scalable, distributed system providing all the means necessary for instantaneous deployment and provisioning of convergent services for businesses spanning traditional areas of telephony, multimedia delivery and network access, as well as hybrid domains.

**Comarch Auto-discovery & Reconciliation** provides a complete, comprehensive and up-to-date insight into the network, enabling effective network management. The product is pre-integrated with the Comarch Network Inventory.

**Comarch Configuration Management** enables service providers to automate crucial configuration management. The product can be implemented as part of a broader solution for network planning and upgrading – Comarch Next Generation Network Planning.

**Comarch Performance Management** plays a significant role as a source of network metrics used by SQM for quality of services calculation and for providing a drill-down capability to pin down network performance issues resulting in customer experience problems.

**Comarch Fault Management** is the ultimate solution to ongoing fault issues within an operator's network. The system monitors all existing elements of the network, displays and efficiently tracks alarms. This allows users to manage potentially debilitating network problems, quickly and effectively. Its flexible and extensive range of features assist operators in detecting and solving issues that are the cause of network faults.

**Comarch OSS Mediation** allows OSS elements to interact with heterogeneous, multi-vendor and cross-domain networks in a homogeneous manner, covering the full FCAPS range. In simple terms, Comarch OSS Mediation provides integration of the physical network infrastructure (NE or NMS) with the Comarch OSS Suite. It is a product oriented toward direct network management in the areas of Inventory, Configuration, Fault and Performance Management.

## *Comarch IT Management*

Comarch IT Management is a complete IT management solution, which combines a full-featured monitoring and service desk, and implements the most common ITIL processes through a unique and integrated web environment. It enables IT organizations to design, adapt, ensure and

**Comarch Field Service Management** system is a complete solution for scheduling, staffing, managing and supporting the workforce in the field. Efficiency is achieved by selecting the most suitable resources for each task as well as accounting for scheduling issues. A decision is made by taking into consideration modifiable and adjustable ratings, according to a company's unique business model. This system addresses the expectations and needs of managers enabling effortless management of resources, tasks, and time and knowledge within an enterprise.

operate value-added IT services in the most efficient way. Comarch ITM provides appropriate methods and functionalities not only for the efficient management of infrastructure devices, but also for the whole system involved, such as people, processes and knowledge.

## *Comarch Mobile Solutions*

**Creates an opportunity to save operational costs and gather valuable business information such as location context data, unique photos, recordings, employee efficiency etc for large and small enterprises and smart terminals. A plethora of mobile standards and protocols, vendor-specific features and developer environments demand the highest possible level of expertise in emerging and legacy technologies. Having successfully completed more than a hundred mobile-related projects, Comarch has gained much expertise, which is being constantly improved and applied to created products and competence centers.**

## *Comarch Customer Mobile Applications*

Comarch's services for mobile software development include bespoke software architecture, design, implementation, testing and maintenance and taking in core components, UI applications, service frameworks and drivers. The rigid security standards of Comarch's facilities, which are highly valued by its clients, combined with a flexible and versatile style of cooperation, and the formidable commitment of its engineers, guarantees that all outsourced projects are reliable and accountable. Collectively, these factors lead to overall customer satisfaction by global mobile phone manufacturers, telecoms operators and service providers.

### **Comarch has experience in the following areas / technologies:**

- » Usability and high UX Assurance of GUIs
- » Networking (SIP, HTTP, TCP, WEBDAV)
- » Local connectivity (Bluetooth, USB, NFC)
- » Messaging (SMS, MMS, SMILE, Drafter)
- » Personal information management
- » LBS- Location Based Services
- » Basic GSM (We are a GSM Association member)
- » Telephony features
- » UPnP – Universal Plug and Play (UPnP Forum member)
- » XML technologies
- » Web Services and SOA solutions
- » DRM – Digital Rights Management
- » Data compression
- » VOM Targeted Ads
- » 3D graphics and Flash engines
- » Hardware adaptation layer
- » Device drivers and low level programming
- » Rich Communication Suite
- » Audio/Video streaming and compression
- » Barcodes and 2D codes recognition
- » Augmented Reality
- » Mobile Gaming
- » Mobile payment
- » Mobile security
- » OMA device management
- » Embedded systems and consumer electronics
- » Power management

## Comarch Customer Mobile Services

In the challenging world of cost cutting, all the big players subcontract: this trend is also obviously visible in the Symbian ecosystem. Comarch is a stable partner that focuses on the long-term aspects of cooperation in a win-win relationship. It takes outsourced Symbian OS™ projects a bit further than "here are the people and here is the bill".

**Comarch specializes in R&D outsourcing services in the fields of:**

- » **Application development** – the company delivers fully outsourced Symbian, Android, iPhone, Windows Mobile, Maemo, Qt and Java projects with contractual guarantees of quality and performance, using industry standards, certified security procedures and strict code verification methodologies.
- » **Usability** – we utilize tested tools and methodologies and an expert team of user experience analysts, designers and developers. This means that complete user experience projects are delivered along with usability audits and re-factor the code of the used applications.
- » **Quality** - Comarch understands the importance of planning and managing tests accompanying mobile software development. Mass consumer applications, a comprehensive client server and distributed platforms are tested scrupulously on multiple terminals in multiple test cases. To reduce test phase costs, Comarch proactively supports customers in improving the code, vendor-specific adaptations and best technology practices.

## Comarch Services

**Services have a strategic importance for Comarch and are a way to leverage the company's experience and knowledge. The company renders a broad range of services from consulting, through implementing individual solutions to outsourcing.**

### Professional Training

The training within the offer covers a range of levels; from a basic delivered course, through system users to advanced courses for administrators and experienced users. The offer also includes courses for trainers and courses in multimedia. They are

designed with variety in mind and take advantage of both the workshop and lecture format. The workshops provide a valuable opportunity to engage in practical, hands-on problem-solving with a real live system.

### Consulting Services

A critical success factor for the implementation of a complex IT solution is the correct execution of analysis and design phases. Comarch renders a broad range of consulting services, from

analysis of integration requirements, through recommendation of a solution to preparing a functional specification and implementing an integration platform.

### IT Outsourcing

The basic components of Comarch's outsourcing projects include a well-defined subject matter, requirements and opportunities, mutual trust and genuine partnership. The resulting solutions are always a direct response to the needs of our customers and fulfill these needs in the best possible manner.

The main outsourcing services provided by Comarch include:

- » **IT Business Process Outsourcing** - document management outsourcing, full IT outsourcing, billing process outsourcing and IT management.
- » **Software Development Outsourcing** - we provide three main types of partnerships: Body Leasing, Clear Box projects and Black Box projects, whose choice depends on the accounting method, outsourcing location and the extent of the partnership.
- » **Infrastructure Outsourcing** - includes comprehensive server, database, telecommunications, archiving and backup services, Disaster Recovery Center, Data Center and WAN network outsourcing.



# BANKING, INSURANCE AND CAPITAL MARKETS BUSINESS UNIT

**FBU clients include the largest banks in Poland, brokerage offices, asset management companies, firms which manage investment and pension funds, insurance companies, factoring companies, leasing companies and other financial institutions. The sector specializes in the supply of home-grown advanced information systems as well as their integration.**

Nearly all the implemented solutions are covered by long-term maintenance and development contracts. Finance, Banking and Insurance is the second sector in Comarch in terms of the number of specialists. Sales revenues to financial institutions consisted a 15.7% stake in the Comarch Capital Group's Q1-Q4 2010 results, coming in at more than PLN 117.1 mln.

The sector's mission is to supply financial sector companies with solutions that will help to increase their profit as well as building lasting relations with clients and business partners.

## *New FBU products in 2010*

The **Comarch CAFE Broker Application** was introduced into our product offer in 2010. The solution was created for the handling of a client's investment account by brokerage office employees as well as a billing system (**Comarch Pricing & Billing**) for banks. Comarch's offer for insurers has also been supplemented by **Comarch Mobile Insurance**, an innovative system for mobile devices, which supports business processes in insurance companies. In 2010 we also added a portal for medical suppliers and an ID card system to our **Comarch Health Insurance** solution. An e-court was added to **Comarch Debt Management** as well as **Comarch Client Investment Communication** and an **Investment Advisor**. These support the

building of long-term relations between the investment company and client, based on a precise analysis of needs, clear communication as well as education in the scope of investment products.

In 2010 Comarch hedged bets on the development of existing applications for investment companies. It introduced a new web version of the **Comarch Commission and Incentive** and **Comarch Life Insurance** systems. The new version of the production system for life insurance is characterized by a large configurability and easy integration with external systems thanks to the built in components **Comarch Business Process Management** and **Comarch ESB**.

## *The most important contracts*

The company's implementations for banks Pekao SA (Comarch SmartCard Bio), Allianz Bank (Comarch Debt Management) and DZ BANK Polska SA (Comarch Internet Banking) were a success. Contracts for implementations in the following banks have also been signed: Raiffeisen Bank Polska (a complex system for handling brokerage office operations) and Rabobank Polska SA (Comarch Internet Banking for corporate clients and Comarch CAFE Customer Service).

Comarch completed the implementation of Comarch Commission & Incentive in the post office financial services agency (Pocztowa Agencja Usług Finansowych SA) as well as implementing Comarch Asset Management at Aviva PTE (formerly Commercial Union PTE).

## *Awards and Distinctions*

Comarch was listed among the best companies in a specialist ranking of IT companies working for the needs of the financial sector, published by financial monthly BANK.

The biometric method of logging in and transaction authorization in the banking Internet service at Pekao SA, implemented by Comarch in 2010, was mentioned in the Project of the Year competition by

the Electronic Economy House in its fifth congress as well as being awarded the Innovation of 2010 in the Golden Banker competition.

The Comarch Mobile Banking system received a recommendation from a banking journal (Gazeta Bankowa) in the third edition of their 'Hit of the Year for Financial Institutions' competition in the category for Solutions. Comarch's systems have received this distinction for the third year in a row. In previous years Comarch Contact Center and Comarch CAFE also received distinctions.

Monthly magazine Forbes, and the Association of Individual Investors, published a ranking of the Best Brokerage Offices in Poland.

## *International Activity*

Comarch successfully completed implementation of an electronic banking system in one of the largest banks in Thailand; TMB Bank Public Company Limited. This was the company's first Comarch Internet Banking (CIB) implementation on the Asian market.

Comarch also completed the main phase of the project for the implementation of a platform for the sales team and partners at insurance group UNIQA. Apart from its native Austrian market, UNIQA is present in 20 countries: Albania, Bosnia and Herzegovina, Bulgaria, Montenegro, Croatia, Czech Republic, Kosovo, Lichtenstein, Macedonia, Germany, Poland, Romania, Serbia, Slovenia, Switzerland, Ukraine, Hungary and Italy.

A deal was signed with leading Norwegian investment fund management company, SKAGEN Funds, in October. Comarch

The author of the internet platform in the three offices voted as the best is Comarch.

The company's finance sector was noticed by analysts from foreign markets. It also figures on the list of tools suppliers for business process management, belonging to British BPM analyst Theo Priestley. The full profile of Comarch Insurance Claims can be found in a report entitled European Claims Vendors in 2010, by international consultant Celent, which concentrates on researching the use of IT on the financial services global market.

will automate client communications, as well as client reporting, thanks to the implementation of the Comarch Client Investment Communication Platform.

Large emphasis is being placed on the development of FBU in Benelux. 2010 was a year of brokering contacts with the most important banks, insurance and consulting companies in the region. Thanks to many meetings, Comarch now has the status of an authorized supplier for leading banks and insurance companies. The implementation of a complex platform for group life insurance and retirement insurance was launched in Luxembourg in one of the largest insurance companies. The platform is based on a production system called Comarch Life Insurance, based on a modern solution to model and manage business processes - Comarch Business Process Management.

## *Marketing Activity and Public Relations*

The FBU sector promoted its solutions in 2010 at the most important sector fairs in Europe, including the Bancassurance Forum in Vienna, the Annual European Investment Conference in Copenhagen, and the European Private Banking Summit in Zurich. The sector took part in 34 Polish and foreign conferences throughout the year.

Sector products and the innovative solutions implemented by Comarch were widely described in the national press, including

daily news paper Rzeczpospolita, banking journal Gazeta Bankowa, monthly publication BANK, insurance journal Gazeta Ubezpieczeniowa, its monthly edition Miesięcznik Ubezpieczeniowy and other media from the sector. Acting as experts, FBU specialists have commented on information pertaining to new technologies and trends in the financial services market. Comarch also continued to promote its presence in social media, initiated in 2009.

## Goals for 2011

Comarch plans to register a subsidiary in Luxembourg, which will handle the Benelux market. The company has identified this market as one of the strategic areas of its international expansion and is not ruling out further acquisitions. Comarch is waiting to become accredited as a 'Professional of the Financial Sector,' a title given by the Luxembourgish Minister for Financial Supervision, for companies who provide services that require access to the confidential data of their clients.

In 2011 investments will be directed solely to new locations. The FBU sector will present a new information system for brokerage offices, which will handle various stock exchanges. The first system implementations will take place this year.

The DACH countries (Germany, Austria, Switzerland), remain a key area of activity along with Benelux and Scandinavia.

The most important contracts signed in 2010:

- » For the implementation of a system which handles brokerage office operations at Raiffeisen Bank Polska
- » For the implementation of Comarch Internet Banking for corporate clients at Rabobank Polska SA
- » For the implementation of the Comarch Client Investment Communication Platform at SKAGEN.

## Most important implementations completed in 2010

- » Electronic banking system at TMB Bank Public Company Limited in Thailand
- » Main phase of the Comarch CAFE platform for insurance implementation at UNIQA
- » Comarch SmartCard Bio, card reader and fingerprint ID device at Bank Pekao SA
- » Completion of first phase of the Comarch Commission & Incentive solution at the post office financial services agency (Pocztowa Agencja Usług Finansowych SA), in accord with the contract agenda
- » Securities management system, Comarch Debt Management, at Allianz Bank
- » Comarch Internet Banking at DZ BANK Polska SA
- » Comarch Asset Management at Aviva PTE.





# PRODUCTS AND SOLUTIONS FROM THE FBU BUSINESS UNIT

## Process and Workflow Management

**Comarch Business Process Management** is a modern platform for the modelling and management of business processes. It is also an integration platform based on a mature and flexible architecture, which allows for the integration of many distributed applications such as: the transaction system, CRM, the Contact Center, data warehouse, and document management.

**Comarch Document Repository** supports document management and their flow across an organization. Document management is critical when an organization is required to process large volumes of documents. Comarch Document Management Systems manage images of documents (paper scans) as well as electronic

documents (text files, emails, etc.) and their versions. It supports automated indexing of documents and putting them into topic groups (e.g. a history of contacts with a customer or a technical documentation of a product).

**Comarch Infostore** supports managing documents and their flow across an organization. Document management is critical when an organization is required to process large volumes of documents. Comarch Infostore manages images of documents (paper scans) as well as electronic documents (text files, emails, etc.) and their versions. It supports automated indexing of documents and putting them into topic groups.

## Online Banking and Financial Services

**Comarch Internet Banking** The Comarch Internet Banking platform offers solutions for the provisioning of financial services through self-service channels (WWW, WAP, SMS, IVR, Smartphone), which meet the strict requirements imposed by banks, stock brokers, investment fund organizations and other financial institutions. The platform is universal, comprehensive, efficient and safe for the expansion of existing IT environments. It forms the perfect supplement for any centralized system. It also constitutes an integration platform combining the products and services offered by a single financial institution or an entire financial group.

**Comarch Mobile Banking** is a modern system that allows bank customers to conveniently and safely use online banking with PDA and smartphone devices, which have wireless internet access. The solution perfectly complements the basic Comarch Internet Banking System available from the web browser. Comarch Mobile Banking provides bank customers with the ability to login and secure access to their own passive (e.g. checking the balance in the account or to the deposits and loans), and active products with the possibility to submit and authorize financial orders.

**Comarch PC Banking** provides a functionality similar to that of the Comarch Internet Banking client application, such as accessing current financial data, creating, authenticating, and sending financial orders, creating and sending non - financial orders plus downloading and printing extracts.

**Comarch Customer Service** is an innovative solution integrating the whole of banking product support in one system. The solution is based on a Single Customer View model which additionally improves the customer service process. Comarch Customer Service may be expanded with the newest client identification and transaction authorization methods like biometrics (fingerprint or finger vein readers). The solution provides full cashier operations and optional integration with multi-safe devices or branch touch-screens available to customers in order to replace paper-based operations.

**Comarch Bank Connect** is an additional channel for internet banking that provides direct integration of SME or corporate customers' finance-accounting systems with the bank. The solution enables communication through WebServices or EBICS standard.

## CRM i Sales Management

**Comarch Front End (CAFE)** is our response to the dynamic changes that have taken place in the banking environment over the last few years. Increasing customer demands and market competition have forced financial institutions to change their approach to customers and implement new solutions and systems in order to create a more efficient customer service and increase sales. Bank employees changing from "cashier" to "customer adviser" have been given increasingly sophisticated IT tools – starting with simple transaction and credit systems and ending with innovative lines of CRM systems.

**Comarch aCRM (Analytical CRM)** is a Customer Relationship Management (CRM) system, in which emphasis is placed on a personalized service i.e. adjustment of the offer to the individual needs of the customer. It includes a direct service, marketing campaigns, automated tasks and independent studies such as: customer segmentation, loyalty, the likelihood of services abandonment and sales packages.

**Comarch Content Management System** is based on solutions using three-layer architecture and the tried and tested J2EE standards. This gives the system the capacity to handle extensive www services and ensure that they are stable and effective. The physical architecture of Comarch CMS is easily scaled and extended to match the changing loads the service has to bear. This can be achieved without having to remodel the application.

**Comarch Contact Center** provides sevenfold acceleration in a client search, applications work twice as fast. The key elements provided by CCC are full support for an agent's current operations, transactional functionality in one application and back office support in customer services. The customer base, script tool, contact registration, and a few toolbar applications to operate a telephone switchboard, are just some of the tools that benefit the agency. Integrating these into one application results in better insight on the client, faster automatic identification, and an increase in customer satisfaction achieved through professional services.

**Comarch CRM Sales Management** supports customer data gathering and management. All events, concerning customer services are registered, for example contact history or any data modification. Thanks to a 360 degree view the user can quickly become acquainted with the most vital information, gathered from different systems connected to a customer, thus identifying his/her needs. Managers will appreciate the ergonomic module allowing them

to manage all users, define new products, create sales plans and reports. Thanks to a built in Enterprise Service Bus, the CRM application easily assimilates with external systems, which are already used within the company.

**Comarch CRM Campaign Management** is a solution that enables the implementation of customer service and sales strategies. Customer service employees have unlimited access to sales information, customer data, leads, and the corporate knowledge base, through web browsers. Comarch CRM reflects the way business is done. CRM helps top managers, analysts or salesmen to carry out their work more effectively and accurately without inducing any changes in the way they work.

**Comarch Commission & Incentive** supports the management and commission settlements of a sales network in insurance companies, banks and other companies with developed sales structures. Comarch Commission & Incentive is based on the calculating engine supported by a comfortable algorithm configuration program for calculating commissions. Algorithms are created by business users who can use a rich set of mathematical, logical and business functions available to them. Additionally, the calculating engine can be used when counting points under incentive, promotional and loyalty programs.

**Comarch Pricing & Billing** is a flexible tool which allows for the speedy design, testing and implementation of charges and commissions packages. The configuration model answers for the key area of the charge calculation system, thus, for the complex management of the policy which calculates charges and commissions. It gathers rules, rates and the logic behind the selection and calculation of the charges and commissions. It has a lot of references to product and client data repositories.

**Comarch Loyalty Management** is a comprehensive suite of business applications for managing both, simple and advanced loyalty programs. The system distinguishes itself with flexibility, an ergonomic user interface and ease of operations. Scalable architecture guarantees adjusting the loyalty program to the company's growth. Comarch Loyalty Management is more a business solution than an application. It has a modular architecture. Its basic functionality - the Business Administration Module - can be complemented with Business-to-Customer, Business-to-Business, Logistics or Contact Center.

## Credit processes

**Comarch Credit Process Management** is a modular system that supports lending services for corporate customers, corporate groups, SMEs and retail clients. The system supports transaction processing and approval, security valuation and approval, and customer risk assessment and credit approval. It enables the collection of receivables and customer restructuring. The system also handles intermediary settlements.

**Comarch Scoring Engine** is a comprehensive solution designed to help credit analysts develop optimal risk valuation strategies to assess risks related to credit procurement and portfolio analysis. During the design and implementation process of the Comarch Scoring Engine, reliable solutions are used to ensure low maintenance costs and high scalability.

**Comarch Rating System** enables performing additional operations related to measurement and credit risk management. Based on

a fixed rating, the system allows calculating the necessary limits and sub-limits. The rating simulation module facilitates performing what-if analysis – it is possible to examine the impact of economic events on the change in the financial situation of customers, thus aiding the task of managing the credit portfolio. A wide range of reports possible for definition within a system supports the reduction of credit risk at the level of the entire financial institution.

**Comarch Credit Monitoring** system is an IT solution aimed at financial institutions engaged in credit activities. It has been designed as an automatic tool for business processes carried out following the extension of credit. Servicing of the credit process after disbursement requires initiation of credit risk management. Comarch Credit Monitoring has been designed to act as a basic application supporting the monitoring of accounts and collateral, as well as the financial situation of clients.

## Capital Markets and Capital Management

**Comarch Asset Management** is a comprehensive tool that automates the process of asset management, fund and portfolio bookkeeping, market risk management and performance measurement. A set of solutions included in the platform is addressed to the asset management companies, bank depositors, investment, pension or insurance funds, and other institutions involved in the business of investment portfolios management.

**Comarch Custody** is a comprehensive tool that helps the Custodian Bank process transactions and corporate actions on securities. The system keeps a record of all the transactions conducted by clients on regulated and OTC markets domestic or foreign. It also takes care of all settlement elements (trade instruction matching, electronic communication with the customer and Central Depository of Securities, SWIFT, XML, position accounting, internal and regulatory reporting, fees and taxes). The most common configuration, sees the Comarch Custody System processing customer instructions received as SWIFT messages and records from the Bank's trade systems or the WWW Custody portal.

**Comarch Internet Investments** provides users with broad access to data related to capital markets. It enables them to observe market trends and real time stock quotes and provides a full range of tools for technical analysis of quotes' indicators. In addition to this, the user attains unlimited access to current information related to their own securities portfolio, including brokerage accounts. The

platform delivers a complete, fully professional tool for investing in securities on the Polish market and on the biggest stock exchanges worldwide. The platform can also support IPO subscriptions.

**Comarch NOL (Online Trading)** is a fully developed application that enables real-time tracking of quotations and trading of financial instruments (listed on the stock exchange or other trading facilities), analysis of current and past market trends, as well as creating individual investment strategies tailored to the profile of the investor. Access to securities quotes is realized through the use of an exchange data stream (e.g. SIR - Stream of Market Information) or industry protocols. The application can be used both by internet users and brokerage office employees.

**Comarch Mobile Investments** is an innovative solution dedicated to clients of brokerage offices that need unrestricted access to their brokerage accounts. The platform supports both passive access (e.g. viewing the list of transactions, access to current stock quotes), as well as active access, for example, the possibility of submitting orders.

**Comarch Risk Management** provides complete supervision over the market risk management process. The user has access to the functionality of the application that allows for active risk assessment of the managed portfolios, using self-created analysis, and verification of the correctness of the used solutions and

management strategies. With support for a wide range of financial instruments, the system gives the possibility to use the complex derivative market products which could hedge the risky areas of business. The application allows managers to take more effective investment decisions, the issuers to increase the range of their products, and entrepreneurs to focus on their core business, which translates into an increase in the competitiveness of the institution on the market.

**Comarch CAFE Broker** supports the work of the broker in the call center as well as the office. The solution is based on the CAFE platform, whose task it is to integrate many business systems as well as supplying an intuitive and ergonomic work interface, which is transparent for branch employees, the contact center and the remaining units of the financial institutions. The employee launches his/her activity by logging into a single system where all the required options are accessible, starting from general information about the company and ending in operations carried out in the name of the client.

**Comarch Deal Management** is a solution which enables transaction processing on the capital market, foreign exchange, derivatives and debt instruments, realized by bank dealers or internet banking customers. It includes comprehensive support for the transaction process, accounting services, valuation of instruments/transactions, transaction limit calculations, billing for customers, the equivalent

## Trade Financing

**Comarch Trade Finance** is an application, which enables the realization of trade finance transactions. The application can be integrated with the system support communication network and with the Swift message system service, e.g. Swift Alliance. It generates Swift messages (e.g. as flat files), which are compatible with the Swift standard. It is equipped with commission and accounting modules. The system allows the servicing of trade finance transactions: Letters of Credit and Documentary Collections and Guaranties (including Standby L/C).

## Insurance Products

**Comarch NonLife Insurance** is an IT solution comprehensively supporting processes in the P&C insurance company. The scope of implementation may include all modules and product lines, or functional areas and products selected by the insurance company.

**Comarch Life Insurance** is a solution that supports processes in the life insurance company. The system takes into account the

of the balance sheet and capital adequacy for the transaction. The system is responsible for the circulation of information (based on SOA architecture) about transactions between dealing systems, internet applications used by the bank's customers, the accounting system, and a bank's risk management and market data services.

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

**Comarch Fund Registers** present data on transactions with participation units and fund shares, as well as customers and distribution channels (by interactive reports based on imported data from the transfer agent and additional information and classifications defined in the system).

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

**Comarch Factoring** solution is a comprehensive, web based platform dedicated to managing and optimizing business factoring processes. It supports the maintenance of the most popular factoring products: regular factoring products, maturity factoring, reverse factoring, purchase order factoring, invoice discounting, A/R management without financing, factoring with insurance policies, guarantors and collaterals.

needs of companies in terms of modern distribution channels, namely bancassurance, internet and phone, internal and external sales network and financial intermediaries.

**Comarch Health Insurance** is a stable and efficient solution for all health service policies. The most important aspect supporting health insurance maintenance is the communication provided by

the medical service provider. Comarch Health Insurance provides a rapid and easy exchange of information through internet portals.

**Comarch Insurance Claims** is a modern solution providing comprehensive support of all types of life insurance claims. The solution helps to reduce the costs incurred in handling claims. This is mostly thanks to eliminating the majority of paper-based tasks.

**Comarch Insurance Front End** The insurance internet portal is built from a range of applications called "mashup", and as a result makes it possible to provide efficient operations and to combine the different systems in one common environment. In addition, it serves as support for today's communication tools and uses new distribution channels. The main task of the Comarch Insurance Front-End platform is the implementation of the sales support and customer service strategy. The main advantage of the platform is the simplicity of matching the scope of functionalities to meet the needs of business insurance.

**Comarch Commission & Incentive** supports the management and commission settlements of a sales network in insurance companies, banks and other companies with developed sales structures. It is based on the calculating engine supported by a comfortable algorithm configuration program for calculating commissions. Algorithms are created by business users who can use a rich set of mathematical, logical and business functions available to them. Additionally, the calculating engine can be used when counting points under incentive, promotional and loyalty programs.

**Comarch Debt Management** is a comprehensive system for managing liabilities, its purpose is to group and organize a wide range of issues into one coherent solution. The system contains a common business framework that is established for most financial institu-

tions. **Comarch Insurance Data Warehouse** is a data warehouse for insurance companies. The solution provides structured and comprehensive information to support decision making at various levels of insurance management. Comarch Insurance Data Warehouse is a separate database for aggregating information for decision support. Separated analyses, reporting and production bases allow to use dedicated tools and mechanisms to improve the preparation of databases and analytical data processing. The information stored in the warehouse is collected periodically from the system's operating data. While importing data they merge, unify, and aggregate.

**Comarch Insurance Scoring** is an IT system based on the flexible and definable automat. It allows to assess different kinds of objects (underwriting applications, customers, etc.). Thanks to a unique, layer-structure scoring of objects in the solution can define virtually any model for assessment. This is particularly useful in the underwriting process of life and health insurance.

**Comarch Mobile Insurance** is a system which offers a rich functionality designed for three different groups of users: agents, claims adjusters and customers. Comarch Mobile Insurance supports smartphone users, as well as the growing requirements of insurance company customers who want to use their services anywhere and at anytime.

**Comarch Internet Insurance** provides the functionality of the online insurance bill. This solution enables the insured to perform basic operations and presents a wide range of information on insurance offers. A new quality of insurance services is presented by the ability to conduct various operations on your own. They include offer preparation, insurance simulation, submitting insurance and damage applications as well as claims.

## Information Security Solutions

**Comarch CentralLog** is a comprehensive solution for managing security data generated by the company's IT infrastructure. It includes tools for the centralization, 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 databases. The software makes it possible to centralize data analysis, take preventive measures, deliver company security status reports and alert the appropriate departments when a potential or actual problem is uncovered or detected. The system's functionality means administrators can manage security associated events conveniently, thoroughly and productively.

**Comarch Security Access Manager DRACO** supplies world-class identification, authorization, authentication and accounting that is in line with the latest security trends. It also adapts to individual customer needs and provides extensive options for resource and user management.

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

**Comarch SecureAdmin** is a user-activity monitoring system which operates transparently at the network layer (passive and active analysis). This means that implementing Comarch SecureAdmin does

not require the modification or reconfiguration of existing applications or systems and its presence is not visible to users. A further imposing feature is the capacity to monitor encrypted connections.

**Comarch SOPEL** (Electronic Signature Support System) provides complete implementation for "secure qualified electronic signature verification" equipment and "secure electronic signature submission" software. Both comply 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 increasingly often in banking, where very high security standards, for example for customer transactions, are required.

**Comarch SmartCard Bio** is based on the use of biometrics in electronic banking. The fingerprint safeguards access to the private key, which is stored on the cryptographic card (equivalent of the PIN on cash cards). It also secures access to the whole content of the cryptographic card regardless of the number of keys stored on it.

**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 T-Pro** transaction protector token is a solution developed by Comarch as a response to increasingly emerging malignant software, executing ManInTheBrowser or key logging attacks. Comarch T-Pro creates a secure channel between the bank and itself for data transfer. It ensures that data on bank side is the same as displayed on T-Pro for confirmation. It provides a secure method to input sensitive data, such as user PIN codes. In addition, in combination with smart cards, it can create an electronic signature.

**Comarch SmartCard Workshop** manages the life cycles of cryptographic cards and tokens. In addition to the basic functionality connected with workflow and current status reports for cards issued by the system, it also provides full integration for digital and graphic card personalization.

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

**Comarch MobileID** is a new authentication and authorization method based on mobile phones that combines features never before seen together in one solution. It delivers security, ease of use and advanced technology at a low price. Comarch MobileID can operate as a stand-alone system and may also be integrated with the Comarch Security Access Manager DRACO.

**Comarch Fraud Detection** analyzes a wide range of entities that may participate in frauds and abuses. It takes place on the basis of external information and defined rules of the detector such as black list search, activity analysis, transactions attributes analysis and historical transaction repository analysis.



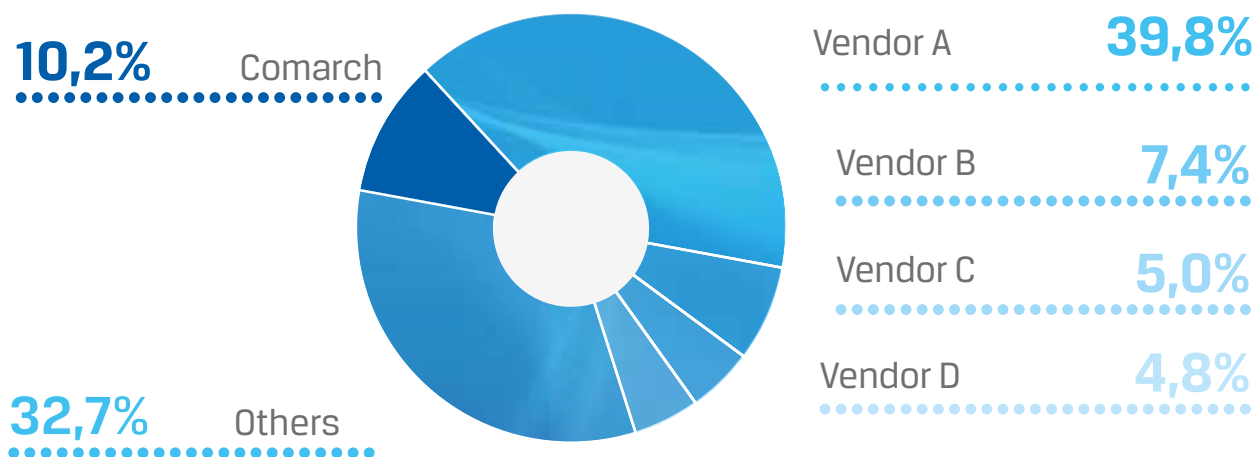
# ERP BUSINESS UNIT

Comarch is continuously consolidating its position among the producers of corporate management software. According to the International Data Corporation 2010 report, in 2009 Comarch took a leading position among Polish providers of ERP class systems on the domestic market. Innovative solutions and a consistent product development strategy resulted in Comarch not only retaining last year's position, but also increasing its market share.

Dynamic development on the Polish and foreign markets has led to an increase in the number of new contracts and completed deployments. Almost 80,000 companies use our software.

The company's achievements last year included implementations of Comarch ALTUM – the only ERP system developed from the ground

up, and geared not solely for the Polish market. German companies Yellow Point and Dynamo Dresden are among the satisfied clients of this intelligent ERP platform. Comarch ALTUM has also been chosen by companies from Poland, Germany and France.



Sales of licenses in medium and large enterprises in percentage (%)

Source: IDC report: Poland Enterprise Application Software 20010-2014 Forecast and 2009 Vendor Shares, September 2010

## The Development of ERP systems

The year 2010 brought new versions of all the solutions offered by the Comarch ERP Sector. The development of these functional

systems was a response to customer demands, market trends and a result of research and project development.

## Time of SaaS

During the year 2010, the SaaS model (*Software as a Service*) has become a natural alternative to purchasing a license. This trend was also visible among customers of the ERP Business Unit. The new model ERP Business Unit offer provides Comarch CDN iXL24, Comarch iOPT!MA24 and Comarch iALTUM24, as well as a range of brand new IT solutions for companies. These solutions were designed specifically for the SaaS model: iFaktry24

(online invoice), iKsięgowość24 (accounting services), iBard24 (data backup), Comarch iSklep24 (e-commerce) and iGaleria24 (e-shopping mall). ERP Business Unit IT systems via the SaaS model sales increased in 2010 by more than 40 percent compared to the previous year. The development of service models is a strategic business goal for 2011.



## *Comarch OPT!MA*

In 2010 – Comarch OPT!MA 2010 – a program for micro, small and medium firms, accounting offices and medical clinics, gained a new intuitive and flexible interface. The new version of Comarch OPT!MA is a result of the long-term presence of the ERP

Business Unit in this market segment. A new website was created – [www.OPTIMA.Comarch.pl](http://www.OPTIMA.Comarch.pl) – in connection with the market launch of Comarch OPT!MA 2010.

## *ERP for industries*

The actions taken by the ERP Business Unit in 2010, both in terms of further product development and promotion, focused on industry-specific solutions, which have been one of the many recognizable features of ERP systems offered by Comarch. Providing industry knowledge to present and potential customers was possible thanks to the multimedia portal [www.ERPdlaBranz.pl](http://www.ERPdlaBranz.pl) created, last year. The portal offers ideas for solving real problems which company

employees face each day from different sectors of the economy. The ERP Business Unit offers comprehensive solutions for the following sectors: trade and distribution, manufacturing, services, retail, office accounting and e-commerce. The ERP Business Unit also participates in industry meetings, the work carried out by research and development teams, and organizes events dedicated to selected market segments.

## *Research & Development – Future Shop Comarch Retail Innovation Center*

In 2010, thanks to the innovative Comarch Retail Innovation Center (CRIC) project, the ERP Business Unit was able to strongly mark its presence in the retail sector. Comarch's CRIC Future Shop Premiere took place during the international IT fair CeBIT 2010. The solution was also presented during the multimedia conference: The Future

Shop Comarch Retail Innovation Center, held at the Warsaw Złote Tarasy mall. CRIC is a combination of a multimedia installation that uses Microsoft Surface and LCD screens with ERP solutions dedicated to the retail industry.

## *Comarch Marketplace*

To effectively support the businesses of entrepreneurs, in 2010 Comarch created Comarch Marketplace; a virtual platform for IT industry-specific solutions. The platform – developed by Comarch and its partners – presents dedicated applications that support business processes of a particular industry or market sector. It

forms an intelligent extension of the standard functionalities of the Comarch ALTUM ERP platform. The website is dedicated to Comarch's business partners and customers and to all businesses looking for software tailored to individual business needs.

## *iComarch24*

2010 was the year of the Internet shopping mall premiere, iGaleria24, which provides free promotion and positioning on the Internet for affiliated companies that use e-shop software Comarch iSklep24. Last year, the company also released a new web portal iComarch24, thus bringing together innovative Internet services for businesses. The website ([www.iComarch24.pl](http://www.iComarch24.pl)) was created for entrepreneurs

seeking modern solutions that would improve their businesses. The company also organized two editions of e-conferences for entrepreneurs looking for practical ways to effectively start and develop their own e-business. We also released e-book, which contained valuable knowledge in this field.

## *Financing*

The ERP Business Unit also provides support to customers interested in alternative methods of financing investments in software. The Comarch ERP Finance Centre specializes in the analysis of financing tools for information technology available on the financial market (EU subsidies for new technologies, operational leasing of IT, technology credit), and actively supports customers in their acquisitions. The year 2010 was marked by particularly intensive development of IT operational leasing deals. The value of the purchased software, under a lease offered by the ERP Business

Unit together with the European Leasing Fund, increased by nearly 40 percent within the 52 signed contracts, compared to the year 2009. Thanks to cooperation with Grenkeleasing, the leasing offer of ERP in 2010 was expanded to include additional funding for software at a net value of 2500 PLN. The unique financing tools for enterprise management systems, on the IT Polish market, are dedicated particularly to micro and small businesses. The international financing offer is addressed to IT companies in Poland, Germany, Austria and France.

## *Education*

Comarch has developed relationships with many educational institutions in Poland. In 2010, the ERP Business Unit began cooperation with 55 new schools, universities and other training centers. The organizations received educational editions of Comarch's software: Comarch OPT!MA, Comarch CDN XL and the latest – Comarch ALTUM (added to the educational offer in 2010).

We also organized 7 presentations entitled "OPT!MALNY Start" in the largest Polish academic centers, in which 460 economy, finances, and accounting and management students participated. Due to our projects, 912 online exams of Comarch OPT!MA have been passed by students from the entire country.

## *Goals for 2011*

In 2011, the ERP Business Unit plans to continue intensive development of its offered products. Apart from the new version of its flagship products, Comarch CDN XL and Comarch OPT!MA, special emphasis will be placed on the development of new IT solutions –

new versions of Comarch ALTUM and systems in the SaaS model. The goal of the ERP Business Unit in the year 2011 is double-digit revenue growth and an increase in percentage on the software market for SMEs in Poland and abroad.

# SYSTEMS FOR BUSINESS MANAGEMENT – A COMPLETE LINE OF ERP SYSTEMS FOR ALL TYPES OF BUSINESS

**Comarch ALTUM** is an innovative, intelligent ERP platform aimed at SMEs in the trade and services sector operating locally or within a distributed network. It is well adapted for operations on both Polish and foreign markets. By the end of 2010 the solution was chosen by more than 50 clients from Poland, Germany, Austria and France, including: Auchan Telecom, IT Netasq, Dynamo Dresden, Kontri. Comarch ALTUM is particularly strong in its integrated Business Intelligence and Business Process Management elements. It is also available in the SaaS service model: **Comarch iALTUM24**.

**Comarch CDN XL** has been the most frequently chosen ERP system in Poland for many years. By the end of 2010 the software was chosen by more than 3,100 companies from various industries, including Kreisel, Zbyszko Company, Gino Rossi, Pamapol, Marwit, Neonet, Dermika, Siarkopol and Mercedes Benz from southern Polish city Rzeszow. The solution meets the specific needs of production and trade and service companies. Comarch CDN XL has a wide choice of functionalities associated with all areas of business activity. It provides dedicated industry-specified functions for most industries. The system features e-Commerce tools, Business Intelligence solutions and mechanisms for managing internal and external document circulation. Comarch CDN XL is available in the SaaS service model – **Comarch CDN iXL24**.

**Comarch OPT!MA** is a program for management, sales, accounting, human resources and payroll. Comarch OPT!MA is used to support micro and SMEs of different profiles. It contains an additional functional BR module and BR iKsięgowość24 portal. Comarch OPT!MA is a unique solution on the Polish market in guiding and promoting activities of accountancy offices and tax advisory firms. More than 6,000 companies in this industry alone have already appreciated this unique solution. Additionally, by integrating with the iMed24 software system it is also prepared to support medical facilities, and together with the Comarch iSklep24 application and the iGaleria24 portal it creates a complete environment for conducting e-commerce. In 2010 Comarch OPT!MA was equipped, among others, with a modern and intuitive interface based on .NET technology. Thanks to this, the program has become even more user-friendly and very popular among Polish companies in the SME sector of which over 40,000 have chosen the program. During the past year a growing interest was observed in the possibility of renting software over the Internet in the SaaS service model – **Comarch iOPT!MA24**. While the program is primarily dedicated to smaller companies, its portfolio in 2010 was enriched with such enterprises as PKP Cargo Wagon, Hotel Spa Dr Irena Eris, Frisco.pl and the Buffo Theatre.

**Comarch Klasyka** is the most popular Polish management system supported and developed by Comarch for SMEs, and trading, service and production, based on DOS. Thanks to its recognizable brand and the consistently pursued manufacturer policy, in its 20 year history, Comarch Klasyka has found recognition among 43,000 Polish companies. In addition, all of its customers are provided with special conditions allowing to change software to more modern systems under the fixed promotion – Comarch Migration – which has benefited hundreds of businesses only in 2010.

**Comarch Retail** is an independent system for conducting retail sales which allows to efficiently manage a commercial network in a comprehensive manner, starting from the front-office through the back-office to the Point of Sale (POS). The product is directed at retail networks of a dispersed structure. A characteristic feature of the software is the integration with ERP class solutions (Comarch ALTUM or Comarch CDN XL) in the headquarters of a commercial network.

**Comarch Mobile** is a set of solutions for management, which support the work of mobile appliances such as a mobile phone, a smartphone or a data collector. It is designed for 3 groups of users:

- » **Comarch Mobile Manager** – designed for those who manage a company. It enables quick and intuitive insight into the most important reports on the situation of the enterprise.
- » **Comarch Mobile Sales** – dedicated to sales representatives and ensures support of a broad structure of sales.
- » **Comarch Mobile Warehouse** – designed for logistics department employees.

Comarch Mobile cooperates with Comarch OPT!MA, Comarch CDN XL and Comarch ALTUM.

**Comarch Business Intelligence** is a modern system, based on Data Warehouse technology, dedicated to large and medium sized companies. Its main goal is to support decision making processes and report on tasks. The system can integrate data from many different data sources and prepare it for use in a business language based, multidimensional model. The product's target market is very large, and contains sectors such as banking, insurance, energetic, FMCG, and more. Examples of implementations include: BP Europe SE, ENION, PKM DUDA, Stock Polska, Atlantic, DnB NORD Polska S.A.

**iBard24** (iBard24.pl) is a tool that enables online data backup and archiving, so that the selected files are accessible from anywhere

in the world 24 hours a day. The product is offered in a SaaS model which provides faster start-up and system implementation, lower costs and erases the need for IT infrastructure funding and its later support. iBard24 can play both the role of your online storage disc, as well as being a comprehensive tool for professional backup of corporate data. The application is addressed mainly to entrepreneurs who wish to safely store important data. iBard24 is also available in a traditional model (iBard24 BOX), which allows to secure data in your local network, through automatic backup on your personal servers.

**iKsięgowość24** (iKsięgowość24.pl) is a unique accounting service created for small companies. The service was designed for entrepreneurs searching for the best price among professional accounting services. Thanks to iKsięgowość24, an entrepreneur can focus their entire energy on conducting business and developing the growth of their companies, and leave their accounting to reputable accounting offices.

**Comarch iSklep24** is an e-shop cooperating with every Comarch management system: Comarch OPT!MA, Comarch iOPT!MA24, Comarch CDN XL and Comarch ALTUM. It is an Internet sales support solution. It possesses a wide range of functionalities that effectively promote your offer on the Internet, provide a fuller description of the goods in your shop window and provide faster customer order turnaround. Comarch iSklep24 is the only e-shop software integrated with iGaleria24.

**iGaleria24** (iGaleria24.pl) is a unique Internet shopping mall created by Comarch. Thanks to iGaleria24, the owners of Comarch ERP systems can support their online shops (working on Comarch iSklep24), are given the opportunity to present their shop and products in the portal, promote and position the shop on the Internet and acquire new customers. Furthermore, external companies can also promote their own goods and services on the portal.

**iFaktury24** (iFaktury24.pl beta) – a modern software solution that is available in the service model (SaaS) and is intended for the

management of sales. The service's exceptional ergonomics and cooperation with other Comarch systems are its trademark. Thanks to iFaktury24 the customer can quickly create invoices and send them to a chosen accounting office via the Internet.

**Comarch Software und Beratung AG systems** are **ERP** (ERP = Enterprise Resource Planning) and finance-accounting systems for small and medium-sized enterprises in German speaking countries:

- » **Comarch Semiramis ERP** – the new generation ERP system was developed to optimally fulfil requirements of active international companies in the Internet age. With a completely new ergonomic user interface and its integrated WorkFlow, Comarch Semiramis optimally maps business processes and organisational models,
- » **Comarch Semiramis Accounting** – a new generation financial accounting system developed as a supplement for Semiramis. It enables complex financial management in modern enterprises,
- » **Comarch SoftM Suite** – a classic ERP system offering clear functional solutions adjusted to the specifications of a branch for a wide range of users. It includes a certified, complex financial accounting system that administrates controlling and electronic archive of document modules. It proves its value in its internationalisation as well as in accordance with international standards (IFRS, US-GAAP, etc.),
- » **Comarch Schilling** - a classic finance-accounting system,
- » **Comarch DKS** – a finance-accounting system for customers in the Austrian market, including controlling and human resources modules,
- » **Comarch Topas** – a system dedicated to HR services and employee settlements, supporting the management of work hours and recruitment,
- » **Infostore/DMS** – a system for managing the electronic archiving of records, which enables the implementation of electronic document workflow in an enterprises.



# SERVICES BUSINESS UNIT

The Services sector provides its products and services to the Retail & FMCG, petroleum, aviation, logistics, DIY, pharmaceutical and electronics industry, but also the financial, telecommunications and public administration market as well as the local government. Workers in the sector are currently implementing projects on three continents, in over 30 countries. The Service sector employs over half a thousand people located in offices in Shanghai and Ho Chi Minh City (Vietnam), Moscow, Kiev, Lvov, Poland, of course, Dresden, Frankfurt, Dusseldorf and Lille, Chicago (USA).

## Key products and competences

**Comarch ECOD** – An advanced platform that allows customers to electronically exchange documents (Comarch ECOD Operator, ECOD Archive, ECOD Tracker) and provide sales management (Comarch ECOD Agent 2.0, ECOD Distribution, ECOD Business Portal). Comarch ECOD operates in 30 countries and serves over 13,000 customers. In 2010, the Comarch ECOD platform mediated in the exchange of approximately 120 million documents. ECOD is a leader in electronic document exchange in Poland, Ukraine and Russia. Comarch ECOD successfully enters new markets and generates new industries. Since mid-2009 Comarch operates in Vietnam, and it is also actively developing in German-speaking countries (Germany, Austria, Switzerland) and in France. Western Europe is now a strategic area of growth for Comarch ECOD. Hundreds of clients are already being served in this region.

**Comarch Enterprise Marketing Management** – This is a comprehensive solution which supports the work of marketing departments and the operation of loyalty systems. Today it is one of the leading class solutions in the world. Over 95% of revenue generated by this department comes from foreign markets. Projects are implemented successfully in countries such as Germany, Austria, France, Great Britain, Switzerland, Spain, Portugal, USA, Canada, Russia, Ukraine.

**Comarch Travel CRM** – The Comarch Travel CRM platform is a suite of integrated applications designed for companies in the transport and tourism industry. Currently, Comarch is carrying out implementations of this application, inter alia, in the U.S., Russia and Poland. Comarch's clients also include airlines and car rentals. The main components of the package are: an application for managing loyalty programs, a customer contact center, a system for planning and conducting campaigns and analytics software. There are plans to launch additional programming packages for airports, railway operators and hotel chains.

**Comarch infostore ECM** – a workflow class product designed to manage document workflow. It is a result combination of more than thirteen years of experience developed in Comarch and the Swiss company Solitas, which Comarch became the owner of by taking over the German SoftM. Solitas has provided its solutions to about a thousand customers in Switzerland, Germany and Austria.

**Comarch's IT infrastructure** – brings together all the infrastructure products and services addressed to all market sectors. The offer must include the following areas:

- » **Data Center** – includes different sorts of services related to IT infrastructure management at Comarch Data Center. From simple collocation and hosting, to complex management and administration of advanced customer environments, both involving Comarch applications, as well as those of external companies. Currently Comarch has a Data Center in Krakow and Warsaw. In addition, other investments are being carried out in Data Centers in Lille (France) and in Dresden (Germany).
- » **IT Outsourcing** – These services provide a possibility to comprehensively manage all (or selected elements) of Comarch's IT infrastructure clients. With an extensive network of partners, Comarch is able to provide very strict SLA (time of reach and repair, measured in single hours) throughout Poland.
- » **Construction and outsourcing of telecommunications networks** – These services include both the construction of all types of telecommunications networks, as well as the possibility of their administration, management and entire outsourcing in the form of customers service.
- » **Safety** – includes comprehensive services designed to provide customers with maximum IT infrastructure security, both located in Comarch Data Center, as well as the customer premises.
- » **Contact and Call Center** – is a set of applications and services which provide comprehensive management of customer service centers, both at a hardware and application level.

## *Most important customers and contracts*

In recent years, the Services sector developed a very large group of prestigious clients. Of particular note are global contracts implemented for global corporations in various countries. Such projects significantly develop the sectors offer, and are a checking list of skills and qualifications. These include, inter alia, a contract to implement

a loyalty system for BP (it covers Poland, Germany, France, Great Britain, Spain, Portugal, Austria) and cooperation with Metro Group in handling electronic documents (this includes Poland, Russia, Ukraine, Hungary, Romania, Bulgaria, Turkey, Vietnam).

## *Key markets, international activity*

Currently, tens of percent of the sector's revenue is obtained from international projects. Key foreign markets include DACH (Germany, Austria, Switzerland), France, USA, Russia and Ukraine. The Services sector also carries out projects in countries such as Britain, Spain, Portugal, Hungary, Bulgaria, Romania, Turkey, China, Vietnam, Canada. For several years, the sector has been consistently expanding its

international presence. Currently, dozens of staff are permanently working in Comarch branches in Dresden, Dusseldorf and Frankfurt am Main, and in Lille, Kiev, Lvov, Moscow, Chicago, Shanghai, Ho Chi Minh City. Foreign markets, particularly Western Europe, are a strategic area of development for the Services sector.

## *Investments*

The Services sector continues to invest in order to ensure an effective implementation strategy for the development in foreign markets. These projects are implemented at different levels. The main ones are:

### *Product development and adapting them to local requirements*

Broader cooperation with a number of mature clients who are leaders in their markets, leads to a better understanding of the needs of Comarch product users. In addition, it is affordable to exchange experience among different industries and geographic markets

in which the Services sector implements its projects. Thanks the obtained and accumulated knowledge the sector is able to create more innovative and competitive products or develop old versions. Every year the industry invests millions of PLN in development.

### *Building infrastructure on strategic markets*

In order to support business development in strategic markets (Western Europe) the sector is investing a total of tens of millions of PLN in the development of infrastructure in France and Germany. As a result of these investments it will have two modern Data Cent-

ers, complete office facilities and administrative levels in Lille and in Dresden. This aspect is still very important for many potential customers in western Europe.

## *Human resources policy: hiring new staff, both in Poland and abroad*

The strategic objective is to build a structure in Poland capable of handling production in light of the increasing number of orders from abroad. At the same time, large amounts of money are being invested in sourcing and hiring quality employees directly in foreign markets. The goal is to create strong, independent local structures

in strategic markets, which will be able to independently carry out full sales and consultancy processes, and implement and maintain support services. In Poland, in order to attract quality employees, collaboration with leading technical universities has begun.

## *Marketing*

In order to effectively present an offer to potential customers, the Services sector, as well as Comarch, invest substantial amounts in various forms of marketing. In 2010, many industry representatives took part in various prestigious conferences, stretching from Asia to the U.S., Britain, France, Germany, Poland, Russia, and Ukraine. The sectors offer was presented at, inter alia, the Loyalty World (London, UK), World Low Cost Airlines Congress (London, UK), Loyalty in 2010 (Kuala Lumpur, Malaysia), CeBIT (Hannover, Germany), China'10 Live (Shanghai, China), Airlines Profitability Conference (Buenos Aires,

Argentina). Participation in these conferences allowed to acquire a number of valuable contacts and resulted in concrete agreements. The sector also initiates many of its own business events. They take place both in Poland and abroad (e.g. Barcelona in 2010, a conference dedicated to customers which use Comarch loyalty systems.) This policy will be continued in 2011. The Services sector is increasingly present in prestigious publications. E.g. the presence of Comarch ECOD Operator in the Gartner world report dedicated to EDI solutions.

## *Streamlining operational procedures*

Due to the growing volume of business, and therefore operational risks and customer requirements from different parts of the world, the sector is investing in improving its quality of work. This manifests itself, among other things, when implementing projects such as,

adapting procedures to the ITIL v3 requirements and SAS70 project implementation. Their implementation is often a necessary condition, and allows to apply for big contracts for global IT corporations.

## *Goals for 2011*

The goal of Services sector is to continue to develop international business in strategic markets. Therefore the presented above investments will be carried out consistently. Currently the Services sector and Comarch have a tremendous opportunity to significantly increase international business. This is due among other things to the following facts:

1. Possessing specific, proven in mature foreign markets products' with very good references.
2. The sector employs a large team of people, who over the past years, have successfully delivered numerous projects.
3. Combining these two facts means that the sector is able to provide customers, operating in the most mature markets, with high quality solutions often much better than global IT corporations can offer them.
4. Comarch still has cost advantages in relation to IT companies from Western Europe or the USA. This is a competitive advantage

based on sound foundations. This is no longer due to the fact that computer scientists in Poland earn less than their counterparts in Western Europe (taking into account the cost of living this is increasingly not true.) It is mainly because Comarch has a healthy and effective organizational structure which allows to efficiently verify work effectiveness, and promote teams and people performing the tasks they were assigned.

5. Possessing necessary experience and infrastructure, as well as developed business structures in key markets. The sector will consistently invest in development, and infrastructure in particular. This significantly adds credibility in the eyes of customers from Germany, France and Austria.
6. The Comarch brand is becoming considerably more known. The Services sector will continue to consistently invest in marketing.



# PRODUCTS AND SOLUTIONS FROM THE SERVICES BUSINESS UNIT

## ECOD

**Comarch ECOD Operator** is a comprehensive EDI solution (Electronic Data Interchange) providing automated exchange of business information and documents such as orders, invoices and sales reports in a form consistent with the common standards of electronic document (GSI).

Comarch ECOD Operator, currently used by over 13 000 members from 30 countries, is addressed to all those interested in replacing paper documents with their electronic equivalents. Currently, this approach is most often used by companies from the Retail & FMCG, DIY, fuel, pharmaceutical and logistics industries. Depending on the needs of the company, the solution enables the exchange of documents through a web application (Comarch ECOD WWW) as well as integration with various IT systems.

**Comararch ECOD Archive** is a module which provides electronic storage for a variety of documents (e-archive). Comarch ECOD Archive stores not only e-invoices, but also allows to record various types of documents such as orders, dispatch advices, delivery confirmations. The applications functionality allows, among other things, to search for documents according to various criteria and view them in a readable version, as well as monitor the operations of these documents depending on granted user rights.

**Comarch ECOD eDOC24** is a solution designed to handle invoices (and other types of electronic documents) in the digital signature technology. The Comarch ECOD eDOC24 service allows our customers to receive a tool that supports both the process of issuing electronic documents (electronic signature operation on behalf of the Exhibitor or an authorized Comarch employee), as well as making the documents available to the Recipient (various channels of communication), and the process of archiving documents within the statutory period (archival of documents for Exhibitors and Customers).

**Comarch ECOD Data Share** is a tool that allows clients which send electronic documents through the Comarch ECOD Operator platform,

to freely use the information contained in these documents. The application provides quick access to key information (e.g. the level of supply, movement of related documents).

**Comarch ECOD Tracker** is a module of the Comarch ECOD platform, which enables current control of electronic document movement between business partners.

**Comarch ECOD SA2 Products** is a joint solution provided by Comarch and SA2 Worldsynchron Polska, enabling the global synchronization of product data between producers and trade chains by means of the Global Data Synchronization Network – GDSN.

**Comarch ECOD EMCS** is a module that allows for efficient integration with EMCS PL (Excise Movement in English and Control System) – directed at those involved in the movement of excise goods (such as spirits, tobacco, energy) under suspension of excise duty. The Comarch ECOD EMCS module enables the exchange of several messages, which are necessary in the exchange of excise products (e.g. e-AD document, the e-AD project, e-AD cancellation, the report of receipt).

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

**Comarch ECOD Distribution** is a communication and reporting platform, facilitating daily reports to the producer on important business information from the distribution channel including inventory reports and resale's of the company's products.

**Comarch ECOD Business Portal** is a B2B platform that provides comprehensive communication reporting, and the realization of activities related to merchandising and sales by business partners.

# DOCUMENT MANAGEMENT SYSTEMS

## – Comarch INFOSTORE ECM

### Comarch INFOSTORE ECM

is a tool from the Enterprise Content Management package, which in a comprehensive way allows to control the company's IT capital gathered in business documents. This universal tool enables obtaining and archiving documents, working on them, safe search, and supports business processes associated with them. This flexible platform, on the basis of configuration mechanisms, allows building business modules that support specific business areas such as: processing financial documents, client or employee. Thanks to

the increasing security of the INFOSTORE ECM the time to access information is reduced, accelerating business processes and improving the quality of decisions in accordance to them. The platform was created as a result of the successful Swiss-Polish cooperation. This is a continuation of the INFOSTORE product line, well-known for the past 20 years on the German, Austrian and Swiss market, enriched with Comarch's 15 years of experience as a partner of FileNet (later IBM FileNet) in Poland.

### Comarch ECM Professional Services

is a group of advisory, implementation and support services from Enterprise Content Management package, for customers holding or implementing a solution built on IBM FileNet. 15 years of experience on the Polish market and collaboration with clients such as ING BANK, AXA, CITI BANK, PTC, Polkomtel, DIALOG, KGHM and NASK

allows our clients to benefit from the best of practices. A portfolio of professional services in the field of ECM has been completed with an offer for companies focusing on the MS Sharepoint portal technology. Among our clients in this area are e.g. Górażdże Cement and Nestle Waters.

## Loyalty Solutions

**Comarch Enterprise Marketing Management** is a complete solution as it offers functionalities needed for resource use planning and the management of marketing department operations. CEMM has been designed as a single platform equipped with all the features required to effectively run marketing operations on highly competitive and fast-developing markets.

The platform consists of the following CEMM solutions:

- » **Comarch Loyalty Management** is a developed, yet flexible business platform that supports individual and multi-partner loyalty programs.

- » **Comarch Campaign Management** – the system allows you to conduct automated, multi-step marketing campaigns, and facilitates the management of marketing activities, even for the largest enterprises.
- » **Comarch Smart Analytics** is a solution that provides information necessary for decision making in the company, based both on the analysis of already available data, and the use of mathematical models in conducting predictions and forecasts.

### Comarch Travel CRM

The Comarch Travel CRM platform is a suite of integrated applications supporting the complex relationships of companies in the transport and tourism sectors and their clients. The main component of the package is an application managing loyalty programs, a contact center, a system for planning and conducting campaigns and

analytics software. Additionally, the Comarch Travel CRM platform is individually tailored to the individual needs of each of the transport modes, with regard to the economy and recent market trends. There are plans to launch on the market individual packages for airlines, airports, railway, hotel chains and car rentals.

# IT INFRASTRUCTURE

## Data Center and Managed Services

**CDC Hosting** is an advanced service within which the customer receives a highly efficient and reliable software and hardware platform which is managed and administered in the secure environment of the Comarch Data Center.

**Virtual server services** are a comprehensive package of solutions that ensures business processes by enabling a virtual machine to run on Comarch's servers. Thanks to a virtual environment based on the Comarch Data Center infrastructure, customers receive a high quality IT environment at an optimal cost.

**Comarch Disaster Recovery Center** – the aim of this service is to secure the business of the customer through the delivery of a replacement computer and office center, which will take over the functions of a production environment in the event of unexpected events and stoppages in the operational activity of IT systems.

**Comarch IT Platform Integration** is a service which covers comprehensive software and hardware solution design to comprise a platform for both Comarch applications as well as external systems. The solutions applied integrate various IT systems in a way that enables a streamlined exchange of data between them, which improves efficiency and increases the information flow. This ensures continuity and stability of work as well as optimization of resource use.

**Comarch IT Managed Services** are comprehensive, proactive services of customer support in the processes of planning, implementation and maintenance of IT solutions. The solutions offered include full advisory, consultation and engineering assistance, which helps while elaborating the strategy of development, design of new systems, development and reorganization of the infrastructure. We carry out audits from the point of view of functionality, efficiency, effectiveness of processes and use of resources.

## Network and Telecommunications Solutions

**Comarch Global WAN Network** is a service which consists of passing on the responsibility for a convergent communication platform, which enables communication and data transmission onto a specialized, external company. As part of the Comarch Global WAN Network solution, Comarch delivers comprehensive services regarding construction of wide area networks (WAN) and implementation of network solutions within the entire country and abroad.

**Comarch WAN Acceleration** is a solution that allows for a reduction in the movement of WAN network frames, which provides for the application's high productivity and enables and ensures the

consolidation and effective protection of data. Acceleration is an alternative to the requirement of increasing the bandwidth of link data.

**Comarch LAN Network** – realization of advanced structures of the LAN network in the area of active devices (optimization, expansion, administration and monitoring).

**Comarch Broadband Networks** – these are comprehensive broadband solutions (WiFi/WiMax), which enable multimedia transmission of data and voice data for public institutions. They include a broad range of services, from the definition and elaboration of a network project, through the optimization to the implementation.

## Data Security and Protection

**Comarch Safe Company** – with the Safe Company package we provide comprehensive solutions for safely using the Internet and protecting corporate information. The following products are included in this package:

» **Comarch Safe Internet** – a group of products enabling the safe use of Internet resources: firewalls and systems for detecting

intrusions (IPS), protection of email servers (antivirus, antispam systems) and monitored access of web pages.

» **Comarch Information Protection** – a group of solutions addressing: encoding of discs and external data carriers (pen drives, CD/DVD) and systems that provide protection from unauthorized leaks of data (Data Leak Prevention).

» **Comarch Mobile Business** is directed to companies and institutions which demand a simple and secure mechanism for users. This mechanism enables mobile employees, sales partners, subcontractors, affiliated companies and branches remote access to internal computer systems from any location.

**Comarch Security Management** – a group of services that allow for effective, professional and straight-forward management of a company's IT security including: implementations, monitoring, management, service and maintenance as well as advisory services.

**Comarch Security Control** – the following elements are included in this system of services

- » **Penetrative Tests** – a series of controlled attempts to break into the teleinformatic system by a group of qualified and authorized individuals, by simulating an intrusion attempt on the system.
- » **Security Audit** – inspection of the configuration of devices, systems and the required procedures for complying with security standards, good practices and security policy guidelines.
- » **Security Policy** determines in a consistent and precise way the rules and procedures relevant to a specific organization as well as the creation of systems and IT resources. The specific methods of management, procedures, as well as necessary requirements are a result of implementing the policies for protecting information in the organization at the appropriate level.

## *IT Management Outsourcing*

**Comarch Complex IT Service** is an IT environment management service, in which the customer passes on the entire IT infrastructure to Comarch or commissions Comarch to control selected IT areas, such as the management of selected applications, the network environment, internet infrastructure or end-user infrastructure. The Service Desk is also part of the solution and it constitutes the first point of contact for the end-user and includes service requests,

monitoring of systems 24/7/365 and remote correction of failures. The management service delivered by Comarch is created on the basis of the ITIL collection of good practices.

**Comarch End-User Service** – at a basic level it includes the management of work stations, work group servers, peripherals (printers, fax machines) and telephone configuration.





# FINANCIAL STATEMENT

# FINANCIAL SITUATION OF THE COMARCH GROUP IN 2010

As of the end of 2010, the value of the company's assets grew by 8.2 % as compared to 2009 from 895.1 million PLN to 968.1 million PLN. This is mostly the result of an increase of 14.9 % in the Comarch Group's current assets. The growth of 71.2 million PLN in current assets is mostly the result of an increase of 29.6 % in current receivables from 221.9 million PLN to 287.7 million PLN, as well as the result of an increase of 16.6 million PLN, i.e. 50.3 % in inventories. The growths result from increased sales in the fourth quarter of 2010. The share of other items of current assets in the total structure of assets has remained at a similar level to those in 2009. An increase of 4.7 million PLN, i.e. 1.1 % in non-current assets is mostly the result of an increase of 19.4 million PLN, i.e. 7.6 % in property, plant and equipment with a simultaneous decline in goodwill and other intangible assets (due to a loss in the company's goodwill resulting from the acquiring of Comarch Software und Beratung AG). The share of non-current items in the total structure of assets has remained at a similar level to that of 2009.

<b>ASSETS</b>	<b>31 December 2010</b>	<b>%</b>	<b>31 December 2009</b>	<b>%</b>	<b>2010/2009</b>	<b>%</b>
<b>Non-current assets</b>						
Property, plant and equipment	275 663	28,5%	256 306	28,6%	19 357	7,6%
Goodwill	37 155	3,8%	42 697	4,8%	-5 542	-13,0%
Other intangible assets*	79 106	8,2%	92 412	10,3%	-13 306	-14,4%
Non-current prepayments*	187	0,0%	333	0,0%	-146	-43,8%
Investment in associates	172	0,0%	447	0,1%	-275	-61,5%
Other investment	1 106	0,1%	106	0,0%	1 000	943,4%
Deferred income tax assets	23 725	2,5%	19 633	2,2%	4 092	20,8%
Other receivables	1 237	0,1%	1 745	0,2%	-508	-29,1%
	<b>418 351</b>	<b>43,2%</b>	<b>413 679</b>	<b>46,2%</b>	<b>4 672</b>	<b>1,1%</b>
<b>Current assets</b>						
Inventories	49 621	5,1%	33 008	3,7%	16 613	50,3%
Trade and other receivables	287 688	29,7%	221 901	24,8%	65 787	29,6%
Current income tax receivables	217	0,0%	382	0,0%	-165	-43,2%
Long-term contracts receivables	9 112	1,0%	8 507	1,0%	605	7,1%
Available-for-sale financial assets	2 491	0,3%	10 291	1,2%	-7 800	-75,8%
Other financial assets at fair value – derivative financial instruments	383	0,0%	398	0,0%	-15	-3,8%
Cash and cash equivalents	200 242	20,7%	204 075	22,8%	-3 833	-1,9%
	549 754	56,8%	478 562	53,5%	71 192	14,9%
Assets classified as designated for sale	0	0,0%	2 865	0,3%	-2 865	-100,0%
<b>Total assets</b>	<b>968 105</b>	<b>100,0%</b>	<b>895 106</b>	<b>100,0%</b>	<b>72 999</b>	<b>8,2%</b>

\* In 2010, there were changes in non-current prepayments. Comparable data for the previous year have been changed similarly.

<b>EQUITY AND LIABILITIES</b>	<b>31 December 2010</b>	<b>%</b>	<b>31 December 2009</b>	<b>%</b>	<b>2010/2009</b>	<b>%</b>
<b>EQUITY</b>						
<b>Capital and reserves attributable to the company's equity holders</b>						
Share capital	8 051	0,8%	7 960	0,9%	91	1,1%
Other capitals	140 441	14,5%	137 798	15,4%	2 643	1,9%
Exchange differences	10 058	1,0%	10 684	1,2%	-626	-5,9%
Net profit for the current period	43 717	4,5%	32 306	3,6%	11 411	35,3%
Retained earnings	372 680	38,5%	348 522	38,9%	24 158	6,9%
	<b>574 947</b>	<b>59,4%</b>	<b>537 270</b>	<b>60,0%</b>	<b>37 677</b>	<b>7,0%</b>
Minority interest	9 242	1,0%	17 046	1,9%	-7 804	-45,8%
<b>Total</b>	<b>584 189</b>	<b>60,3%</b>	<b>554 316</b>	<b>61,9%</b>	<b>29 873</b>	<b>5,4%</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Credit and loans	84 804	8,7%	82 823	9,3%	1 981	2,4%
Deferred income tax liabilities	50 276	5,2%	53 498	6,0%	-3 222	-6,0%
Provisions for other liabilities and charges	572	0,1%	2 298	0,2%	-1 726	-75,1%
	135 652	14,0%	138 619	15,5%	-2 967	-2,1%
<b>Current liabilities</b>						
Trade and other liabilities*	149 812	15,5%	118 068	13,2%	31 744	26,9%
Current income tax liabilities	3 386	0,3%	1 347	0,2%	2 039	151,4%
Long-term contracts liabilities	7 452	0,8%	7 653	0,9%	-201	-2,6%
Credit and loans	13 089	1,4%	12 899	1,4%	190	1,5%
Provisions for other liabilities and charges*	74 525	7,7%	62 204	6,9%	12 321	19,8%
<b>Total liabilities</b>	<b>248 264</b>	<b>25,7%</b>	<b>202 171</b>	<b>22,6%</b>	<b>46 093</b>	<b>22,8%</b>
<b>Total liabilities and charges</b>	<b>383 916</b>	<b>39,7%</b>	<b>340 790</b>	<b>38,1%</b>	<b>43 126</b>	<b>12,7%</b>
<b>Total equity and liabilities</b>	<b>968 105</b>	<b>100,0%</b>	<b>895 106</b>	<b>100,0%</b>	<b>72 999</b>	<b>8,2%</b>

\* In 2010, there were changes in non-current prepayments. Comparable data for the previous year have been changed similarly.

Over the course of 2010 the share structure of equity and liabilities has not changed significantly. Equity grew over the year 2010 by 5.4 %, which was the result of high net profit generated in 2009. The share of equity in total equity and liabilities has remained at a comparable level to that in 2009 (60.3 % in 2010 compared to 61.9 % in 2009). Liabilities and provisions for liabilities constituted 39.7 % in total equity and liabilities compared to 38.1 % in the previous year. It is noticeable, similarly as in 2009, that there was an increase of 46.1 million PLN in current liabilities resulting mostly from an increase in trade liabilities (with maturity dates less than 12 months). Other items of total liabilities and charges maintained the previous year's level, while their share in total liabilities and charges did not changed significantly.

In 2010, the Comarch Group sales revenue climbed by 4.4 %, i.e. 32 million PLN year on year. Operating profit increased by 72.7 % to 24.8 million PLN and net profit attributable to the company's shareholders increased by 35.3 %.

	2010	%	2009	%	2010/2009	%
<b>REVENUE</b>	<b>761,361</b>	<b>100.0%</b>	<b>729,403</b>	<b>100.0%</b>	31,958	4.4%
Cost of sales	-585,197	-76.9%	-590,718	-81.0%	5,521	-0.9%
<b>Gross profit</b>	<b>176,164</b>	<b>23.1%</b>	<b>138,685</b>	<b>19.0%</b>	37,479	27.0%
Other operating income	4,657	0.6%	8,236	1.1%	-3,579	-43.5%
Sales and marketing costs	-84,277	-11.1%	-70,794	-9.7%	-13,483	19.1%
Administrative expenses	-52,974	-7.0%	-51,849	-7.1%	-1,125	2.2%
Loss in the company's value	-5,542	-0.7%	0	0.0%	-5,542	-100.0%
Other operating expenses	-13,209	-1.7%	-9,905	-1.4%	-3,304	33.4%
<b>Operating profit</b>	<b>24,819</b>	<b>3.3%</b>	<b>14,373</b>	<b>2.0%</b>	10,446	72.7%
Finance costs - net	200	0.0%	4,562	0.6%	-4,362	-95.6%
Share of profit/(loss) of associates	-40	0.0%	-470	-0.1%	430	-91.5%
<b>Profit before income tax</b>	<b>24,979</b>	<b>3.3%</b>	<b>18,465</b>	<b>2.5%</b>	6,514	35.3%
Income tax expense	-1,022	-0.1%	7,969	1.1%	-8,991	-112.8%
<b>Net profit for the period</b>	<b>23,957</b>	<b>3.2%</b>	<b>26,434</b>	<b>3.6%</b>	-2,477	-9.4%
Including:						
<b>Net profit attributable to equity holders of the company</b>	<b>43,717</b>	<b>5.7%</b>	<b>32,306</b>	<b>4.4%</b>	11,411	35.3%
Minority interest	-19,760	-2.6%	-5,872	-0.8%	-13,888	236.5%

Profitability analysis performed in 2010 shows a significant improvement of margin on sales (from 19.01 % in 2009 to 23.14 % in 2010). The EBIT margin also grew (from 1.97 % to 3.26 %) and the net margin increased from 4.43 % to 5.74 %.

<b>PROFITABILITY ANALYSIS</b>	<b>31 December 2010</b>	<b>31 December 2009</b>	<b>31 December 2008</b>	<b>31 December 2007</b>
Margin on sales	23.14%	19.01%	21.39%	22.43%
EBIT margin	3.26%	1.97%	6.55%	7.57%
Gross margin	3.28%	2.53%	34.88%	7.83%
Net margin	5.74%	4.43%	28.41%	7.36%



# OPINION OF AN INDEPENDENT AUDITOR

To the Shareholders and the Board of Supervisors of COMARCH GROUP where Comarch SA is the dominant unit

We have conducted an audit of the Comarch Capital Group's consolidated financial report that included:

- » consolidated balance sheet as at 31<sup>st</sup> of December, 2010, with total assets, total equity and liabilities amounting to **968,105 thousand PLN**;
- » consolidated income statement for the period from 1<sup>st</sup> of January, 2010 to 31<sup>st</sup> of December, 2010, with the net profit for the period amounting to **23,957 thousand PLN**;
- » total income consolidated statement for the period from 1<sup>st</sup> of January, 2010 to 31<sup>st</sup> of December, 2010, with the total income amounting to **24,709 thousand PLN**;
- » changes in consolidated equity for the period from 1<sup>st</sup> of January, 2010 to 31<sup>st</sup> of December, 2010, showing an increase in the value of equity in the amount of **29,873 thousand PLN**;
- » consolidated cash flow statement for the period from 1<sup>st</sup> of January, 2010 to 31<sup>st</sup> of December, 2010, showing a decrease in cash and cash equivalents in the amount of **4,473 thousand PLN**;
- » additional information and annotations.

The Management Board of the dominant unit takes responsibility for drawing up the financial report mentioned above and the report regarding the activities of the Capital Group compliant with binding regulations.

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

Our task was to audit this financial statement and present our opinion regarding whether this consolidated financial statement has been prepared according to the accounting principles applied by the company, and whether it presents, in all significant aspects, a true and fair view of equity and financial situation as well as financial result of the Capital Group.

The audit of the consolidated financial report was prepared and conducted according to:

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

The audit was planned and executed so as to provide sufficient certainty in order to allow us to present our opinion regarding this consolidated financial statement.

The audit included, in particular, verification of the correctness of the accounting principles applied by the related companies and significant assessments, as well as verification, largely on the basis of the sample, evidence and accounting records confirming the amounts and information presented in the consolidated financial statement. The audit included also the general assessment of the consolidated financial statement's presentation.

We believe our audit constituted sufficient basis for expressing our opinion.

In our opinion, the audited consolidated financial statement for the financial year 2010:

- a) presents a true and fair view on the company's equity and financial situation as at 31<sup>st</sup> of December, 2010, and on the financial result for financial year from 1<sup>st</sup> of January to 31<sup>st</sup> of December, 2010,
- b) was prepared, in all significant aspects, compliant with the International Accounting Standards, the International Financial Reporting Standards, and their interpretations have been announced in the form compliant with the regulations of the European Union; and whereas not regulated within these standards – in compliance with the regulations of the Act on Accounting and regulations formed on the basis of this act,
- c) was prepared compliant with the law binding the capital group.

The report regarding the activities of the Capital Group in 2010 is complete in the sense of art. 49 sec. 2 of the Act on Accounting and the Regulation issued by the Minister of Finance on the 19<sup>th</sup> of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state (Journal of Laws dated 2009, No. 33, pos. 259 and 131, pos. 1080 and subsequent changes) and included information come directly from the audited financial statement and are compliant with it.

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Katowice, 29<sup>th</sup> of April, 2011



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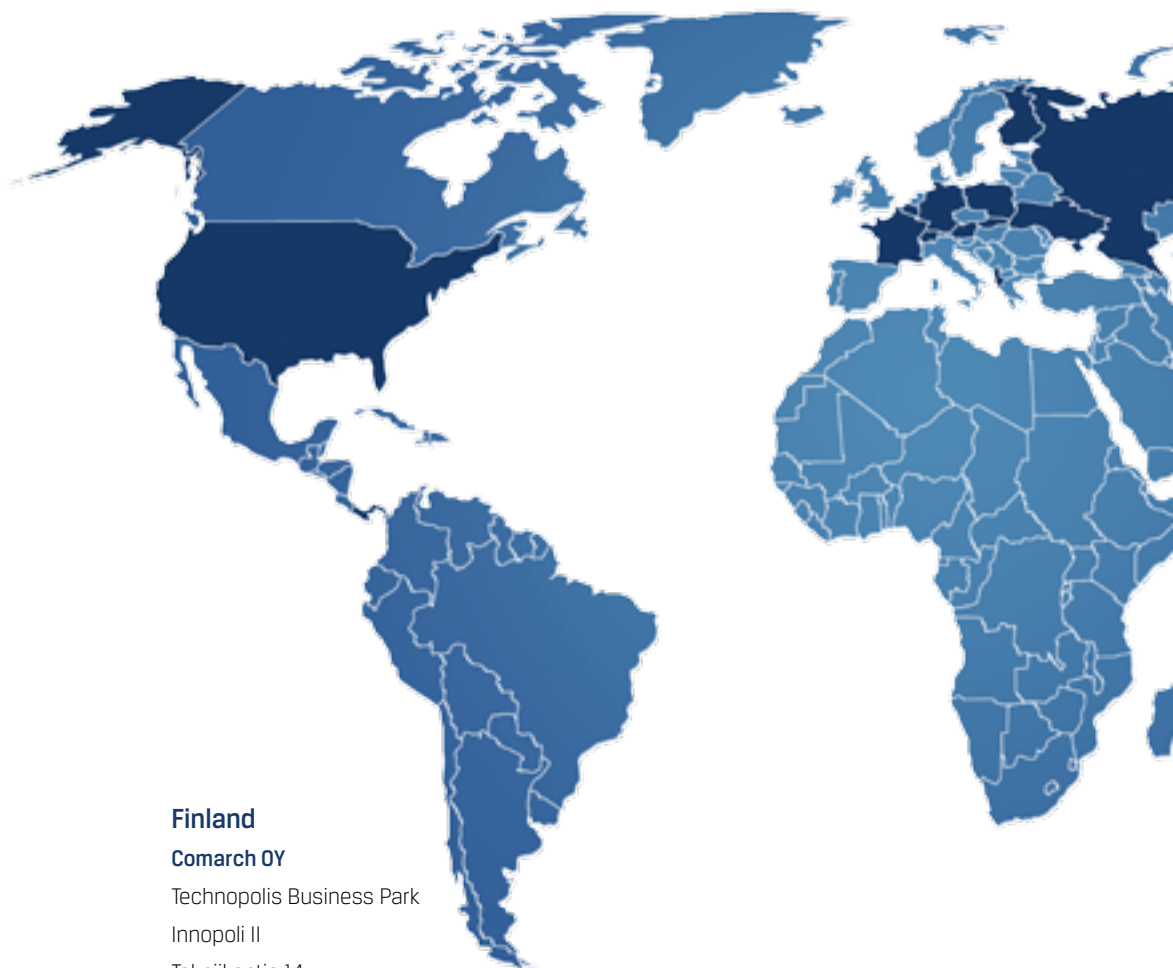
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