

# Comarch Financial Results Q1-Q3 2009



**Prof. Janusz Filipiak – CEO**

**Konrad Tarański – CFO**

17th of November 2009, Krakow

# Agenda

- Financial results
- Sales structure
- Human resources
- Backlog
- CCF FIZ subsidiaries
- Summary

## Financial Results Q3 2009

	<b>Q3 2009</b>	<b>Q3 2008</b>
<b>Revenue</b>	174,055	115,162
<b>Operating result</b>	8,382	750
<b>Net result</b>	12,839	1,125

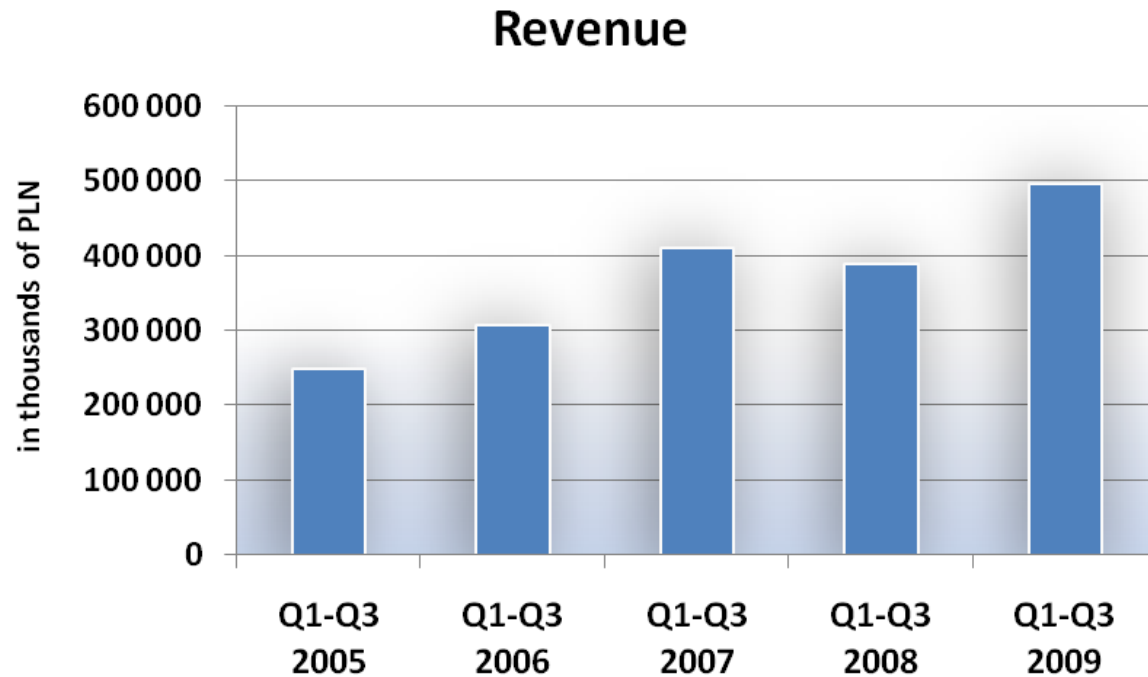
In thousands of PLN

## Financial Results Q1-Q3 2009

	<b>Q1-Q3 2009</b>	<b>Q1-Q3 2008</b>
<b>Revenue</b>	497,520	389,391
<b>Operating result</b>	(10,294)	10,898
<b>Net result</b>	5,706	161,177

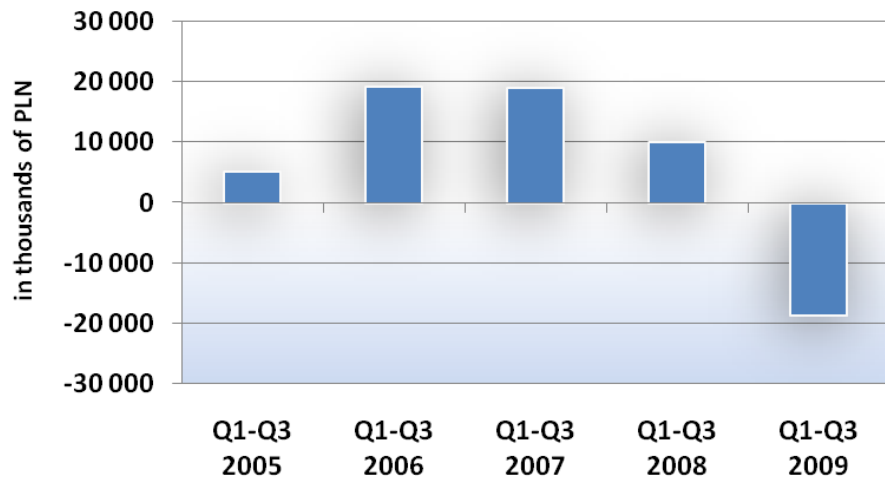
dane w tys. PLN

## In Q1-Q3 2009 Revenues from Sales Increased by 28 %

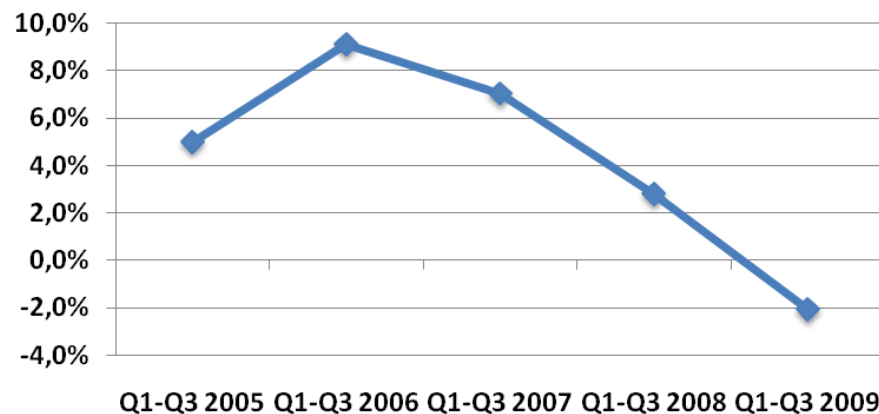


# Operating Margin Q1-Q3 2005 – Q1-Q3 2009

### Operating Profit

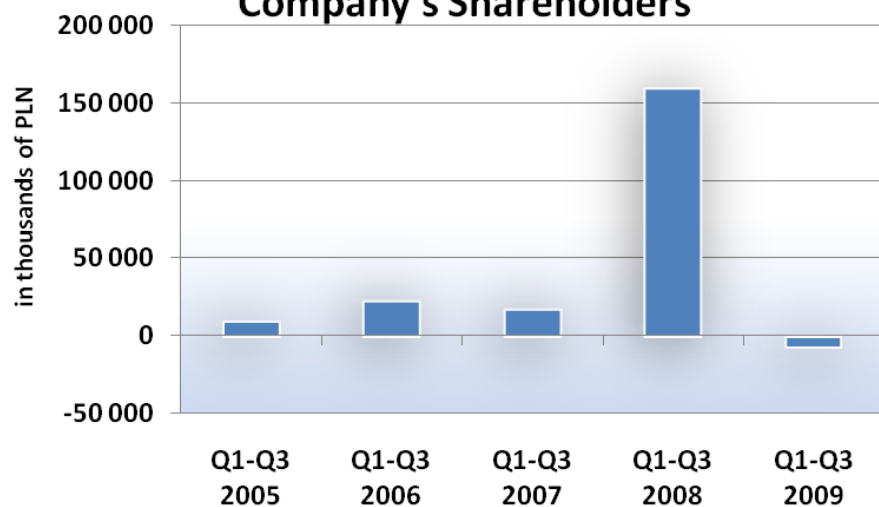


### Operating Margin

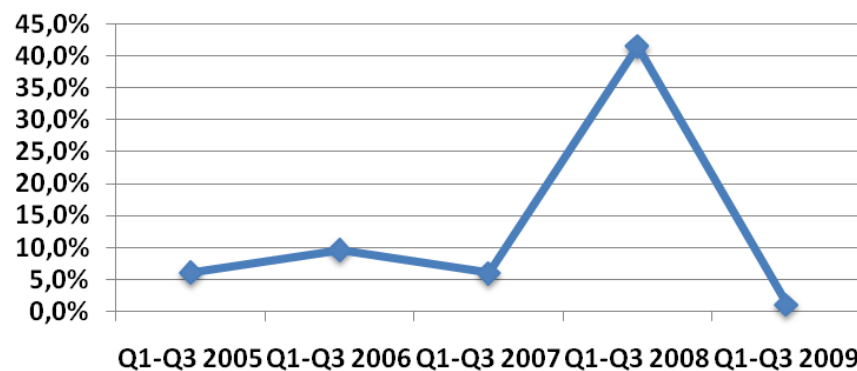


## Net Margin Q1-Q3 2005 – Q1-Q3 2009

### Net Profit attributable to the Company's Shareholders



### Net Margin



## Comparison of the Financial Results for Q3 2009 and Q3 2008

<b>Comarch Group</b>	<b>Q3 2009</b>	<b>Q3 2008</b>	<b>Change %</b>
<b>Revenue</b>	<b>174,055</b>	<b>115,162</b>	<b>51.1%</b>
Depreciation	6,183	4,721	31.0%
<b>Nominal operating result (according to the IFRS)</b>	<b>8,382</b>	<b>750</b>	<b>1017.6%</b>
<b>Nominal net result attributable to the company's shareholders (according to the IFRS)</b>	<b>12,839</b>	<b>1,125</b>	<b>1041.2%</b>
Nominal EBIT margin	4.8%	0.7%	
Nominal net margin	7.4%	1.0%	
<b>Nominal EBITDA (operating profit + depreciation)</b>	<b>14,565</b>	<b>5 471</b>	<b>166.2%</b>
Nominal EBITDA margin	8.4%	4.8%	

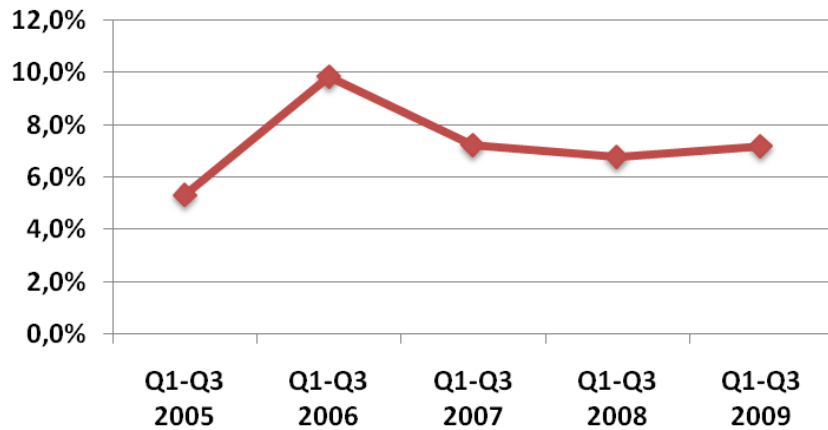


## Comparison of the Financial Results for Q1-Q3 2009 and Q1-Q3 2008

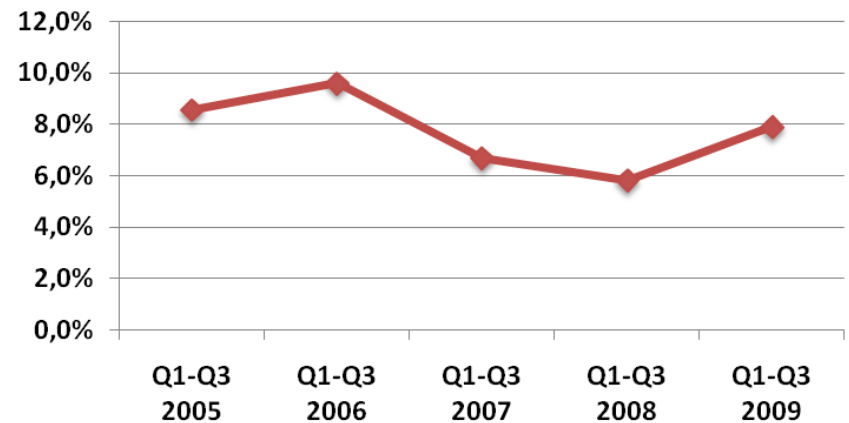
<b>Comarch Group</b>	<b>Q1-Q3 2009</b>	<b>Q1-Q3 2008</b>	<b>Change %</b>
<b>Revenue</b>	<b>497,520</b>	<b>389,391</b>	<b>27.8%</b>
Depreciation	30,391	14,103	115.5%
<b>Nominal operating result (according to the IFRS)</b>	<b>-10,294</b>	<b>10,898</b>	<b>-194.5%</b>
<b>Nominal net result attributable to the company's shareholders (according to the IFRS)</b>	<b>5,706</b>	<b>161,177</b>	<b>-96.5%</b>
Nominal EBIT margin	-2.1%	2.8%	
Nominal net margin	1.1%	41.4%	
<b>Nominal EBITDA (operating profit + depreciation)</b>	<b>20,097</b>	<b>25,001</b>	<b>-19.6%</b>
Nominal EBITDA margin	4.0%	6.4%	

## Adjusted EBIT Margin and Adjusted Net Margin Q1-Q3 2005 – Q1-Q3 2009

### Adjusted Operating Margin

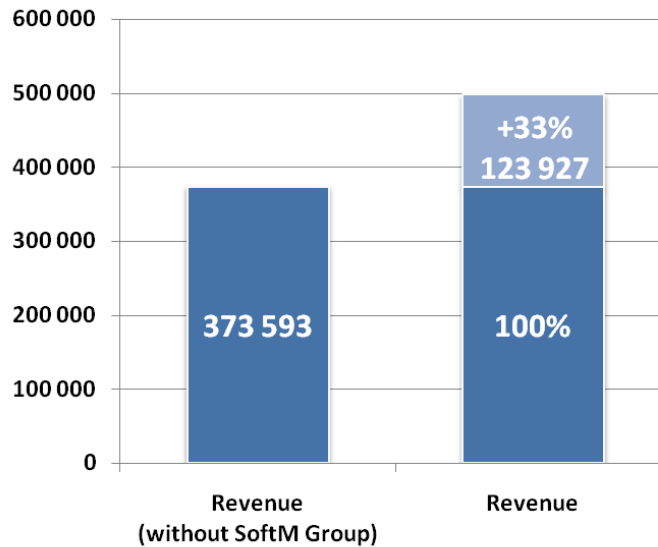


### Adjusted Net Margin

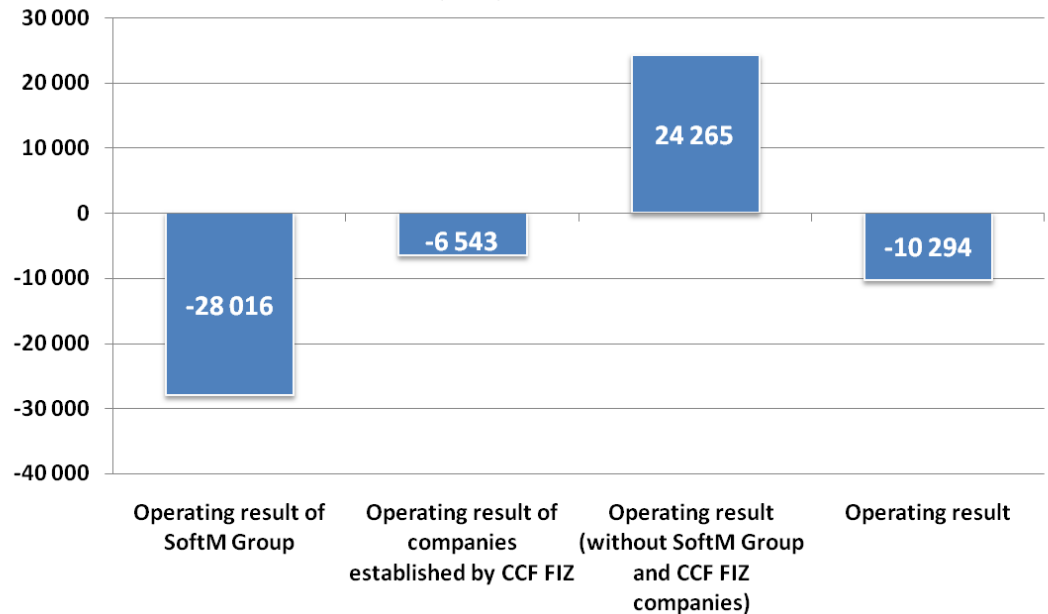


## Impact of SoftM Group and companies established by CCF FIZ on Comarch Group's Revenue and Operating Result

Q1-Q3 2009



Q1-Q3 2009



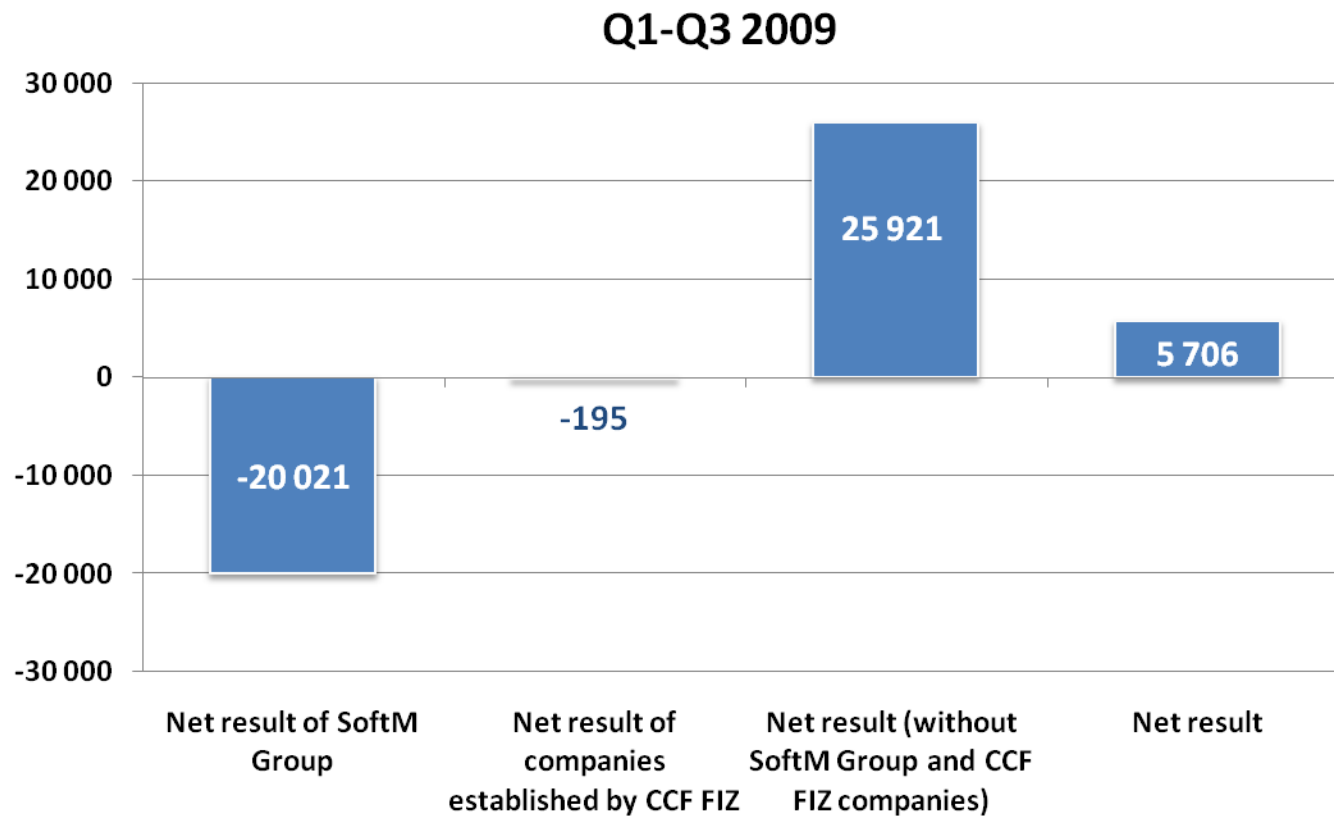
## Comparison of the Net Results for Q3 2009 and Q3 2008 after Eliminating One-Off Events

Comarch Group	Q3 2009	Q3 2008	Change
<b>Nominal net profit (according to the IFRS)</b>	<b>8,382</b>	<b>750</b>	<b>1017.6%</b>
Earnings impact of the costs of the managerial option	-745	-1,487	
Impact on earnings of the CCF FIZ and companies where CCF FIZ is a shareholder	-2,419	-1,172	
Impact on earnings of the provisions for premium from profit achieved in H1	72	193	
SoftM Group's operating profit	-2,458	0	
<b>Adjusted operating profit</b>	<b>13,932</b>	<b>3,216</b>	<b>333.2%</b>
Adjusted EBIT margin	9.9%	2.8%	
<b>Adjusted EBITDA (operating profit + depreciation (without SoftM))</b>	<b>18,935</b>	<b>7,937</b>	<b>138.6%</b>
Adjusted EBITDA margin	13.5%	6.9%	

## Comparison of the Net Results for Q1-Q3 2009 and Q1-Q3 2008 after Eliminating One-Off Events

Comarch Group	Q1-Q3 2009	Q1-Q3 2008	Change
<b>Nominal net profit (according to the IFRS)</b>	<b>-10,294</b>	<b>10,898</b>	<b>-194.5%</b>
Earnings impact of the costs of the managerial option	-2,235	-4,457	
Impact on earnings of the CCF FIZ and companies where CCF FIZ is a shareholder	-6,543	-2,625	
Impact on earnings of the provisions for premium from profit achieved in H1	-357	-8,409	
SoftM Group's operating profit	-28,016	0	
<b>Adjusted operating profit</b>	<b>26,857</b>	<b>26,389</b>	<b>1.8%</b>
Adjusted EBIT margin	7.2%	6.8%	
<b>Adjusted EBITDA (operating profit + depreciation (without SoftM))</b>	<b>42,867</b>	<b>40,492</b>	<b>5.9%</b>
Adjusted EBITDA margin	11.5%	10.4%	

## Impact of SoftM Group and Companies Established by CCF FIZ on Comarch Group's Net Result



## Comparison of the Net Results for Q3 2009 and Q3 2008 after Eliminating One-Off Events

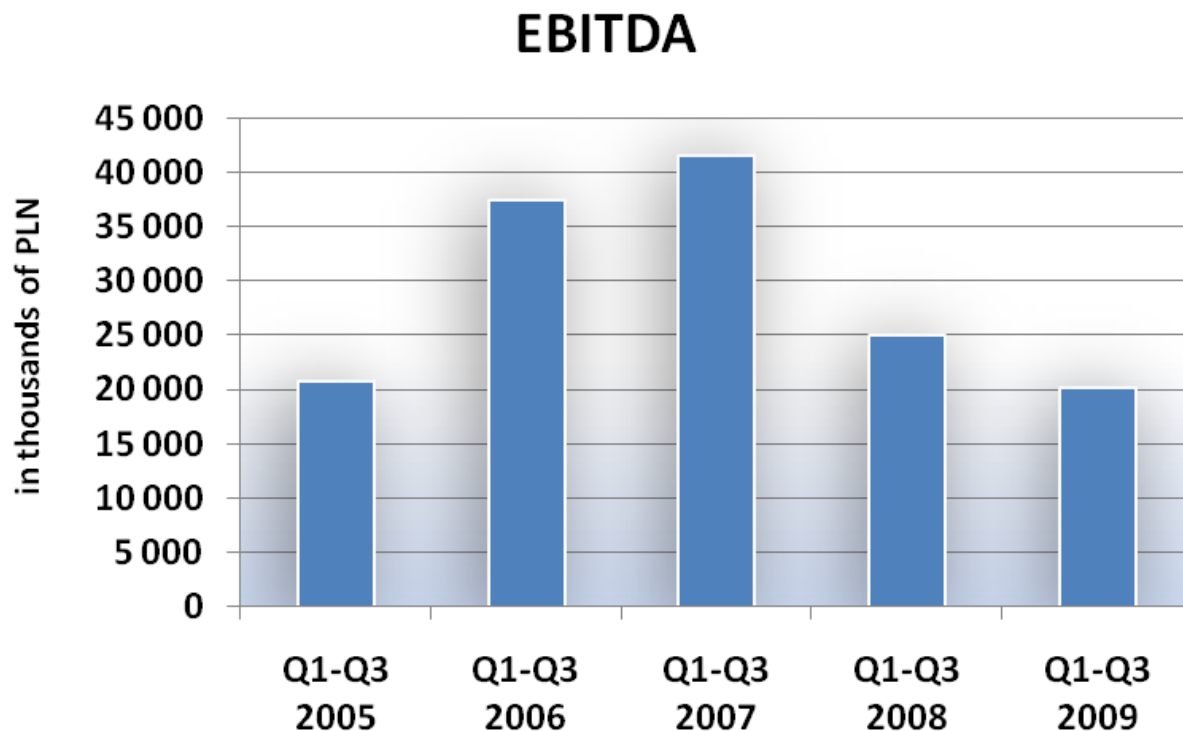
Comarch Group	Q3 2009	Q3 2008	Change
<b>Nominal net profit (according to the IFRS)</b>	<b>12,839</b>	<b>1,125</b>	<b>1041.2%</b>
Earnings impact of the costs of the managerial option	-745	-1,487	
Impact on earnings of the CCF FIZ and companies where CCF FIZ is a shareholder	-1,791	2,278	
Impact on earnings of the provisions for premium from net profit achieved in H1	72	193	
Impact of asset and provision on earnings due to deferred tax (due to activities in Special Economic Zone)	-926	-737	
Impact of the valuation of net assets of CCF FIZ on earnings due to sale of INTERIA.PL S.A. shares	0	-408	
SoftM Group's net profit	695	0	
<b>Adjusted net profit</b>	<b>15,534</b>	<b>1,286</b>	<b>1108.1%</b>
Adjusted net margin	11.1%	1.1%	

## Comparison of the Net Results for Q1-Q3 2009 and Q1-Q3 2008 after Eliminating One-Off Events

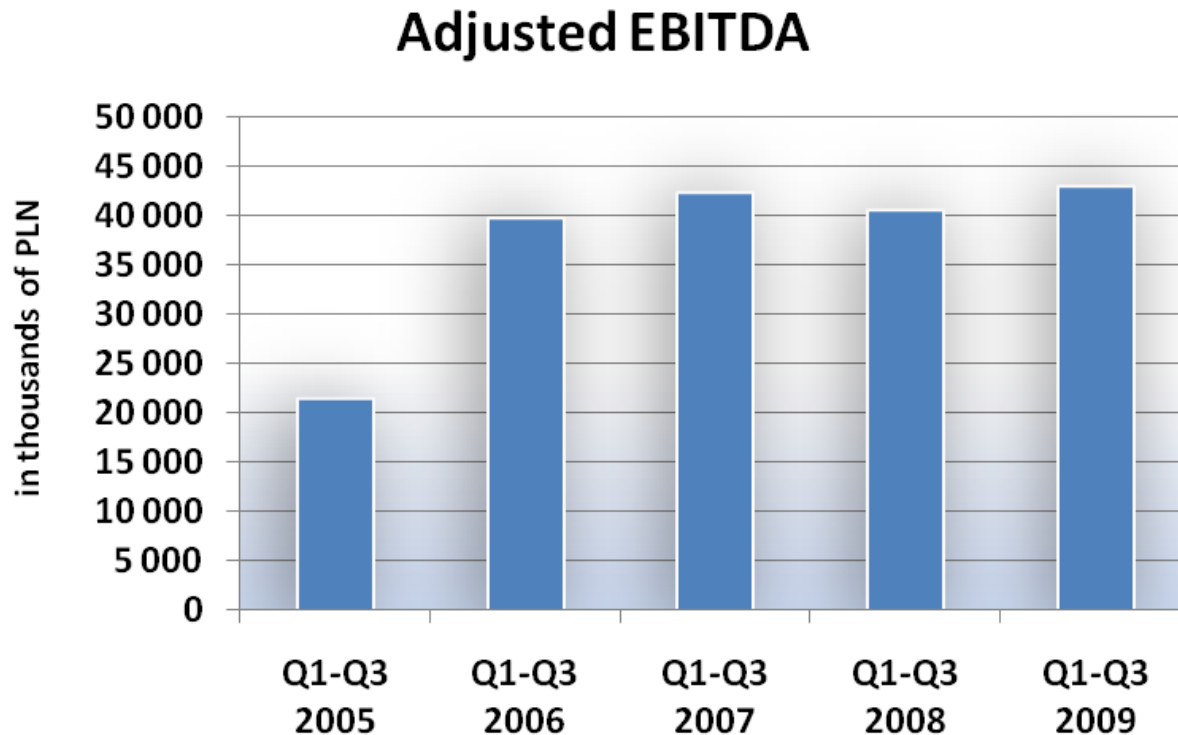
Comarch Group	Q1-Q3 2009	Q1-Q3 2008	Change
<b>Nominal net profit (according to the IFRS)</b>	<b>5,706</b>	<b>161,177</b>	<b>-96.5%</b>
Earnings impact of the costs of the managerial option	-2,235	-4,457	
Impact on earnings of the CCF FIZ and companies where CCF FIZ is a shareholder	-195	4,159	
Impact on earnings of the provisions for premium from net profit achieved in H1	-357	-8,409	
Impact of asset and provision on earnings due to deferred tax (due to activities in Special Economic Zone)	-926	-4,821	
Impact of the valuation of net assets of CCF FIZ on earnings due to sale of INTERIA.PL S.A. shares	0	152,148	
SoftM Group's net profit	-20,021	0	
<b>Adjusted net profit</b>	<b>29,439</b>	<b>22,557</b>	<b>30.5%</b>
Adjusted net margin	7.9%	5.8%	



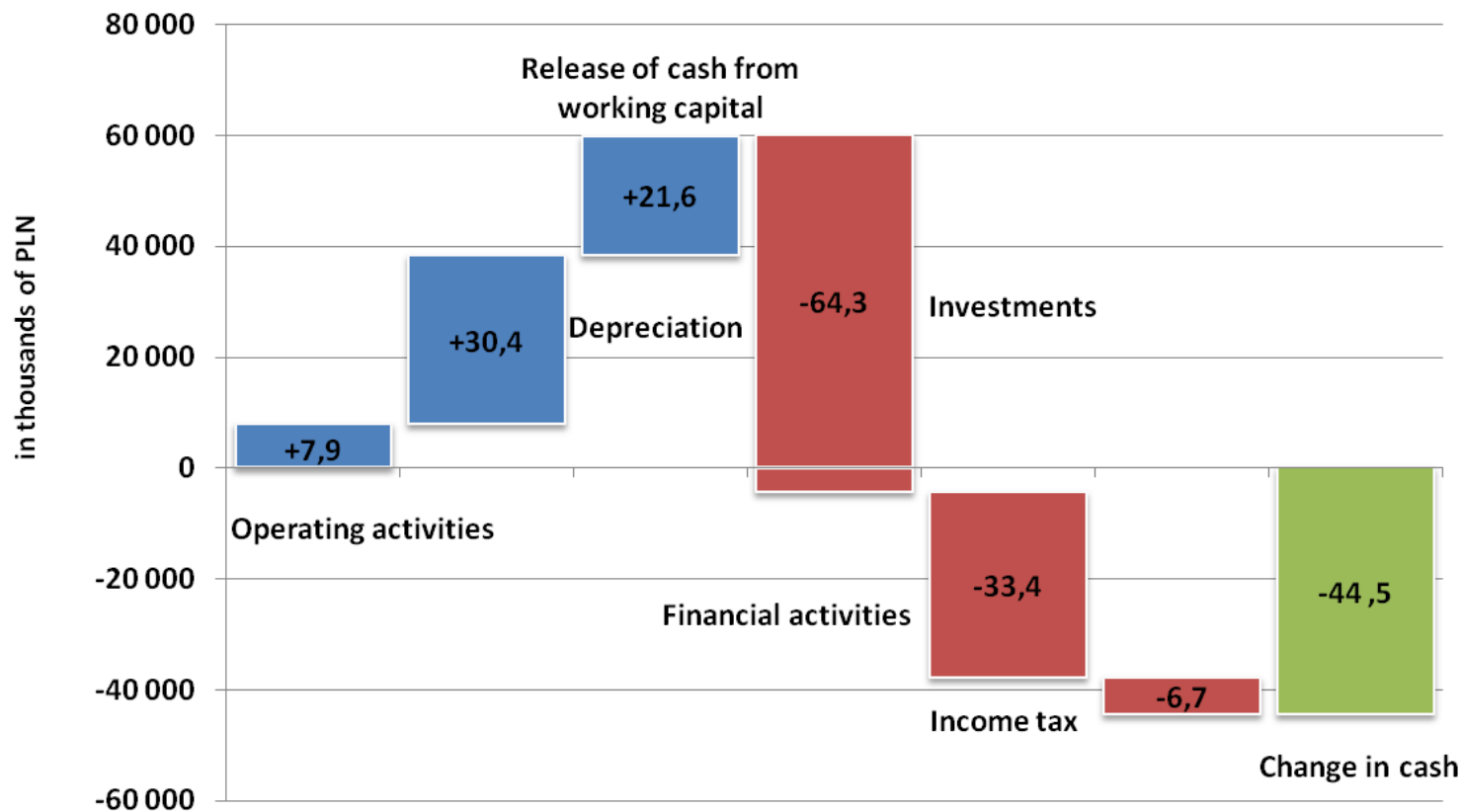
## Nominal EBITDA Q1-Q3 2005 – Q1-Q3 2009



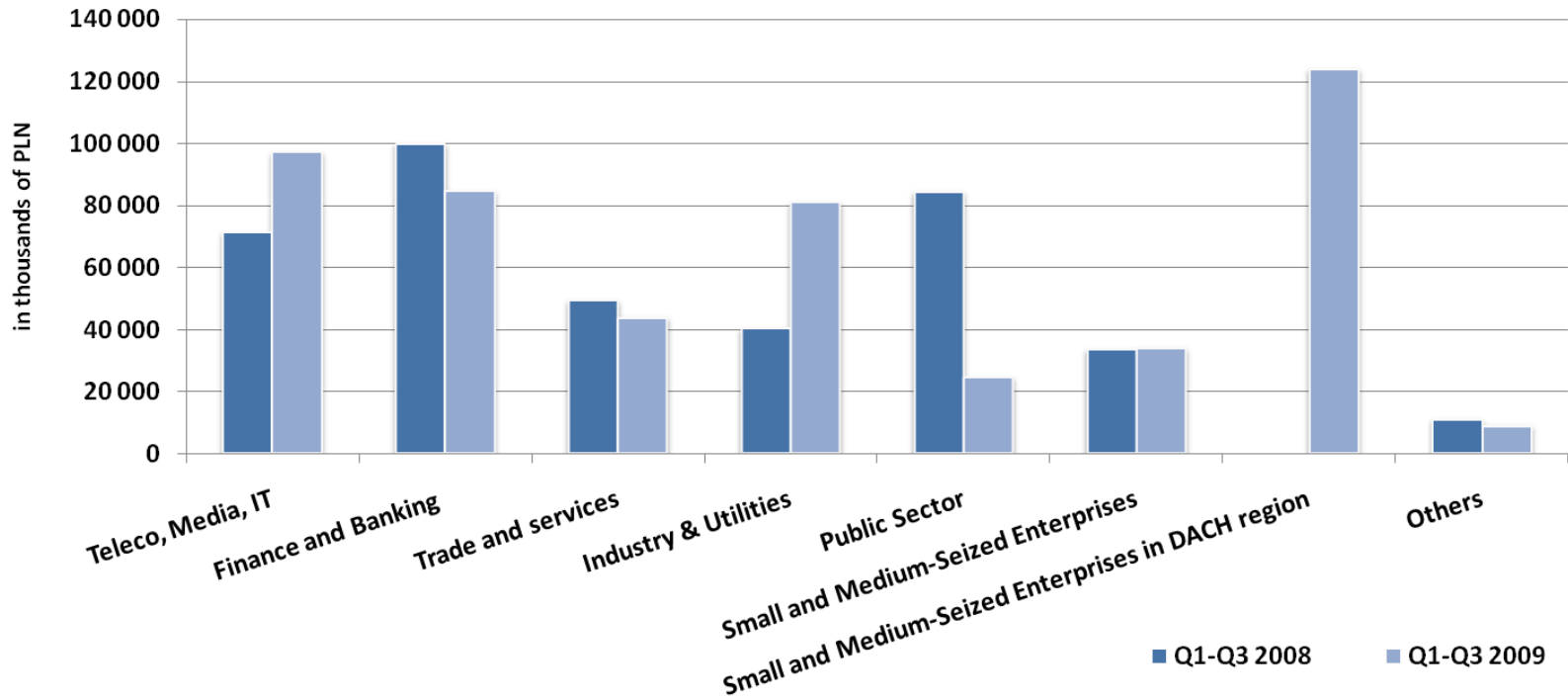
## Adjusted EBITDA Q1-Q3 2005 – Q1-Q3 2009



# Cash Flow Q1-Q3 2009



**Revenue from Sectors Q1-Q3 2008 and Q1-Q3 2009**



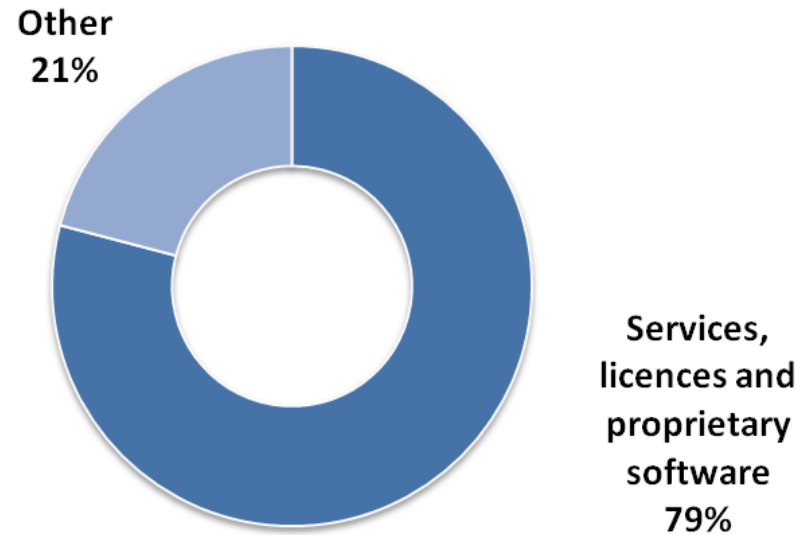
In thousands of PLN

## Market Sales Structure

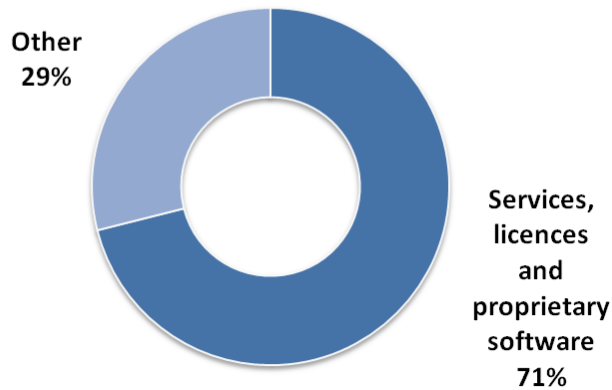
	<b>Q1-Q3 2009</b>	<b>%</b>	<b>Q1-Q3 2008</b>	<b>%</b>
<b>Telecommunications, Media, IT</b>	97,147	19.5%	71,233	18.3%
<b>Finance and Banking</b>	84,645	17.0%	99,830	25.6%
<b>Trade and Services</b>	43,741	8.8%	49,238	12.6%
<b>Industry &amp; Utilities</b>	80,864	16.3%	40,285	10.4%
<b>Public Sector</b>	24,512	4.9%	84,356	21.7%
<b>Small and Medium-Sized Enterprises – Poland</b>	33,857	6.8%	33,542	8.6%
<b>Small and Medium-Sized Enterprises – DACH</b>	123,908	24.9%	-	-
<b>Others</b>	8,846	1.8%	10,907	2.8%
<b>TOTAL</b>	<b>497,520</b>	<b>100.0%</b>	<b>389,391</b>	<b>100.0%</b>

# Products Sales Structure

**Sales Structure Q1-Q3 2009**



**Sales Structure Q1-Q3 2008**

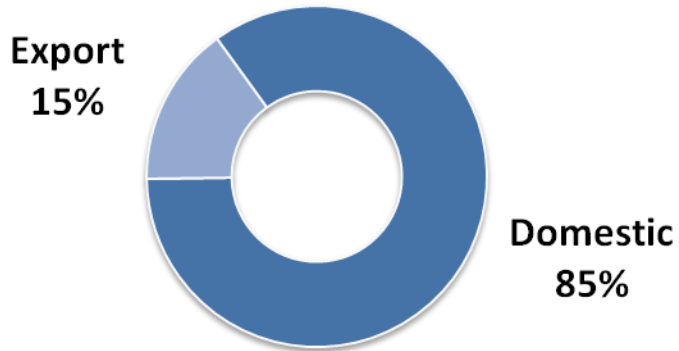


## Products Sales Structure

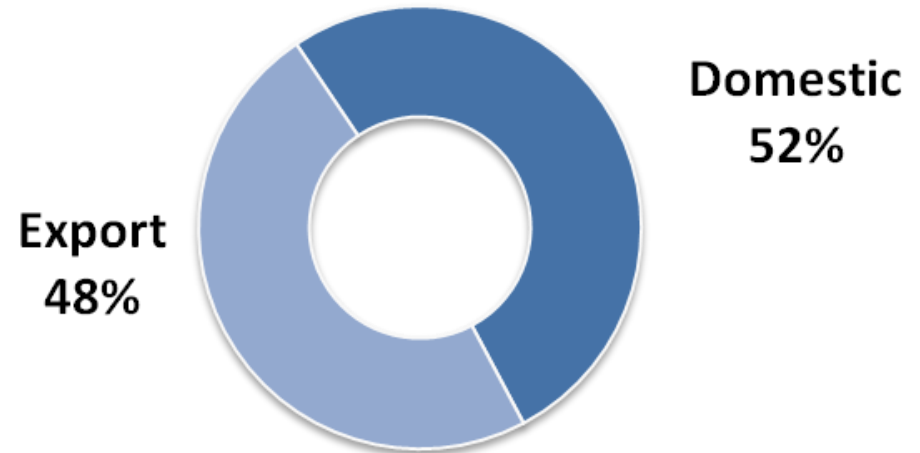
	<b>Q1-Q3 2009</b>	<b>%</b>	<b>Q1-Q3 2008</b>	<b>%</b>
<b>Services</b>	349,820	70.3%	226,594	58.2%
<b>Proprietary Software</b>	43,634	8.8%	50,136	12.9%
<b>Third-party Software</b>	64,191	12.9%	27,805	7.1%
<b>Hardware</b>	29,337	5.9%	71,865	18.5%
<b>Others</b>	10,538	2.1%	12,991	3.3%
<b>TOTAL</b>	<b>497,520</b>	<b>100.0%</b>	<b>389,391</b>	<b>100.0%</b>

# Geographical Sales Structure

Q1-Q3 2008



Q1-Q3 2009





## Employment Stabilization

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

In 2007 we created 30 workplaces per month

In 2008 the level of employment increased by 56 people

As of **30<sup>th</sup> of September, 2009**, the Comarch Group had 2 948 employees (excluding employees in SoftM Group and MKS Cracovia SSA), i.e. 39 more than at the end of the previous year (an increase of 1.3%)

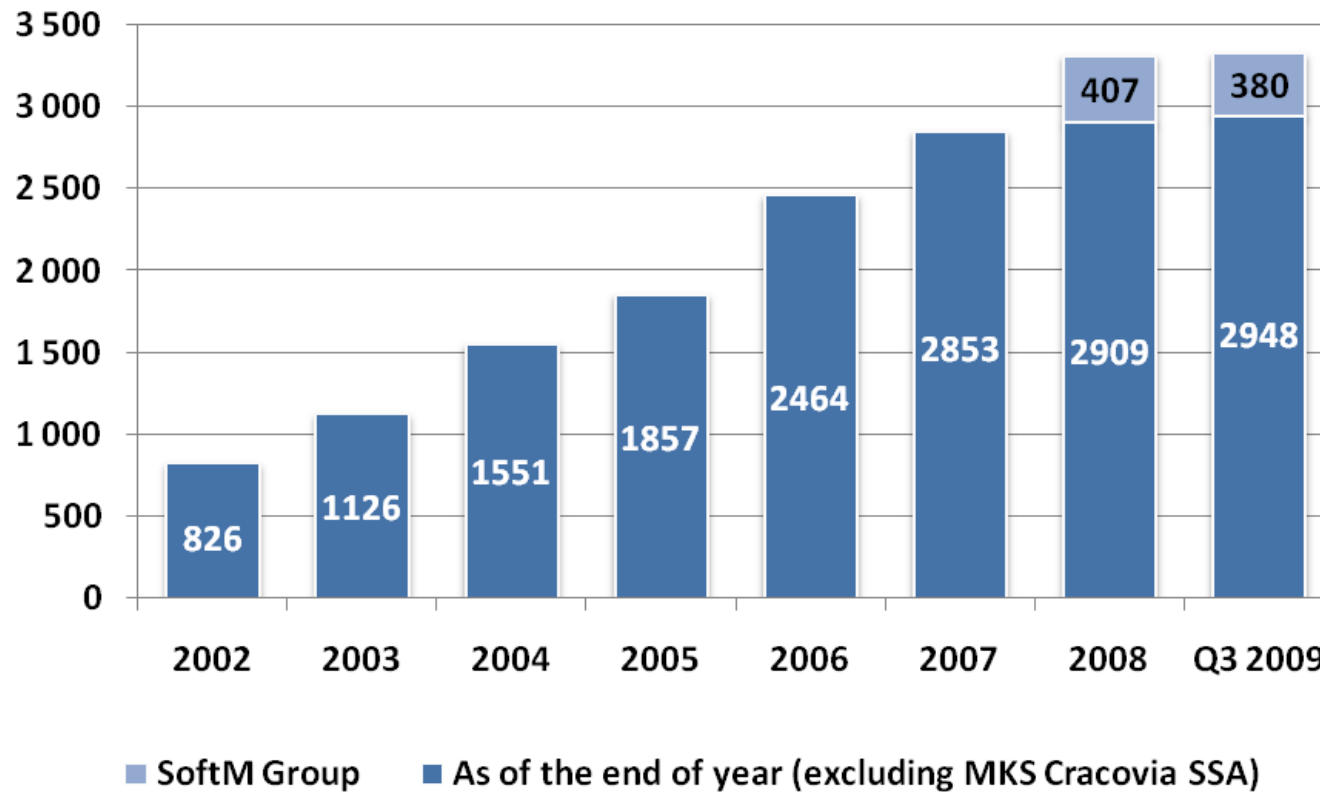
As of **30<sup>th</sup> of September, 2009**, the SoftM Group had 380 employees

**Within the current year employment in Comarch won't be growing; in SoftM we are conducting a restructuring program named DASD**

# Employment in Comarch Group

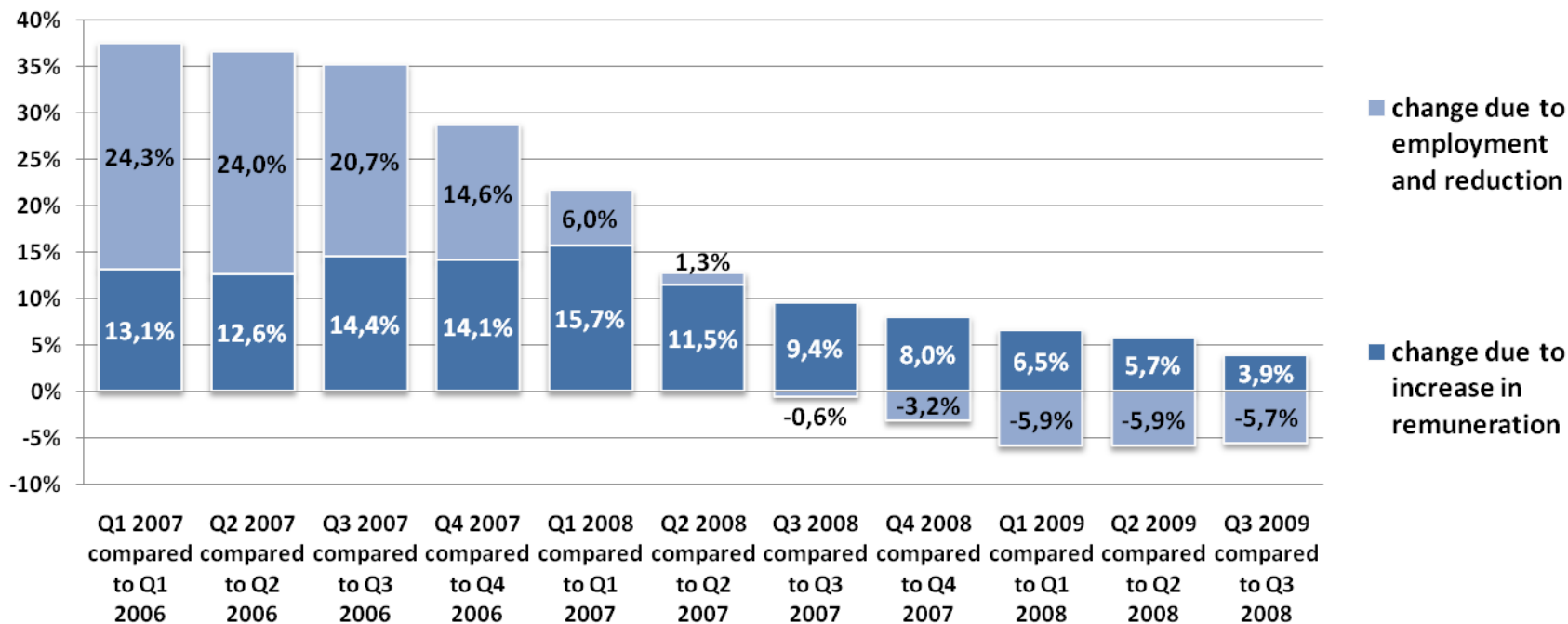
(excluding employees in MKS Cracovia SSA)

## Human Resources



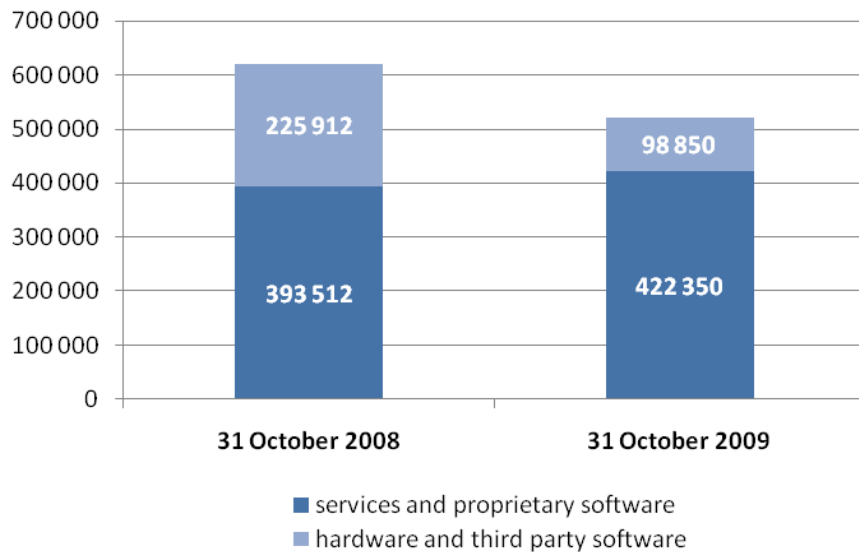
# Employment Costs 2007 - 2009

## Change in Remuneration

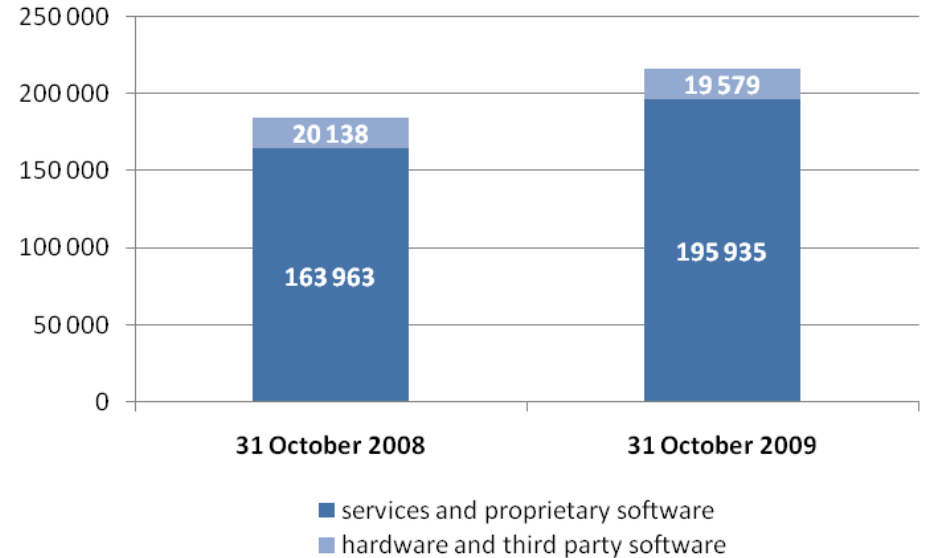


# Backlog for the current and following year

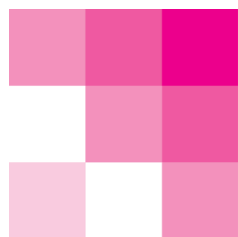
**Backlog for the current year**



**Backlog for the following year**



# Internet Segment - Comarch Investment Fund Comarch Corporate Finance



**so**interactive

## Comarch Investment Fund Comarch Corporate Finance - other companies

- **iComarch S.A.** conducts an IT project related to financial and accounting services
- **Bonus Development Sp. z o.o. SKA** conducts investment projects in Łódź, connected with extending an office and production centre here on behalf of Comarch Group
- **Bonus Management Sp. z o.o. SKA** – Special Purpose Vehicle related to acquisition of SoftM

Financial results of the companies are consolidated with Comarch's operating results. Operating costs in Q1-Q3 2009 amounted to circa 6.5 million PLN, revenue amounted to circa 1.2 million PLN.

## Restructuring Program in SoftM – DASD

- Significant reduction of employment and expenses, simplification of organizational structure: merger of 4 companies
- Utilization of Comarch brand in companies and products names
- Concentration on the company's core activity and investment in new products
- Q3 results better than in previous quarters. We expect positive results in Q4

## Q1-Q3 2009 Situation Summary

- Very good financial results in Q3 and positive level of consolidated EBITDA
- Export sales constitute 50% of revenue in the Group, concentration on DACH market
- Dynamic development of activities in TMT sector
- Good financial results on core activity
- Restructuring program in SoftM starts to yield results
- Stabilization of employment as well as control of costs level



**CORPORATE**

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

**COMARCH**  
SYSTEMY INFORMATYCZNE

**Thank you**

