FINANCIAL SUPERVISION AUTHORITY

Consolidated Quarterly Report QSr 3 / 2008

quarter / year

(pursuant to §86 sec.2 and §87 sec. 1 of the Regulation issued by the Minister of Finance on 19 Oct. 2005 - Journal of Laws No. 209 Item 1744)
for issuers of securities managing production, construction, trade or services activities

for 3 quarter of financial year 2008 from 2008-01-01 to 2008-09-30
including consolidated financial statement according to International Financial Reporting Standards (IFRS)
in currency PLN
and summary of financial statement according to Act on Accounting (Journal of Laws 02.76.694)
in currency PLN
date of publication 2008-11-14

COMARCH SA
(full name of an issuer)

COMARCH (abbreviated name of issuer) | **Information Technology (IT)** (sector according to WSE classification)

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SELECTED FINANCIAL DATA	thousands of PLN		thousands of EURO	
	Q1-Q3 2008	Q1-Q3 2007	Q1-Q3 2008	Q1-Q3 2007
data related to the consolidated financial statement				
I. Net revenues from sales	389,391	410,844	113,701	107,232
II. Operating profit (loss)	10,898	28,877	3,182	7,537
III. Profit before income tax	206,359	30,483	60,256	7,956
IV. Net profit attributable to shareholders	161,177	24,725	47,063	6,453
V. Cash flows from operating activities	25,759	-6,805	7,522	-1,776
VI. Cash flows from investing activities	132,306	-49,442	38,633	-12,905
VII. Cash flows from financing activities	11,298	22,655	3,299	5,913
VIII. Total net cash flows	169,363	-33,592	49,453	-8,768
IX. Equity attributable to shareholders	450,873	268,337	132,287	71,036
X. Number of shares	7,960,596	7,960,596	7,960,596	7,960,596
XI. Earnings per single share (PLN/EURO)	20.32	3.18	5.93	0.83
data related to the financial statement				
XII. Net revenues from sales of products, goods and materials	356,323	376,924	104,045	98,379
XIII. Profit (loss) on operating activities	14,529	25,299	4,242	6,603
XIV. Gross profit (loss)	12,121	22,394	3,539	5,845
XV. Net profit (loss)	10,907	23,171	3,185	6,048
XVI. Cash flows from operating activities	22,367	-4,936	6,531	-1,288
XVII. Cash flows from investing activities	-37,133	-48,572	-10,843	-12,677
XVIII. Cash flows from financing activities	11,525	22,365	3,365	5,837
XIX. Total net cash flow	-3,241	-31,143	-946	-8,128
XX. Equity	432,533	262,303	126,906	69,438
XXI. Number of shares	7,960,596	7,960,596	7,960,596	7,960,596
XXII. Earnings (losses) per single share (PLN/EURO)	1.70	6.16	0.50	1.61

Euro exchange rates used for calculation of the selected financial data: - arithmetical average of NBP average exchange rates as of the end of each month for the period 01.01.2008 to 30.09.2008 – 3.4247; - arithmetical average of NBP average exchange rates as of the end of each month for the period 01.01.2007 to 30.09.2007 – 3.8314; The balance sheet items were presented based on NBP average exchange rates as of the end of the period: - 30.09.2008: 3.4083; - 30.09.2007: 3.7775.

This report should be presented to the Financial Supervision Authority, the Warsaw Stock Exchange and press agency pursuant to the law.

REPORT INCLUDES:

File	Description
QSr_3_2008.pdf	QSr 3 2008

SIGNATURES

Date	Name and surname	Position	Signature
2008-11-14	Konrad Tarański	Vice-president of the Management Board	
2008-11-14	Marcin Warwas	Vice-president of the Management Board	

Comarch Capital Group
Consolidated Financial Statement
for the period from 1 January 2008 to 30 September 2008

Statement in accordance with the International Financial Reporting Standards

All amounts are expressed in thousands of PLN unless otherwise indicated

I. Consolidated Balance Sheet

	Note	At 30 September 2008	At 31 December 2007
ASSETS			
Non-current assets			
Property, plant and equipment	3.2	214,637	182,633
Goodwill		3,284	3,284
Intangible assets		36,657	35,559
Non-current prepayments		8,588	8,458
Investment in subsidiaries	3.3	-	-
Investment in associates	3.3	-	-
Other investment		651	106
Deferred income tax assets	3.14	7,165	12,341
		270,982	**242,381**
Current assets			
Inventories	3.4	31,463	32,839
Trade and other receivables	3.7	151,009	188,550
Current income tax receivables		177	-
Long-term contracts receivables	3.11	15,519	17,806
Available-for-sale financial assets	3.5	10,168	-
Other financial assets at fair value – derivative financial instruments	3.6	209	-
Cash and cash equivalents		236,217	66,362
		444,762	**305,557**
Assets dedicated for sale	3.8	2,864	10,551
TOTAL ASSETS		**718,608**	**558,489**
EQUITY			
Capital and reserves attributable to the company's shareholders			
Share capital	3.9	7,960	7,960
Other capitals		133,332	128,875
Exchange differences		(992)	321
Net profit for the current period		161,177	42,770
Retained earnings		149,396	106,626
		450,873	**286,552**
Minority interest		14,907	14,228
Total equity		**465,780**	**300,780**
LIABILITIES			
Non-current liabilities			
Credit and loans	3.12	90,835	77,739
Other liabilities		-	113
Deferred income tax liabilities		43,832	6,634
Provisions for other liabilities and charges		5,643	2,669
		140,310	**87,155**
Current liabilities			
Trade and other payables	3.10	94,205	152,867
Current income tax liabilities		1,647	3,037
Long-term contracts liabilities	3.11	5,194	7,125
Credit and loans	3.12	7,658	4,945
Provisions for other liabilities and charges		3,814	2,580
		112,518	**170,554**
Total liabilities		**252,828**	**257,709**
TOTAL EQUITY AND LIABILITIES		**718,608**	**558,489**

All amounts are expressed in thousands of PLN unless otherwise indicated

II. Consolidated Income Statement

	Note	3 months ended 30 September 2008	9 months ended 30 September 2008	3 months ended 30 September 2007	9 months ended 30 September 2007
Revenue		**115,162**	**389,391**	**140,435**	**410,844**
Cost of sales		(96,439)	(309,920)	(110,172)	(324,576)
Gross profit on sales		**18,723**	**79,471**	**30,263**	**86,268**
Other operating income		250	734	494	1,244
Sales and marketing costs		(8,303)	(31,151)	(9,790)	(28,692)
Administrative expenses		(8,548)	(34,020)	(8,308)	(23,224)
Other operating expenses		(1,372)	(4,136)	(2,815)	(6,719)
Operating profit		**750**	**10,898**	**9,844**	**28,877**
Finance costs-net		3,272	195,461	(414)	(535)
Share of profit/(loss) of associates		-	-	295	2,141
Profit before income tax		**4,022**	**206,359**	**9,725**	**30,483**
Income tax expense		(2,696)	(44,554)	(2,706)	(5,535)
Net profit for the period		**1,326**	**161,805**	**7,019**	**24,948**
Attributable to:					
Equity holders of the company		**1,125**	**161,177**	**6,839**	**24,725**
Minority interest		201	628	180	223
		1,326	161,805	7,019	24,948
Earnings per share for profit attributable to the equity holders of the company during the period (expressed in PLN per share)					
– basic	3.15		20.32		3.18
– diluted	3.15		20.32		3.17

All amounts are expressed in thousands of PLN unless otherwise indicated

III. Consolidated Statement of Changes in Equity

	Attributable to equity holders						
	Share capital	**Other capitals**	**Exchange differences**	**Net result for the period**	**Retained earnings**	**Minority interest**	**Total equity**
Balance at 1 January 2007	**7,519**	**127,795**	**463**	**-**	**106,626**	**14,580**	**256,983**
Capital from valuation of the managerial option	-	817	-	-	-	-	817
Increase in capital	441	-	-	-	-	-	441
Currency translation differences[1]	-	-	*(49)*	-	-	-	*,(49)*
Profit for the period[2]	-	-	-	*24,725*	-	*223*	*24,948*
Total income recognised in equity (1-2)	-	-	(49)	24,725	-	223	24,899
Balance at 30 September 2007	**7,960**	**128,612**	**414**	**24,725**	**106,626**	**14,803**	**283,140**
Balance at 1 January 2008	**7,960**	**128,875**	**321**	**-**	**149,396**	**14,228**	**300,780**
Capital from valuation of the managerial option	-	4,457	-	-	-	-	4,457
Increase in capital	-	-	-	-	-	-	-
Currency translation	-	-	-	-	-	51	51
differences1	-	-	(1,313)	-	-	-	(1,313)
Profit for the period2	-	-	-	161,177	-	628	161,805
Total income recognised in equity (1-2)	-	-	(1,313)	161,177	-	628	160,492
Balance at 30 September 2008	**7,960**	**133,332**	**(992)**	**161,177**	**149,396**	**14,907**	**465,780**

All amounts are expressed in thousands of PLN unless otherwise indicated

IV. Consolidated Cash Flow Statement

	9 months ended 30 September 2008	9 months ended 30 September 2007
Cash flows from operating activities		
Net profit	161,805	24,948
Total adjustments	(133,474)	(27,619)
Share in net (gains) losses of related parties valued using the equity method of accounting	-	(2,142)
Depreciation	14,103	12,537
Exchange gains (losses)	(452)	(393)
Interest and profit-sharing (dividends)	3,674	2,239
(Profit) loss on investing activities	(189,822)	(93)
Change in inventories	1,366	(4,286)
Change in receivables	54,390	(8,682)
Change in liabilities and provisions excluding credits and loans	(21,185)	(26,799)
Other adjustments	4,452	-
Net profit less total adjustments	28,331	(2,671)
Income tax paid	(2,572)	(4,134)
Net cash used in operating activities	**25,759**	**(6,805)**
Cash flows from investing activities		
Purchase of an associate	-	-
Proceeds from sale of an associate	-	-
Purchases of property, plant and equipment	(48,453)	(49,135)
Proceeds from sale of property, plant and equipment	402	569
Purchases of intangible assets	(4,400)	(923)
Purchases of available-for-sale financial assets	(23,168)	(2,050)
Proceeds from sales of available-for-sale financial assets	206,651	2,075
Granted non-current loans	-	-
Interest	950	-
Other proceeds from financial assets	234	-
Other investment proceeds	90	22
Net cash used in investing activities	**132,306**	**(49,442)**
Cash flows from financing activities		
Proceeds from share issue	-	442
Proceeds from credits and loans	18,242	26,177
Net proceeds from share issue	51	-
Repayments of credits and loans	(2,538)	(1,990)
Redemption of debt securities	-	-
Bond interest	-	-
Other interest	(4,457)	(1,974)
Other expenses	-	-
Other financial proceeds	-	-
Net cash (used in)/generated from financing activities	**11,298**	**22,655**
Net change in cash, cash equivalents and bank overdrafts	**169,363**	**(33,592)**
Cash, cash equivalents and bank overdrafts at beginning of the period	66,362	62,790
Positive (negative) exchange differences in cash and bank overdrafts	(467)	(745)
Cash, cash equivalents and bank overdrafts at end of the period	**235,258**	**28,453**
- including limited disposal	-	-

V. Supplementary Information

1. Information about Group Structure and Activities

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

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

- ComArch Spółka Akcyjna with its registered seat in Krakow,
- ComArch, Inc. with its registered seat in Miami (100.00 %),
- ComArch Panama, Inc. with its registered seat in Panama (100.00 % subsidiary of ComArch, Inc.),
- ComArch Software AG with its registered seat in Dresden (100.00 %),
- ComArch Software S.A.R.L. with its registered seat in Lille (100,00 % subsidiary of ComArch Software AG),
- ComArch R&D S.A.R.L. with its registered seat in Montbonnot-Saint-Martin (70.00 % votes held by ComArch Software AG),
- ComArch Middle East FZ-LCC with its registered seat in Dubai (100.00 %),
- ComArch LLC with its registered seat in Kiev (100.00 %),
- ComArch s.r.o. with its registered seat in Bratislava (100.00 %),
- OOO ComArch with its registered seat in Moscow (100.00 %),
- UAB ComArch with its registered seat in Vilnius (100.00 %),
- CA Services S.A. with its registered seat in Krakow (99.90 %),
- ComArch Management Spółka z o. o. (limited liability company) with its registered seat in Krakow (100.00 %),
- ComArch Corporate Finance Fundusz Inwestycyjny Zamknięty (closed investment fund) (ComArch S.A. holds 100.00 % of issued investment certificates),
- ComArch Management Spółka z o. o. Spółka Komandytowo-Akcyjna (limited partnership and joint-stock company) with its registered seat in Krakow (53.85 % votes held by ComArch Corporate Finance Fundusz Inwestycyjny Zamknięty; 4.76 % votes held by ComArch S.A.; 41.39 % votes from shares purchased by ComArch Management Spółka z o. o. SKA to be redeemed),
- Bonus Development Sp. z o.o. Spółka Komandytowa Akcyjna (limited partnership and joint-stock company) with its registered seat in Krakow (99.12 % votes held by ComArch Corporate Finance Fundusz Inwestycyjny Zamknięty),
- iMed24 S.A. with its registered seat in Krakow (100.00 % votes held by ComArch Corporate Finance Fundusz Inwestycyjny Zamknięty),
- iFIN24 S.A. with its registered seat in Krakow (100.00 % votes held by ComArch Corporate Finance Fundusz Inwestycyjny Zamknięty),

MKS Cracovia SSA with its registered seat in Krakow (49.15 %).

The structure of activities of the Comarch Group is as follows: the dominant entity acquires the majority of contracts and in large part executes them. ComArch, Inc., ComArch Panama, Inc., ComArch Software AG, ComArch Software S.A.R.L., ComArch Middle East FZ-LCC, ComArch LLC, OOO ComArch, UAB ComArch acquire contracts in foreign markets and execute them in their entirety or in part. ComArch R&D S.A.R.L., the company registered on 16 September 2008, will operate within the scope presented above. CA Services S.A. specialises in data communications relating to the provision of connections for the own needs of the Comarch Group and for contracts executed by Comarch, as well as the provision of outsourcing services. It is planned to stop operations of ComArch s.r.o. The subject matter of activities of ComArch Management Sp. z o.o. and ComArch Management Sp. z o.o SKA will be activities related to IT. Purpose of the Fund is investment activity in the scope of new technologies and Internet services that are not ComArch S.A.'s basic activities. The subject matter of activities of Bonus Development Sp. z o.o. SKA are activities related to real estates in Comarch. iMed24 S.A. conducts an IT project related to telemedicine (EHR - Electronic Health Record management). iFIN24 S.A. conducts an IT project related to financial services. MKS Cracovia SSA is a sport joint stock company.

All amounts are expressed in thousands of PLN unless otherwise indicated

2. Description of the Applied Accounting Policies

This consolidated financial statement for the 9 months ended 30 September 2008 was prepared pursuant to the International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and interpretations published by the Committee for Interpretation of International Financial Reporting, as approved by the European Union.

These financial statements were prepared pursuant to the historical cost principle with the exception of those items that are appraised in another way pursuant to these principles.
Preparation of the statement pursuant to IFRS requires a number of estimates to be done and the application of individual judgement. Note 2.3.2 presents those areas of the financial statement, which require significant estimates or for which significant judgement is required.
The financial statement was prepared with the assumption of the continuation of commercial activities by the Comarch Group in the foreseeable future. According to company's management, there are no circumstances suggesting any threat to the continuation of activities.

The Comarch Group prepares its income statement in the calculation version, whereas the cash flow statement is prepared according to the indirect method.

The consolidated financial statement of the Comarch Group for the 9 months ended 30 September 2008 comprises the financial statements of the following companies:

	Relationship	Consolidation method	% interest held by ComArch S.A. in subsidiary's share capital
ComArch S.A.	dominant unit	full	
ComArch Software AG	subsidiary	full	100.00 %
ComArch, Inc.	subsidiary	full	100.00 %
ComArch Middle East FZ-LCC	subsidiary	full	100.00 %
ComArch LLC	subsidiary	full	100.00 %
ComArch s.r.o.	subsidiary	full	100.00 %
ComArch Panama, Inc.	subsidiary	full	100.00 % held by ComArch, Inc.
OOO ComArch	subsidiary	full	100.00 %
UAB ComArch	subsidiary	full	100.00 %
CA Services S.A.	subsidiary	full	99.90 %
ComArch Software S.A.R.L.	subsidiary	full	100.00 % held by ComArch Software AG
ComArch Management Sp. z o.o.	subsidiary	full	100.00 %
ComArch Management Sp. z o.o. SKA	subsidiary	full	53.85 % held by ComArch Corporate Finance Fundusz Inwestycyjny Zamknięty, 4.76 % held by ComArch S.A., 41.39 % purchased by ComArch Management Sp. z o.o. SKA to be redeemed
ComArch Corporate Finance Fundusz Inwestycyjny Zamknięty	subsidiary	full	100.00 % in total number of investment certificates
Bonus Development Sp. z o.o. SKA	subsidiary	full	99.12 % held by ComArch Corporate Finance Fundusz Inwestycyjny Zamknięty
iMED24 S.A.	subsidiary	full	100.00 % held by ComArch Corporate Finance Fundusz Inwestycyjny Zamknięty

All amounts are expressed in thousands of PLN unless otherwise indicated

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

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

Due to the fact that, as at the balance sheet date, ComArch R&D S.A.R.L. did not operate and had no assets or equity and liabilities significant in value, it was not consolidated. In future, it will be consolidated with the full method.

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

2.1.1 Segment Reporting

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

2.1.2 Consolidation

a) Subsidiaries

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

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

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

b) Associates

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

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

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

2.1.3 Foreign Currency Translation

a) Functional and Presentation Currency

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

b) Transactions and Balances

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

c) Group Companies

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

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

2.1.4 Investment

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

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

b) Loans and Receivables

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

c) Held-to-Maturity Investments

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

d) Available-for-Sale Financial Assets

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

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

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

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

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

2.1.5 Non-Current Assets

a) Intangible Assets

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

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

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

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

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

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

b) Goodwill

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

c) Property, Plant and Equipment

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

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

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

d) Leases

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

e) Non-Current Prepayments

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

f) Impairment of Assets

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

2.1.6 Current Assets

a) Inventories, Products in Progress and Finished Goods

Production in progress given in the statement refers to software produced by the Group and allocated for multiple sales. Production in progress is valuated according to direct technical production costs.
Application software produced by the Group and allocated for multiple sales is valuated in the period when it benefits, no longer than 36 months from an initial sale, in the amount of surplus of software production

costs over net revenues obtained from sales of these products within the following 36 months. Software production costs, not written off after this period of time, increase other operational costs.
Depending on the nature of the produced software and the assessment of its possible sales, expenditures incurred for software production, in the amount of 50 % to 100 % of the invoiced sale in the above time period of sales, are written off into its own costs, provided that the 50 % rate is the basic rate. If the company is aware of limits to sales capacity at an earlier point, it immediately performs a write-off revaluating production in progress in the amount of expenses in reference to which there is a probability that they will not be recovered, or does a one-time write-off of the entirety of unsettled expenses (depending on the degree of risk valuation) into its own cost of sales.

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

b) Receivables

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

c) Cash and Cash Equivalents

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

d) Settlement of Long-Term Contracts

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

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

2.1.7 Equity

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

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

2.1.8 Employee Benefits

a) Share-Based Plans

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

transaction costs related directly to option exercising) are credited to share capital (nominal value) and the share premium is credited to supplementary capital.

2.1.9 Liabilities and Provisions for Liabilities

a) Trade Liabilities and Other Liabilities

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

b) Financial Liabilities

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

c) Provisions for Liabilities

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

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

Restructuring provisions mostly comprise employee severance payments. These provisions are not recognised in reference to future operational losses. If there are a number of similar liabilities, the probability of the necessity for expending funds for settlement is assessed for the whole group of similar liabilities. The provision is recognised even if the probability of expending funds in reference to one item within the group of liabilities is small.
The provisions are appraised at the current value of costs assessed according to the best knowledge of company management. Incurring such costs is necessary in order to settle the current liability at the balance sheet date. The discount rate applied for determining current value reflects the current market assessment of the time value of money and impairments relating to a given liability.

2.1.10 Deferred Income Tax

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

2.2. Recognition of Revenues and Costs

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

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

In determining the total revenues from contracts, the following items are taken into account:
- revenues from proprietary software (irrespective of form, i.e. licences, property rights, etc.),
- revenues from services

Unit managers may decide to include estimated revenues that are highly probable to be realised into the total revenues from a contract (e.g. during the implementation of the contract, project modifications are carried out for technical reasons and it is justified to assume with some probability that the ordering party will accept the modifications and that there will be revenues flowing from them).
When integration contracts under which software is allocated for multiple sales are Comarch property, the revenues and costs related to this software and the revenues and costs related to the other part of the integration contract are recognised separately.
Several integration contracts are combined and recognised as one contract, if:
- the agreements are executed at the same time or sequentially one after another and the precise separation of the costs of their execution is impossible, or
- the agreements are so closely inter-related that they are actually parts of a single project and share a single profit margin for the entire project.

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

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

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

a) Other Operational Revenues and Costs

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

b) Financial Revenues and Costs

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

2.3. Financial Risk Management

a) Credit Risk

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

b) Risk of Change in Interest Rates

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

c) Risk of Fluctuation in the Exchange Rates

The company is exposed to foreign exchange risk in relation to export sales and sales denominated in foreign currencies, especially in relation to foreign exchange of EURO/PLN and USD/PLN. At the same time, part of the company's costs is also expressed in or related to exchange rates for foreign currencies. In individual cases, the company hedges future payments with forward contracts and currency options.
The balance sheet value of assets and financial liabilities of the Group denominated in foreign currencies is related to receivables and liabilities due to deliveries and services as well as cash as at the balance sheet date.

d) Financial Liquidity Risk

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

2.3.1 Accounting for Derivative Financial Instruments and Hedging Activities

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

2.3.2 Critical Accounting Estimates and Judgements

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

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

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

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

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

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

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

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

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

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

2.4. Interim Measurement Note

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

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

2.5. New Standards and IFRIC Interpretations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

All amounts are expressed in thousands of PLN unless otherwise indicated

3. Notes to the Consolidated Financial Statement

3.1. Segment Information

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

Revenue, cost and financial result

9 months ended 30 September 2007

Item	**Segment IT**	**Sport Segment**	**Eliminations**	**Total**
Revenues per segment- sales to external clients	404,327	7,761	-	412,088
including:				
revenues from sales	*403,253*	*7,591*	-	*410,844*
other revenues /operational and financial	*1,074*	*170*	-	*1,244*
Revenues per segment - sales to other segments	-	4,921	(4,921)	-
Revenues per segment - total*	404,327	12,682	(4,921)	412,088
Costs per segment relating to sales to external clients	376,424	7,322	-	383,746
Costs per segment relating to sales to other segments	-	4,921	(4,921)	-
Costs per segment - total*	376,424	12,243	(4,921)	383,746
Current taxes	(1,598)	-	-	(1,598)
Assets for the tax due to investment allowances and other tax relief	(3,937)	-	-	(3,937)
Share of segment in the result of parties valuated using the equity method of accounting	2,141	-	-	2141
Net result	24,509	439	-	24,948
including:				
result attributable to shareholders of the dominant unit	*24,509*	*216*	-	*24,725*
result attributable to minority interest	-	*223*	-	*223*

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

All amounts are expressed in thousands of PLN unless otherwise indicated

9 months ended 30 September 2008

Item	Segment IT	Sport Segment	Eliminations	Total
Revenues per segment- sales to external clients	575,015	10,571	-	585,586
including:				
revenues from sales	*378,965*	*10,426*	-	*389,391*
other operational revenues	*589*	*145*	-	*734*
financial revenues	*195,461*	-	-	*195,461*
Revenues per segment - sales to other segments	-	4,802	(4,802)	-
Revenues per segment - total*	575,015	15,373	(4,802)	585,586
Costs per segment relating to sales to external clients	370,219	9,008	-	379,227
Costs per segment relating to sales to other segments	-	4,802	(4,802)	-
Costs per segment - total*	370,219	13,810	(4,802)	379,227
Current taxes	1,968	211	-	2,179
Assets for the tax due to investment allowances and other tax relief	42,258	117	-	42,375
Share of segment in the result of parties valuated using the equity method of accounting	-	-	-	-
Net result	160,570	1,235	-	161,805
including:				
result attributable to shareholders of the dominant unit	*160,570*	*607*	-	*161,177*
result attributable to minority interest	-	*628*	-	*628*

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

Sales between specific segments are calculated based on market conditions.

Share of business segments in Assets and Liabilities and Investment Expenditures

The assets and liabilities of particular segments, as well as investment expenditures and depreciation as at 30 September 2007 and 30 September 2007 are as follows:

9 months ended 30 September 2007

	Segment IT	Sport Segment	Total
Assets	445,887	39,877	485,764
Liabilities	192,710	9,914	202,624
Investment expenditures	51,641	467	52,108
Depreciation	12,048	489	12,537

9 months ended 30 September 2008

	Segment IT	Sport Segment	Total
Assets	675,183	43,425	718,608
Liabilities	248,037	4,791	252,828
Investment expenditures	77,075	2,245	79,320
Depreciation	13,027	1,076	14,103

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

All amounts are expressed in thousands of PLN unless otherwise indicated

Revenues from basic sales by market location

	9 months ended 30 September 2008	9 months ended 30 September 2007
Poland	330,131	337,346
Europe	51,675	57,307
The Americas	4,097	12,244
Others	3,488	3,947
TOTAL	**389,391**	**410,844**

Assets – activities location

	30 September 2008	31 December 2007
Poland	687,280	518,776
Europe	18,413	25,078
The Americas	5,775	6,885
Others	7,140	7,750
TOTAL	**718,608**	**558,489**

Investments expenditures - activities location

	9 months ended 30 September 2008	9 months ended 30 September 2007	12 months ended 31 December 2007
Poland	78,424	51,399	60,911
Europe	769	492	702
The Americas	127	217	239
Others	-	-	-
TOTAL	**79,320**	**52,108**	**61,852**

3.2. Property, Plant and Equipment

	30 September 2008	31 December 2007
Lands and buildings	118,786	109,477
Means of transport and machinery	35,838	36,876
Property, plant and equipment under construction	57,437	34,181
Others	2,576	2,100
Total	**214,637**	**182 633**

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

All amounts are expressed in thousands of PLN unless otherwise indicated

3.3. Investment in Associates

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

At 1 January 2007	**7,289**
Share in profit for the three quarters ended 30 September 2007	2,141
At 30 September 2007	**9,430**
Share in profit for the fourth quarter of 2007	1,121
Transferring shares in INTERIA.PL S.A. to assets designated for sale	(10,551)
At 31 December 2007	**-**
At 1 January 2008	**-**
Share in profit for the three quarters ended 30 September 2008	-
At 30 September 2008	**-**

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

	Country of incorporation	Revenue	Profit /(Loss)	% shares held
9 months ended 30 September 2007				
INTERIA.PL S.A.	Poland	45,763	5,935	36.08
9 months ended 30 September 2008				
INTERIA.PL S.A.	Poland	-	-	-

On 1 January 2007 ComArch S.A. held 2,538,369 shares of INTERIA.PL S.A., which constituted 36.08 % of company's share capital. These shares gave ComArch S.A. 11,609,625 votes at the General Meeting, which constituted 48.48 % of the total number of votes.

On 3 December 2007, an agreement on INTERIA.PL S.A. ownership transfer between ComArch S.A. with its registered seat in Krakow and SKA was concluded. In consequence of this agreement, ComArch S.A. transferred INTERIA.PL S.A. ownership to SKA. These were 2,267,814 registered preferential shares and 270,555 ordinary bearer shares. They in total constituted 36.08 % of share capital of INTERIA.PL S.A. and entitled to 48.48 % of votes at the annual general meeting of INTERIA.PL S.A.

As at 30 September 2008, the Group doesn't hold any INTRIA.PL S.A. shares. In January 2008, a transaction of sales of INTERIA.PL S.A. shares by "COMARCH MANAGEMENT Spółka z ograniczoną odpowiedzialnością" Spółka Komandytowo-Akcyjna to "BAUER MEDIA INVEST" GmbH was settled. It was a consequence of an agreement concluded between ComArch S.A. and "BAUER MEDIA INVEST" GmbH on 3 December 2007. The company announced details in current report no. 52/2007. Results of the above-mentioned transaction were presented in the Group's income statement for the first quarter of 2008.

All amounts are expressed in thousands of PLN unless otherwise indicated

3.4. Inventories

	30 September 2008	31 December 2007
Raw materials	1,326	709
Work in progress	17,148	13,634
Finished goods	12,986	18,494
Advance due to finished goods	3	2
Total	**31,463**	**32,839**

The cost of inventories included in 'Costs of products, goods and materials sold' amounted to 243.39 million PLN (9 months ended 30 September 2008) and 258.39 million PLN (9 months ended 30 September 2007) and 302.98 million PLN (12 months ended 31 December 2007).
In 2008, the Group reversed a write-off worth 0.022 million PLN that revaluated inventories and was performed in 2007. In the second quarter of 2008, goods were sold in reference to which write-offs revaluating them were recognised in 2007 and new write-off revaluating inventories was recognised and worth 0.071 million PLN. In the third quarter of 2008, no write-offs were created or dissolved. No hedging was performed in inventories owned by the Group.
On the basis of the current trend in reference to the settlement of production in progress, the Group estimates that after 12 months from the balance sheet date approximately 5.7 million PLN shall remain unsettled. Other inventories will be settled in their entirety within 12 months.

3.5. Available-For-Sale Financial Assets

	30 September 2008	31 December 2007
At the beginning of the year	**-**	**-**
Additions – first half-year	17,214	2,039
Disposal – first half-year	(7,039)	(2,039)
At 30 June	**10,175**	**-**
Additions – second half-year	10,168	-
Disposal – second half-year	(10,175)	-
At 30 September	**10,168**	**-**
At 31 December	**-**	**-**

In the periods related to this statement, no write-offs due to loss in value of available-for-sale financial assets were performed.
On 30 September 2008, available-for-sale financial assets comprised commercial bills in Pekao Auto Finanse SA, Raiffeisen Leasing Polska SA that were purchased in the third quarter of 2008 and worth 10.168 million PLN. Within reporting period, Comarch Group acquired and disposed participation units in money market and debt securities fund, KBC GAMMA SFIO (7.039 million PLN) and commercial bills in PKO Leasing Finance S.A., Raiffeisen Leasing Polska SA, PKO Auto Finance S.A. and BRE Leasing Sp. z o.o of total value of 10.175 million PLN.

3.6. Derivative Financial Instruments

	30 September 2008		31 December 2007	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Forward foreign exchange contracts– held-for-trading	209	-	-	-
	209	**-**	**-**	**-**
Current portion	*209*	-	-	-

The Group has used forward contracts to reduce the effect of changes in cash flows on financial result, where cash flows are related to transactions and changes planned, are the result of foreign exchange risk. As at 30 September 2008, the above-mentioned instruments were valuated at fair value according to market price and changes in valuation were referred into the results from financial operations. As at 30 September 2008, the total value of forward contracts was 0.271 million EURO and 0.4 million USD.

All amounts are expressed in thousands of PLN unless otherwise indicated

3.7. Trade and Other Receivables

	30 September 2008	31 December 2007
Trade receivables	140,437	177,651
Less provision for impairment of receivables	(8,502)	(5,699)
Trade receivables – net	131,935	171,952
Other receivables	12,325	4,849
Short-term prepayments	3,735	3,094
Prepayments of revenues	2,990	7,937
Loans	24	34
Receivables from related parties	-	684
	151,009	**188,550**
Current portion	*151,009*	*188,550*

The fair value of trade and other receivables is close to the balance sheet value presented above. There is no concentration of credit risk with respect to trade receivables as the Group has a large number of internationally dispersed customers. The Group has recognised a write-off due to loss in value of its trade receivables that was worth 4.03 million PLN (9 months ended 30 September 2008) and 4.89 million PLN (12 months ended 31 December 2007). This write-off was presented in the other operating costs in the income statement.

3.8. Assets Classified as Designated-for-Sale

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

In relation to the disposal intention, INTERIA.PL S.A. shares were classified as 'assets designated for sale' as at 31 December 2007. In January 2008, sales transaction was settled and all shares were sold to "BAUER MEDIA INVEST" GmbH, therefore as at 30 September 2008, the Group held no INTERIA.PL S.A. shares. The total effect of the above-mentioned operation and net valuation of Comarch Corporate Finance FIZ (closed investment fund) assets on the result of 2008 was 152.15 million PLN.
As at 30 September 2008, the value of an office building, located in Warsaw and owned by Comarch S.A., is presented in the total of non-current assets held for disposal. Previously, it was classified as property, plant and equipment in use. Pursuant to the decision of the Management Board, the building was dedicated for sale. Very active operations have been performed to find a purchaser. In the opinion of the Management Board of the Dominant Unit purchaser should be found within a year.

3.9. Share Capital

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

The nominal value of one share is 1 PLN.

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

11) 441,826 series I2 ordinary bearer shares.

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

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

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

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

According to information on the day of the report, there were no changes in significant shareholding structure from the date of the previous quarterly report, i.e. 15 August 2008.

3.9.2. Changes in Share Capital in the Third Quarter of 2008

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

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

a) Managerial Option Programme for 2005-2007

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

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

The difference between the average capitalisation in December 2005 and the average capitalisation in December 2004 is negative, which means that the basic condition of the programme has not been met.

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

b) Managerial Option Programme for 2008-2010

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

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

In the fourth quarter of the year that precedes the year of the Programme execution, the Supervisory Board of the company shall establish a list of Key Employees and single option factors. List of Key Employees and single option factors shall be established independently for each subsequent year. The total value of the all single option factors for each Key Employee in the given year shall amount to 3 % (in words: three percent) of increase in the company's capitalisation.
Pursuant to IFRS2, the company is obliged to calculate the value of the Option and classify it as a cost in the income statement in the Option period, i.e. from its issue date until its expiry date. The company will recognise the value of the particular options beginning from the options' acquiring, i.e. an establishment by the Supervisory Board a list of Key Employees and single option factors for each subsequent year.
The company notes that despite the fact that the value of the Option decreases the net profit of the company and of the Group, this operation does not affect the value of cash flows. Moreover, the economic cost of the Option shall be classified in the income statement through its inclusion in the "diluted net profit" of newly issued shares for the participants of the programme. Despite the fact that the IFRS2 standard was officially adopted by the European Union to companies listed on the stock exchange in the preparation of consolidated statements, many experts point out its controversial nature – in their opinion, placing the cost of the Option in the income statement results in the double inclusion of the effect of the Option programme (once by result and second by dilution).

On 10 December 2007, with the resolution no. 3/12/2007, the Supervisory Board of ComArch S.A. established a list of Key Employees and single option factors for 2008. The total value of the all single option factors for each Key Employee in 2008 shall amount to 3 %.
Pursuant to IFRS2, the company has valuated the Option with Black & Scholes model. Apart from the assumptions resulting from the nature of the Option program described above, the following additional assumptions were adopted for the needs of the valuation:

- 5.74 % risk-free rate (the interest rate on 52-week treasury bills);
- 0 % dividend rate (the dividend rate in the period forecast as at the date of the passage of the programme);
- 34.45 % anticipated volatility (anticipated volatility based on historical volatility from the last 200 quotations prior to the date of the passage of the program on the basis of the average price of shares from opening and closing prices). The determined Option's value amounts to 5.94 million PLN and it will be recognised in the income statement for 2008.

An effect of the Option recognition in the income statement in the third quarter of 2008 was 1.49 million PLN.

All amounts are expressed in thousands of PLN unless otherwise indicated

3.9.4. Changes in Share Capital after the Balance Sheet Date

On 28 October 2008, one of ComArch S.A.'s managing persons bought 232 ordinary bearer shares of ComArch S.A. for average price of 56.7 PLN for each share. The above-mentioned transactions were concluded on regulated market at Warsaw Stock Exchange. Information was prepared on 31 October 2008 in Krakow.

3.10. Trade and Other Payables

	30 September 2008	31 December 2007
Trade payables	40,570	75,203
Financial liabilities	-	-
Advances received due to services	1,851	5,202
Liabilities to related parties	-	403
Liabilities due to social insurance and other tax charges	14,409	16,964
Investment liabilities	3,402	5,115
Revenues of the future periods	3,368	2,071
Provision for leave	9,512	8,527
Reserve on costs relating to the current period, to be incurred in the future	17,783	28,342
Other payables	1,649	9,611
Special funds (Social Services Fund and Residential Fund)	1,661	1,429
Total liabilities	**94,205**	**152,867**

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

3.11. Long-term Contracts

	9 months ended 30 September 2008	9 months ended 30 September 2007
Revenues due to long-term contracts recognised in the reporting period		
a) revenues from completed contracts recognised in the reporting period	25,183	31,234
b) revenues from contracts not completed recognised in the reporting period	29,114	39,207
c) revenues from contracts not completed recognised in the reporting period- an effect of settlement pursuant to IAS 11	-356	5,496

Due to the fact that the company applies the rule of determining the degree of work progress in proportion to the share of incurred costs in the entire costs of a contract, the sum of incurred costs and recognised results corresponds to revenues.
At the end of the reporting period, long-term contracts were valuated in accordance with the degree of work progress. Changes in settlements due to long-term contracts recognised in assets and liabilities between 31 December 2007 and 30 September 2008 are presented below:

	Prepayments	Accruals	Net
Revenues from long-term contracts included in the reporting period			
Balance of the consolidated prepayments/accruals as at 01 January 2007	23,926	9,744	14,182
Balance of the consolidated prepayments/accrual as at 30 September 2007	25,213	5,535	19,678
Change	**-1,287**	**4,209**	**5,496**
Balance of the consolidated prepayments/accrual as at 01 January 2008	17,806	7,125	10,681
Balance of the consolidated prepayments/accrual as at 30 September 2008	15,519	5,194	10,325
Change	**2,287**	**1,931**	**-356**

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

All amounts are expressed in thousands of PLN unless otherwise indicated

3.12. Credits and Loans

	30 September 2008	31 December 2007
Non-current		
Bank credits	90,835	77,739
Loans	-	-
	90,835	**77,739**
Current		
Bank overdraft		-
Loans	205	205
Bank credits	7,453	4,740
	7,658	**4,945**
Total credit and loans	**98,493**	**82,684**

Investments credits

ComArch S.A. credit lines:

a) An investment credit from Fortis Bank Polska S.A. with its registered seat in Warsaw in amount of 20 million PLN for the financing of the first construction stage of production and office buildings in the Special Economic Zone in Krakow. The crediting period may last a maximum of 10 years, i.e. until 2015. This credit has a variable interest rate. As at 30 September 2008, the value of the credit to be repaid amounted to 13.5 million PLN. A promissory note, the mortgage on land and the building insurance policy are security for this credit.

b) An investment credit from Kredyt Bank S.A. with its registered seat in Warsaw, for the financing of the second construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to 80 % of the investment value up to a maximum of 26.82 million PLN. The crediting period may last a maximum of 16 years at a variable interest rate. A promissory note, the mortgage on land and the building insurance policy are security for this credit. As at 30 September 2008, the value of the credit to be repaid amounted to 25.52 million PLN.

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

d) An investment credit from Bank Pekao S.A. with its registered seat in Warsaw, for the financing of purchase of land in the Special Economic Zone in Krakow. The credit amounts to 15.1 million PLN. The crediting period may last a maximum of 5 years at a variable interest rate. The mortgage on the land is security for this credit. As at 30 September 2008, the value of the credit to be repaid amounted to 15.1 million PLN.

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

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

The exposure of Group bank credits to interest rate changes

At 30 September 2008	6 months or less	6-12 months	1-5 years	Over 5 years	Total
Investments credits	3,978	3,302	41,515	49,320	98,115
Interest	173				173
	4,151	**3,302**	**41,515**	**49,320**	**98,288**

All amounts are expressed in thousands of PLN unless otherwise indicated

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

	30 September 2008	31 December 2007
Between 1 and 2 years	6,604	5,458
Between 2 and 5 years	34,911	31,473
Over 5 years	49,320	40,808
	90,835	**77,739**

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

	30 September 2008	31 December 2007
In Polish currency	98,493	82,684
	98,493	**82,684**

The effective interest rates at the balance sheet date

	30 September 2008	31 December 2007
Bank credits	7.22%	6.18 %
Loans	0%	6.20 %

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

At variable interest:	30 September 2008	31 December 2007
– expiring within one year	22,978	25,436
	22,978	**25,436**

3.13. Contingent Liabilities

On 30 September 2008, the value of bank guarantee and letters of credit issued by banks on order from ComArch S.A. in reference to executed agreements and participation in tender proceedings was 25.46 million PLN, whereas it was 46.46 million on 31 December 2007.

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

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

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

As at 30 September 2008, there were no ComArch S.A.'s suretyships for the debts from lease agreements.
The Comarch Group is the defendant in legal proceedings, in which the potential total amount of third party claims is 5.47 million PLN. In the previous year provisions for part of these claims were created. As at the end of June 2008, additional provisions for these claims were created, and were worth 0.86 million PLN. In the third quarter of 2008, no additional provisions for these claims were created.
As at 30 September 2008, the Group did not have any contractual obligations due to operational leasing agreements.

3.14. Deferred Income Tax

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

All amounts are expressed in thousands of PLN unless otherwise indicated

maximum amount of public aid, the total amount of public aid obtained since 1 January 2001 is taken into consideration. This means a change in the current method of granting tax relief (public aid) from unlimited relief to relief that is limited in value and depends on the value of investments made. In the case of ComArch S.A., the maximum value of public aid will not exceed 75 % of the value of investment expenditures, which the company has incurred/shall incur since obtaining the permit, i.e. 22 March 1999, until 31 December 2006.

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

ComArch S.A. approached the Minister of the Economy in order to change the terms and conditions of its permit. On 1 July 2004, it received a decision from the Minister of the Economy dated 24 June 2004 on the topic of changes to the terms and conditions of the permit (those mentioned above and those compliant with the act). The updated permit extended the period in which ComArch S.A. is entitled to use public aid for investments incurred in the special economic zone until 31 December 2017.
Pursuant to IAS 12, unused tax relief as at 31 December 2007 constitutes a deferred income tax asset. The limit of the unused investment relief as at 30 September 2008, discounted as at the permit date, is 25.18 million PLN.

As at 31 December 2007, the company presented a deferred income tax asset in the income statement due to activities in the SSE (hereinafter referred to as the “Asset”) that was worth 8.74 million PLN. This Asset will be realised successively (as write-offs diminishing net profit of the Group) in proportion to the generation of Comarch’s tax-exempt income in 2008. Within the first three quarters of 2008, due to the level of income achieved from activities in the Special Economic Zone in 2008, Comarch dissolved part of the Asset that was recognised as at 31 December 2007) and worth 4.82 million PLN. At the same time, pursuant to IAS12, the company will regularly verify the valuation of the Asset considering the possibilities of its realisation and further recognition. Additionally, the company signifies that the recognition of this Asset does not have any influence on cash flow in the company and in the Group (both the recognition and realisation of the Asset). This is an accrual based operation and is a result of the fact that the Group applies IFRS when preparing consolidated financial statements of the Comarch Group.
ComArch S.A. approached in order to get a new permit because it is still going to invest in the Special Economic Zone. The company received the permit on 17 April 2007.

2. During the first three quarters of 2008, the Group settled in part a deferred tax asset related to temporary differences that was recognised on 31 December 2007 and worth 0.882 million PLN. At the same time, an asset due to temporary differences was recognised in the amount of 0.981 million PLN as well as deferred tax provision in the amount of 0.446 million PLN. The total effect of the above-mentioned operations on the result of 2008 was minus 0.347 million PLN.

3. During the first three quarters of 2008, the Group reversed in total an asset due to tax loss in a subsidiary, ComArch Software AG that was recognised as at 31 December 2007, and worth 0.161 million PLN as well as in ComArch, Inc. worth 0.294 million PLN. The total effect of the above-mentioned operations on the result of 2008 was minus 0.455 million PLN.

4. Due to valuation of net assets of Comarch Corporate Finance FIZ (related to sales transaction of INTERIA.PL S.A. shares) a deferred tax provision was recognised in the amount of 36.751 million PLN.

The total effect of the all above-mentioned operations on the net result of 2008 was minus 42.374 million PLN.

3.15. Earnings per Share

	9 months ended 30 September 2008	**9 months ended 30 September 2007**
Net profit for the period attributable to equity holders of the company	161,805	24,725
Weighted average number of shares in issue (thousands)	7,961	7,783
Basic earnings per share (PLN)	**20.32**	**3.18**
Diluted number of shares (thousands)	7,961	7,800
Diluted earnings per share (PLN)	**20.32**	**3.17**

Basic earnings per share in the column "9 months ended 30 September 2008" is calculated by dividing the net profit attributable to equity holders of the company for the period from 1 January 2008 to 30

September 2008 by the weighted average number of shares in issue between 1 January 2008 and 30 September 2008, where the number of days is the weight. Basic earnings per share in the column "9 months ended 30 September 2008" is calculated by dividing the net profit attributable to equity holders of the company for the period from 1 January 2007 to 30 September 2007 by the weighted average number of shares in issue between 1 January 2007 and 30 September 2007, where the number of days is the weight.

Diluted earnings per share in the column "9 months ended 30 September 2008" is calculated by dividing the net consolidated profit attributable to equity holders of the company for the period from 1 January 2008 to 30 September 2008 by the weighted average number of shares in issue between 1 January 2008 and 30 September 2008, where the number of days is the weight.
Diluted earnings per share in the column "9 months ended 30 September 2007" is calculated by dividing the net profit attributable to equity holders of the company for the period from 1 January 2007 to 30 September 2007 by the weighted average number of shares in issue between 1 January 2007 and 30 September 2007, where the number of days is the weight as well as diluted number of shares (according to IAS 33) resulting from possible execution of the managerial option for 2007.

4. Additional Notes

4.1. Events in the Third Quarter of 2008

4.1.1. Selection of an Auditor entitled to Audit and Review Financial Statements of ComArch S.A.

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

4.1.2. Registration of Changes in ComArch S.A.'s Statute

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

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

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

All amounts are expressed in thousands of PLN unless otherwise indicated

4.2. Information About Shareholders Holding at least 5 % of the Total Number of Votes at ComArch S.A. General Meeting and Shares Held by Members of the Management Board and the Board of Supervisors

4.2.1. Shareholders who Directly or Indirectly through Subsidiary Entities Hold at least 5 % of the Total Number of Votes at ComArch S.A. General Meeting as at 14 November 2008

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

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

According to information on the day of the report, there were no changes in significant shareholding structure from the date of the previous quarterly report, i.e. 15 August 2008.

4.2.2. Changes in Holdings of ComArch S.A. Shares by Managing and Supervising Persons between 14 August 2008 and 14 November 2008

The following table presents the ownership of ComArch S.A. shares by management and supervisors as at the date on which the consolidated quarterly report for the second quarter of 2008, i.e. 14 August 2008 and on 14 November 2008, pursuant to the information possessed by the company.

Members of the Management Board and the Board of Supervisors	Position	At 14 November 2008		At 14 August 2008	
		Shares	Share of votes at the AGM (%)	Shares	Share of votes at the AGM (%)
Elżbieta and Janusz Filipiak	Chairman of the Board of Supervisors and President of the Management Board	3,411,383	69.15 %	3,411,383	69.15 %
Piotr Piątosa	Vice-President of the Management Board	10,776	0.07 %	10,776	0.07 %
Paweł Prokop*	Vice-President of the Management Board	34,500	0.48 %	34,268	0.48 %
Piotr Reichert	Vice-President of the Management Board	-	0.00 %	-	0.00 %
Zbigniew Rymarczyk	Vice-President of the Management Board	22,072	0.15 %	22,072	0.15 %
Konrad Tarański	Vice-President of the Management Board	-	0.00 %	-	0.00 %
Marcin Warwas	Vice-President of the Management Board	-	0.00 %	-	0.00 %
Number of issued shares		**7,960,596**	**100.00 %**	**7,960,596**	**100.00 %**

*) On 28 October 2008, one of ComArch S.A.'s managing persons bought 232 ordinary bearer shares of ComArch S.A. for average price of 56.7 PLN for each share. The above-mentioned transactions were concluded on regulated market at Warsaw Stock Exchange. Information was prepared on 31 October 2008 in Krakow.

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

4.3.1. Deferred Income Tax Asset

As at 31 December 2007, the company presented a deferred income tax asset in the income statement due to activities in the SSE (hereinafter referred to as the "Asset") that was worth 8.74 million PLN. This Asset will be realised successively (as write-offs diminishing net profit of the Group) in proportion to the generation of Comarch's tax-exempt income in 2008. Within the first three quarters due to the level of income achieved from activities in the Special Economic Zone in 2008, a part of Asset was dissolved and worth 4.82 million PLN. At the same time, pursuant to IAS12, the company will regularly verify the valuation of the Asset considering the possibilities of its realisation and further recognition. Additionally, the company signifies that the recognition of this Asset does not have any influence on cash flow in the company and in the Group (both the recognition and realisation of the Asset). This is an accrual based operation and is a result of the fact that the Group applies IFRS when preparing consolidated financial statements of the Comarch Group.

4.3.2. Provision for Premium due to Net Profit for 2008

In the first three quarters of 2008, Comarch Group created provisions for premium for the managing and supervising persons in the amount of 8.41 million PLN. High levels of the provisions results from a high level of net profit achieved in this period.

4.4. Events after the Balance Sheet Date

4.4.1. Purchase of Significant Value Assets

On 13 November 2008, ComArch Software AG, with its registered seat in Dresden (subsidiary of ComArch S.A.), purchased 3,250,000 shares (nominal value of 1 EURO each) in SoftM Software und Beratung AG, with its registered seat in Munich, Germany (hereinafter referred to as the “SoftM”), for the total amount of 11,212,500.00 EURO.
1,750,000 shares were purchased from SoftM’s core shareholders. The purchase price of a single share was 3.45 EURO, and in total 6,037,500 EURO. Purchased shares constitute 35.14 % of SoftM’s share capital and entitle Comarch Software AG to 1,750,000, i.e. 35.14 % of votes at the annual general meeting of SoftM Software und Beratung AG. Additionally, ComArch Software AG purchased 1,500,000 shares in increased share capital of SoftM. Following registration of the increase in SoftM’s share capital, ComArch Software AG will hold 3,250,000 shares, which will constitute 50.15 % of SoftM’s share capital. This will entitle it to 3,250,000, i.e. 50.15 % of votes at SoftM’s annual general meeting. The total balance sheet value of purchased assets is 11,212,500.00 EURO.

Having attained a controlling position exceeding 30% in the voting rights upon signing the share purchase agreements, ComArch Software AG is legally required to launch a mandatory takeover offer to SoftM-shareholders, according to the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz). The offered purchase price of one share is 3.45 EURO. ComArch Sofware AG purchased the above-mentioned shares with loans acquired via internal means of ComArch S.A. (issuer) and Bonus Management Sp. z o.o. SKA (a subsidiary of ComArch S.A.)
SoftM Software und Beratung AG is a leading provider and an integrator of IT solutions in Germany (especially for small and medium-sized industry). This is a long-term investment, and it is planned for SoftM to continue its activities according to its profile. Comarch Comarch.A. announced details in current report no. 28/2008.

4.4.1. Contract with Ministry of National Education

On 5 November 2008, a contract between Ministry of National Education, with its registered seat in Warsaw, at Al. Szucha 25 (hereinafter referred to as the “MNE”) and consortium of Young Digital Planet S.A., with its registered seat in Gdańsk, ul. Słowackiego 175, ComArch S.A. with its registered seat in Krakow, Al. Jana Pawła II 39A, and Ogólnopolska Fundacja Edukacji Komputerowej with its registered seat in Wroclaw, ul. Poziomkowa 12 (hereinafter referred to as the “Consortium”) was signed.
Within the framework of the contract, the Consortium will deliver educational software to post-junior high schools, post-secondary schools and teacher academies. The gross value of this agreement amounts to 98,016,478.00 PLN (in words: ninety-eight million, sixteen thousand, four hundred and seventy-eight zlotys). The Consortium is bound to launch a remote server that will enable educational software collection, and must also deliver information and documents to schools/academies indicated by MEN. This should be performed within 42 days, starting from the contract signing date. A software guarantee service will be provided for a period of 24 months. The company announced details in current report no. 27/2008.

4.4.2. Transactions on ComArch S.A. Shares

On 28 October 2008, one of ComArch S.A.’s managing persons bought 232 ordinary bearer shares of ComArch S.A. for average price of 56.7 PLN for each share. The above-mentioned transactions were concluded on regulated market at Warsaw Stock Exchange. Information was prepared on 31 October 2008 in Krakow. The company announced this in current report no. 26/2008.

4.4.3. Correction of the Consolidated Quarterly Report for the Two Quarters of 2008

On 14 October 2008, ComArch S.A.’s Management Board published the corrected, consolidated financial statement for the two quarters of 2008.
Corrections were related to:
1) The addition of data related to periods: 01.04-30.06.2008 and 01.04-30.06.2007 to the consolidated income statement;
2) The addition of information related to changes in the shareholding structure from the date of the previous quarterly report, i.e. 15 May 2008, in pt 3.9.1 of the QSr 2 2008, dated 14 August 2008, as follows: “According to information on the day of the report, there were no changes in the significant shareholding structure from the date of the previous quarterly report, i.e. 15 May 2008.”;

3) Editorial errors in sign of income tax within the consolidated income statement for the 6 months ended 30 June 2008 (was '34,730' and should be corrected to '(34,730)') and value of equity presented in EUROs in the selected data. For the 6 months ended 30 June 2008, it was '2,373,322' and should be corrected to '138,911'; for the 6 months ended 30 June 2007, it was: '2,113,919' and should be corrected to '67,260'.

4.5. Significant Legal, Arbitration or Administrative Proceedings

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

The Comarch Group is the defendant in legal proceedings, in which the potential total amount of third party claims is 5.47 million PLN. In the previous year provisions for part of these claims were created. As at the end of June 2008, additional provisions for these claims were created, and were worth 0.86 million PLN. In the third quarter of 2008, no additional provisions for these claims were created.

4.6. The Management Board's Position on the Execution of Previously-Published Forecasts

The Management Board did not forecast any results for the third quarter of 2008.

4.7. Information about Transactions with Related Parties Whose Total Amount from the Beginning of the Year Exceeds 500,000 EURO (other than routine transactions)

None present.

4.8. Information about Suretyship and Bank Guarantees Provided by the Company and Its Subsidiaries

In the third quarter of 2008, ComArch S.A. and its subsidiaries did not provide any suretyships nor bank guarantees referred to in § 91 sec. 6. pt. 9) of the Regulation issued by the Minister of Finance on 19 October 2005 concerning current and periodical information pertaining to companies listed on the stock exchange.

4.9. Other Information Significant for the Assessment of Means and Employees, Financial Rating, Financial Results and Their Changes and Information Significant for the Assessment of the Possibility of the Execution of Obligations by their Issuers

None present.

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5. Significant Achievements and Failures as well as Factors and Events with Considerable Impact on the Financial Results of the Comarch Group in the Third Quarter of 2008 and Factors Which Will Substantially Impact Results Over the Course of at least the Next Quarter

5.1. Revenues and Profit

In the first three quarters of 2008, the Comarch Group achieved revenue from sales in the amount of 389.4 million PLN, and net profit was 161.2 million PLN. Operating profit amounted to 10.9 million PLN and EBIT margin was to 2.8 %.

The nominal operating profit in the third quarter of 2008 was 0.8 million PLN and was lower by 92.4 % than in the third quarter of 2007, and the net profit attributable to the Comarch's shareholders amounted to 1.1 million PLN, i.e. 83.6 % less than in the same period of 2007.

One-off events had a significant effect on financial results in the third quarter of 2008. After eliminating the effect of the costs of the managerial option programme and the costs of the companies established by Comarch Corporate Finance FIZ, the operating profit decreased by 71.2 % down to the level of 3.2 million PLN compared to 11.1 million PLN in the previous year. After further eliminating one-off events (the effect of settlement of the deferred tax asset and provisions and the revenue from the finance activity of ComArch Management sp. z o.o. SKA), the net profit attributable to the company's shareholders in the third quarter of 2008 amounted to 1.5 million PLN, compared to 9.7 million PLN in 2007. The nominal EBITDA was 5.5 million PLN and was lower by 61.7 % than in the third quarter of 2007. Adjusted EBITDA decreased by 7.6 million PLN (i.e. by 49.0 %). Additionally, recognition of provisions for contractual penalties in the amount of 3.76 million PLN related to an overdue contract completion had a significant negative impact on earnings achieved by the Comarch Group in the third quarter of 2008.

Over the first three quarters of 2008, after eliminating one-off events, the Comarch Group achieved financial results comparable to those in the first three quarters of 2007. It is noteworthy the significant increase in revenues from sales of proprietary software and services (an increase of 32.3 million PLN, i.e. 13.2 %), that levelled out the effect of the significant increase in remuneration in 2007, which increased costs over 2008. Decrease in the sales of the third party software and computer hardware is related to seasonal changes in demand for these categories of products. Adjusted operating margin amounted to 6.6 % reaching a comparable level to that in the previous year, i.e. 7.5 %. Adjusted net margin decreased to 5.6 % compared to 6.9 % last year.

In 2008, for the purpose of an increase in the operating margin, the Group continue a policy of an employment stabilisation at the current level as well as an increase in operating effectiveness. As at 30 September 2008, the Comarch Group had 3,004 employees, i.e. 151 more than at the end of the year (an increase of 5.3 %).

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

	9 months ended 30 September 2008	9 months ended 30 September 2007	Q3 2008	Q3 2007
Revenues from sales	**389,391**	**410,844**	**115,162**	**140,435**
Depreciation	14,103	12,537	4,721	4,436
Nominal EBIT (according to IFRS)	10,898	28,877	750	9,844
Impact of the managerial option costs on earnings	-4,457	-816	-1,487	-263
Impact on earnings of Comarch Corporate Finance FIZ and the companies established by Comarch Corporate Finance FIZ	-1,943	0	-1,154	0
Impact on earnings of the provisions for premiums due to net profit achieved by the Group in Q1-Q3 2008	-8,409	-991	193	-991
Adjusted EBIT	**25,707**	**30,684**	**3,198**	**11,098**

All amounts are expressed in thousands of PLN unless otherwise indicated

	9 months ended 30 September 2008	9 months ended 30 September 2007	Q3 2008	Q3 2007
Nominal net profit per company's shareholders (according to IFRS)	161,177	24,725	1,125	6,839
Impact of the managerial option costs on earnings	-4,457	-816	-1,487	-263
Impact on net earnings of Comarch Corporate Finance FIZ and the companies established by Comarch Corporate Finance FIZ	-49	0	-15	0
Impact on earnings of the provisions for premiums due to net profit achieved by the Group in Q1-Q3 2008	-8,409	-991	193	-991
Impact on earnings of financial revenues achieved by Comarch Management Sp. z o.o. SK	5,849	0	1,691	0
Impact of assets on earnings due to deferred tax	-5,176	-3,938	-372	-1,899
Impact of assets dissolving on earnings due to tax loss in a subsidiary	-455	0	1	0
Impact of associate profit sharing on earnings	0	2,141	0	295
Impact of the valuation of net assets of Comarch Corporate Finance FIZ on earnings due to sale of INTERIA.PL S.A. shares	152,148	0	-408	0
Adjusted net profit per company's shareholders	**21,726**	**28,329**	**1,522**	**9,697**
Nominal EBITDA (EBIT + depreciation)	25,001	41,414	5,471	14,280
Adjusted EBITDA (EBIT + depreciation)	**39,810**	**43,221**	**7,919**	**15,534**
Nominal EBIT margin	2.8%	7.0%	0.7%	7.0%
Adjusted EBIT margin	**6.6%**	**7.5%**	**2.8%**	**7.9%**
Nominal net margin	41.4%	6.0%	1.0%	4.9%
Adjusted net margin	**5.6%**	**6.9%**	**1.3%**	**6.9%**
Nominal EBITDA margin	6.4%	10.1%	4.8%	10.2%
Adjusted EBITDA margin	**10.2%**	**10.5%**	**6.9%**	**10.4%**

The achieved financial results confirm the effectiveness of the Group's strategy – a strategy that is based on:
a) the sale of IT solutions, most of which are developed in-house;
b) the sale of an increasing number of products on international markets;
c) the stable improvement of operational performance through the ongoing improvement of procedures and cost rationalisation.
The dynamic growth of the Comarch Group and the achieved financial results are a result of the competitive edge currently possessed by the Group. This competitive advantage also enables the further expansion and improvement of the suite of offered products as well as the employment of the best IT professionals, which further enhances the Group's future competitiveness.

All amounts are expressed in thousands of PLN unless otherwise indicated

5.2. Sales Structure

In the third quarter of 2008, there was a change in the product sales structure compared to the previous year. Sales of services and proprietary software maintained the comparable level to those in the previous year (an increase of 0.6 million PLN, i.e. 0.7 %). At the same time, sales of third party software and computer hardware decreased by 25.0 million PLN, i.e. 50.1 %. Consequently, in the third quarter of 2008, total sales decreased by 25.3 million PLN, i.e. 18.0 %. The share of services and proprietary software in total sales in the third quarter of 2008 increased from 61 % to 74.9 %, and the share of total sales of computer hardware and the third party software decreased from 35.5 % to 21.6 %. Other sales constituted 3.5 % of revenues and were at the comparable level to those in the previous year.

Products sales structure	**Q3 2008**	**%**	**Q3 2007**	**%**	**Change PLN**	**Change %**
Services	74,687	64.9%	69,789	49.7%	4,898	7.0%
Proprietary software	11,579	10.0%	15,873	11.3%	-4,294	-27.1%
Third party software	16,174	14.0%	13,658	9.7%	2,516	18.4%
Hardware	8,713	7.6%	36,222	25.8%	-27,508	-75.9%
Others	4,009	3.5%	4,893	3.5%	-884	-18.1%
	115,162	**100.0%**	**140,435**	**100.0%**	-25,273	-18.0%

Over the first three quarters of 2008, the increase in sales of services and proprietary Comarch software was 32.3 million PLN, i.e. higher by 13.2 %. Sales of third party software decreased by 23.6 million PLN, i.e. 45.9 %. Sales of computer hardware diminished by 31.2 million PLN, i.e. 30.3 %. The share of services and proprietary software in total sales in the first three quarters of 2008 amounted to 71.1 % and was significantly higher than in the first three quarters of 2007 (59.5 %), and the total share of sales of computer hardware and third party software decreased from 37.6 % to 25.6 %.

Products sales structure	**9 months ended 30 September 2008**	**%**	**9 months ended 30 September 2007**	**%**	**Change PLN**	**Change %**
Services	226,594	58.2%	201,457	49.0%	25,137	12.5%
Proprietary software	50,136	12.9%	42,934	10.5%	7,202	16.8%
Third party software	27,805	7.1%	51,401	12.5%	-23,596	-45.9%
Hardware	71,865	18.5%	103,091	25.1%	-31,225	-30.3%
Others	12,991	3.3%	11,961	2.9%	1,030	8.6%
	389,391	**100.0%**	**410,844**	**100.0%**	-21,453	-5.2%

In the third quarter of 2008, there was a growth in sales in the trade and services sector (an increase of 5.1 million PLN, i.e. 47.4 % compared to the previous year's third quarter). At the same time, the share of these sales in total sales increased from 7.6 % to 13.7 %. Sales to telecommunication sector as well as finance and banking sector remained at the comparable level to those in the third quarter of 2007. Decreases in revenues from sales were denoted in relation to customers of the public sector (a decrease of 16.8 million PLN, i.e. 61.7 %, due to seasonal decrease in orders from this sector), as well as the industry and utilities sector (a decrease of 13.6 million PLN, i.e. 47 %, mostly due to lower level of sales of the third party software to customers of these sector).

Market sales structure	**Q3 2008**	**%**	**Q3 2007**	**%**	**Change PLN**	**Change %**
Telecommunications, Media, IT	25,939	22.5%	26,030	18.5%	-92	-0.4%
Finance and Banking	34,279	29.8%	34,420	24.5%	-141	-0.4%
Trade and Services	15,812	13.7%	10,729	7.6%	5,083	47.4%
Industry & Utilities	15,414	13.4%	29,059	20.7%	-13,645	-47.0%
Public sector	10,411	9.1%	27,163	19.3%	-16,752	-61.7%
Small and Medium-Seized Enterprises	10,049	8.7%	9,947	7.1%	102	1.0%
Others	3,258	2.8%	3,087	2.2%	171	5.5%
	115,162	**100.0%**	**140,435**	**100.0%**	-25,273	-18.0%

All amounts are expressed in thousands of PLN unless otherwise indicated

Over the three quarters of 2008, there was a significant increase in sales to customers of the finance and banking sector (an increase of 21.9 %), as well as the trade and services sector (an increase of 13.3 %), and the small and medium-seized enterprises sector (an increase of 11.3 %). At the same time, there was a significant decrease in sales to the telecommunication sector (a decrease of 11.9 %), as well as the public sector (a decrease of 21.4 %), and the industry sector (a decrease of 30.8 %). This confirms the Group's assumptions in relation to the shape of demand for IT services this year. The Comarch Group has secured the possibility of stable growth, regardless of periodical business fluctuations in particular economical sectors, with well-diversified revenues and variety of products.

Market sales structure	9 months ended 30 September 2008	%	9 months ended 30 September 2007	%	Change PLN	Change %
Telecommunications, Media, IT	71,233	18.3%	80,881	19.7%	-9,649	-11.9%
Finance and Banking	99,830	25.6%	81,901	19.9%	17,929	21.9%
Trade and Services	49,238	12.6%	43,461	10.6%	5,777	13.3%
Industry & Utilities	40,285	10.4%	58,196	14.2%	-17,911	-30.8%
Public sector	84,356	21.7%	107,275	26.1%	-22,919	-21.4%
Small and Medium-Seized Enterprises	33,542	8.6%	30,149	7.3%	3,393	11.3%
Others	10,907	2.8%	8,981	2.2%	1,926	21.4%
	389,391	**100.0%**	**410,844**	**100.0%**	-21,453	-5.2%

Over the first three quarters of 2008, export sales decreased by 19.4 % compared to the first three quarters of 2007. The share of these sales in total sales reached the level of 15.2 % compared to 17.9 % in the previous year. The Management Board denotes that the Group's export sales are exposed to unfavourable effects related to strength of the Polish currency. Between the third quarter of 2007 and the third quarter of 2008 the average PLN/EUR exchange rate strengthened by 12.7 %, and the PLN/USD exchange rate by 20.1 %, that had a significant negative effect on the results from export sales.

Despite unfavourable macroeconomic conditions, enlargement of export sales to selected markets, mostly West and Central Europe, have remained the main strategic trends in the development of Comarch. Value of foreign contracts in backlog for 2008 amounts to 92.8 million PLN and is higher by 11 % than in the previous year.

Geographical sales structure	9 months ended 30 September 2008	%	9 months ended 30 September 2007	%
Domestic	330,131	84.8%	337,346	82.1%
Export	59,260	15.2%	73,498	17.9%
	389,391	**100.0%**	**410,844**	**100.0%**

The revenues structure shows that the sales of the Comarch Group's are well diversified and the Group is not dependant on only one sector, client or product sold. This structure of revenues significantly reduces the risk of operational activities related to possible heterogeneous growth rates of particular sectors in a given year.

5.3. Backlog

As of the end of October 2008, backlog for the current year was at a level of 619.4 million PLN and was up by 9.1 % compared to the same period in the previous year, and share of services and proprietary software sales increased by 9.1 %. The share of export contracts was at a level of 15 %, and share of sales of services and proprietary software remained at a stable level. Backlog for the next year was at a level of 184.1 million PLN and was lower by 2.5 %. Value of orders for Comarch proprietary software and services increased by 13.7 %.

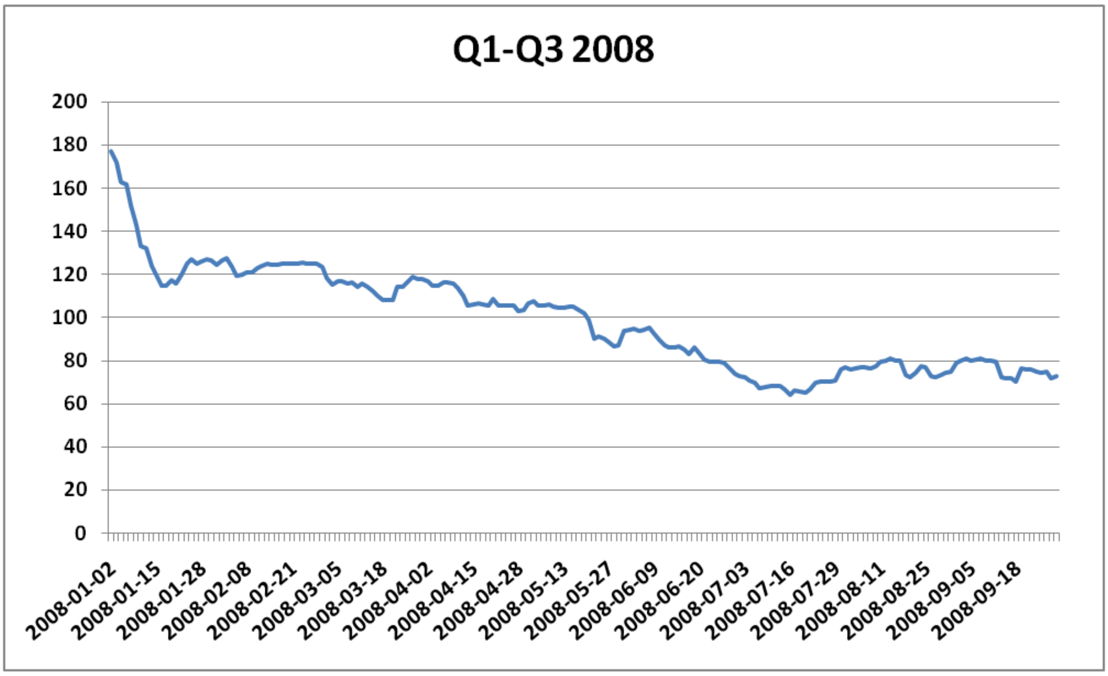
The significant increase in backlog within proprietary software and services compared to the same period in the previous year, confirms further possibilities of dynamic development of the Group in the future. A decrease in orders for computer hardware and third party software is a temporary situation and related mostly to seasonal fluctuation in demand. At the same time, the company's Management Board emphasises that an increase in EBIT margin has remained one of the most important priorities of the Group within the current year and in the future.

All amounts are expressed in thousands of PLN unless otherwise indicated

Backlog for the current year	**At 31 October 2008**	**At 31 October 2007**	**Change**
Revenues contracted for the current year	619,424	567,880	9.1%
including export contracts	92,814	104,263	-11.0%
% of export contracts	*15.0%*	*18.4%*	
including services and proprietary software	393,512	360,686	9.1%
% of services and proprietary software	*63.5%*	*63.5%*	

Backlog for the next year	**At 31 October 2008**	**At 31 October 2007**	**Change**
Revenues contracted for the current year	184,101	188,909	-2.5%
including services and proprietary software	163,963	144,242	13.7%
% of services and proprietary software	89.1%	76.4%	

5.4. ComArch S.A. Stock Price Performance



The Group's results in the next quarters will depend in most part on continuing positive trends in the economy, the financial situation of medium-sized and large enterprises (which constitute the basis of the Group's clients) and the rate of increases in the remuneration of IT employees.

5.5. Events in the Third Quarter of 2008 that Greatly Impacted the Current Activities of the Comarch Group

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

With the resolution no. 1/8/2008, dated 7 August 2008, the Supervisory Board of ComArch S.A selected Deloitte Audyt Sp. z o. o. to audit and review the financial statements and the consolidated financial statements of ComArch S.A.
Deloitte Audyt Sp. z o. o. having its registered seat in Warsaw at ul. Piękna 18, is registered at number 73 in the list of entities entitled to audit financial statements. Deloitte Audyt Sp. z o. o. offered its services to ComArch S.A. within the scope of reviewing the consolidated financial statement of ComArch S.A. for first 6 months of 2006 and 2007, as well as auditing the annual financial statement of ComArch S.A. and the annual consolidated financial statement of ComArch S.A for 12 months of 2006 and 2007.
ComArch S.A.'s Board of Supervisors selected auditor pursuant to art. 19 section 2 pt e) of the company's Statute and pursuant to the operative regulations and professional standards.
Agreement with Deloitte Audyt Sp. z o. o. shall be concluded for two-year period and applies to:
a) review of the consolidated financial statement of ComArch S.A. for first 6 months of 2008;
b) review of the consolidated financial statement of ComArch S.A. for first 6 months of 2009;
c) audit of the annual financial statement of ComArch S.A. and the annual consolidated financial statement of ComArch S.A for 12 months of 2008;

d) audit of the annual financial statement of ComArch S.A. and the annual consolidated financial statement of ComArch S.A for 12 months of 2009.

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

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

5.6. Events after the Balance Sheet Date that Greatly Impacted the Current Activities of the Comarch Group

5.6.1. Purchase of Significant Value Assets

On 13 November 2008, ComArch Software AG, with its registered seat in Dresden (subsidiary of ComArch S.A.), purchased 3,250,000 shares (nominal value of 1 EURO each) in SoftM Software und Beratung AG, with its registered seat in Munich, Germany (hereinafter referred to as the "SoftM"), for the total amount of 11,212,500.00 EURO.
1,750,000 shares were purchased from SoftM's core shareholders. The purchase price of a single share was 3.45 EURO, and in total 6,037,500 EURO. Purchased shares constitute 35.14 % of SoftM's share capital and entitle Comarch Software AG to 1,750,000, i.e. 35.14 % of votes at the annual general meeting of SoftM Software und Beratung AG. Additionally, ComArch Software AG purchased 1,500,000 shares in increased share capital of SoftM. Following registration of the increase in SoftM's share capital, ComArch Software AG will hold 3,250,000 shares, which will constitute 50.15 % of SoftM's share capital. This will entitle it to 3,250,000, i.e. 50.15 % of votes at SoftM's annual general meeting. The total balance sheet value of purchased assets is 11,212,500.00 EURO.

Having attained a controlling position exceeding 30% in the voting rights upon signing the share purchase agreements, ComArch Software AG is legally required to launch a mandatory takeover offer to SoftM-shareholders, according to the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz). The offered purchase price of one share is 3.45 EURO. ComArch Software AG purchased the above-mentioned shares with loans acquired via internal means of ComArch S.A. (issuer) and Bonus Management Sp. z o.o. SKA (a subsidiary of ComArch S.A.)
SoftM Software und Beratung AG is a leading provider and an integrator of IT solutions in Germany (especially for small and medium-sized industry). This is a long-term investment, and it is planned for SoftM to continue its activities according to its profile. Comarch S.A. announced details in current report no. 28/2008.

5.6.2. Contract with Ministry of National Education

On 5 November 2008, a contract between Ministry of National Education, with its registered seat in Warsaw, at Al. Szucha 25 (hereinafter referred to as the "MNE") and consortium of Young Digital Planet S.A., with its registered seat in Gdańsk, ul. Słowackiego 175, ComArch S.A. with its registered seat in Krakow, Al. Jana Pawła II 39A, and Ogólnopolska Fundacja Edukacji Komputerowej with its registered seat in Wroclaw, ul. Poziomkowa 12 (hereinafter referred to as the "Consortium") was signed.

Within the framework of the contract, the Consortium will deliver educational software to post-junior high schools, post-secondary schools and teacher academies. The gross value of this agreement amounts to 98,016,478.00 PLN (in words: ninety-eight million, sixteen thousand, four hundred and seventy-eight zlotys). The Consortium is bound to launch a remote server that will enable educational software collection, and must also deliver information and documents to schools/academies indicated by MEN. This should be performed within 42 days, starting from the contract signing date. A software guarantee service will be provided for a period of 24 months. The company announced details in current report no. 27/2008.

All amounts are expressed in thousands of PLN unless otherwise indicated

VI. Quarterly Summary of ComArch S.A. Financial Statement for the Third Quarter of 2008

I. Balance Sheet	30 September 2008	30 June 2008	31 December 2007	30 September 2007
ASSETS				
I. Non-current assets	**441,685**	**433,626**	**228,145**	**223,704**
1. Intangible assets	2,789	2,763	3,146	3,174
2. Property, plant and equipment	206,255	201,520	185,385	179,849
3. Non-current investments	228,898	225,169	35,983	36,164
3.1. Non-current financial assets	228,855	225,126	35,940	36,121
a) in related parties	228,855	225,126	35,940	36,121
b) in other entities	-	-	-	-
3.2 Other non-current investment	43	43	43	43
4. Non-current prepayments	3,743	4,174	3,631	4,517
4.1 Deferred income tax assets	3,027	3,385	3,116	4,210
4.2 Other accruals	716	789	515	307
II. Current assets	**229,592**	**235,624**	**278,169**	**228,255**
1. Inventories	30,856	21,796	32,423	23,485
2. Current receivables	128,384	130,560	169,342	152,022
2.1 from related parties	15,263	14,285	22,807	13,147
2.2 from other entities	113,121	116,275	146,535	138,875
3. Current investments	51,469	62,069	51,657	20,167
3.1 Current financial assets	51,469	62,069	51,657	20,167
a) in related parties	4,000	3,400	1,450	1,450
b) in other entities	210	85	12	101
c) cash and cash equivalents	47,259	58,584	50,195	18,616,
4. Short-term prepayments	18,883	21,199	24,747	32,581
Total assets	**671,277**	**669,250**	**506,314**	**451,959**
EQUITY AND LIABILITIES				
I. Equity	**432,533**	**428,567**	**264,948**	**262,303**
1. Share capital	7,960	7,960	7,960	7,960
2. Supplementary capital	256,067	256,067	230,244	230,245
3. Revaluation reserve	156,678	153,878	-	6
4. Other reserve capitals	745	745	745	745
5. Capital from merger settlement	-	-	-	-
6. Previous years' profit (loss)	176	176	176	176
7. Net profit (loss)	10,907	9,741	25,823	23,171
II. Liabilities and provisions for liabilities	**238,744**	**240,683**	**241,366**	**189,656**
1. Provisions for liabilities	43,554	39,348	3,252	1,140
1.1 Provision for deferred income tax	38,119	37,651	1,202	1,126
1.2 Other provisions	5,435	1,697	2,050	14
a) current	5,435	1,697	2,050	14
2. Non-current liabilities	90,910	89,715	78,157	74,282
2.1 to related parties	74	233	305	352
2.2 to other entities	90,836	89,482	77,852	73,930
3. Current liabilities	69,661	73,354	109,697	88,641
3.1 to related parties	3,594	5,705	6,085	5,075
3.2 to other entities	64,488	65,877	102,237	82,071
3.3 Special funds	1,579	1,772	1,375	1,495
4. Accruals	34,619	38,266	50,260	25,593
4.1 Other accruals	34,619	38,266	50,260	25,593
a) current	34,619	38,266	50,260	25,593
TOTAL EQUITY AND LIABILITIES	**671,277**	**669,250**	**506,314**	**451,959**
Book value	432,533	428,567	264,948	262,303
Number of shares	7,960,596	7,960,596	7,960,596	7,960,596
Book value per single share (PLN)	54.33	58.54	33.28	32.95
Diluted number of shares	7,960,596	7,960,596	7,960,596	7,977,549
Diluted book value per single share (PLN)	54.33	58.54	33.28	32.88

All amounts are expressed in thousands of PLN unless otherwise indicated

II. Income Statement	**3 months ended 30 September 2008**	**9 months ended 30 September 2008**	**3 months ended 30 September 2007**	**9 months ended 30 September 2007**
For the periods 01.01 – 30.09.2008 and 01.01- 30.09.2007 (thousands of PLN)				
I. Net revenues from sales of products, goods and materials, including:	**105,423**	**356,323**	**130,642**	**376,924**
- revenues from related parties	8,182	23,789	6,920	22,071,
1. Net revenues from sales of products	74,627	241,691	72,036	206,890
2. Net revenues from sales of goods and materials	30,796	114,632	58,606	170,034
II. Costs of products, goods and materials sold, including:	**86,810**	**265,312**	**98,850**	**291,010**
- to related parties	4,424	12,244	4,252	12,911
1. Manufacturing cost of products sold	59,330	165,337	46,932	143,777
2. Value of products, goods and materials sold	27,480	99,975	51,918	147,233
III. Gross profit (loss) on sales	**18,613**	**91,011**	**31,792**	**85,914**
IV. Costs of sales	8,284	29,655	8,842	25,982
V. Administrative expenses	6,909	28,726	7,501	20,645
VI. Profit/loss on sales	**3,420**	**32,630**	**15,449**	**39,287**
VII. Other operating revenues	138	475	-3	443
1. Gain on disposal of non-financial non-current assets	39	39	-6	61
2. Other operating revenues	99	436	3	382
VIII. Other operating costs	3,841	18,576	5,238	14,431
1. Loss on disposal of non-financial non-current assets	-6	-	-	-
2. Revaluation of non-financial assets	-2	47	329	329
3. Cost of works financed with subsidies	1,265	10,815	3,402	10,276
4. Other operating costs	2,584	7,714	1,507	3,826
IX. Profit (loss) on operating activities	**-283**	**14,529**	**10,208**	**25,299**
X. Financial revenues	892	2,431	650	1,862
1. Interest, including:	776	2,147	518	1,728
- from related parties	109	294	138	324
2. Gain on disposal of investments	-	82	132	132
3. Revaluation of investments	-	-	-	-
4. Other	116	202	-	2
XI. Finance costs	-1,544	4,839	1,859	4,767
1. Interest	996	2,924	675	1,656
2. Revaluation of investments	-	528	-	-
3. Other	-2,540	1,387	1,184	3,111
XII. Profit (loss) on business activities	2,153	12,121	8,999	22,394
XIII. Gross profit (loss)	**2,153**	**12,121**	**8,999**	**22,394,**
XIV. Income tax	987	1,214	-18	-777
XV. Net profit (loss)	**1,166**	**10,907**	**9,017**	**23,171**
Net profit (loss) (annualised)		13,559		47,552
Weighted average number of shares 01.10.2007 – 30.09.2008		7,960,596		7,716,079
Earnings (losses) per single share (PLN)		1.70		6.16
Diluted weighted average number of shares 01.10.2007 – 30.09.2008		7,960,596		7,733,032
Diluted earnings (losses) per single share (PLN)		1.70		6.15

All amounts are expressed in thousands of PLN unless otherwise indicated

III. Changes in Equity	**3 months ended 30 September 2008**	**9 months ended 30 September 2008**	**12 months ended 31 December 2007**	**9 months ended 30 September 2007**
I. Opening balance of equity	428,567	264,948	238,691	238,691
a) changes to adopted accounting principles (policies)		-	-	-
I. a. Opening balance of equity after adjustments	428,567	264,948	238,691	238,691
1. Opening balance of share capital	7,960	7,960	7,519	7,519
1.1 Changes in share capital	-	-	441	441
a) increases (due to)	-	-	441	441
- share issue	-	-	441	441
- bonds conversion into shares	-	-	-	-
1.2 Closing balance of share capital	**7,960**	**7,960**	**7,960**	**7,960**
2. Opening balance of due payments for share capital	-	-	-	-
2.1 Closing balance of due payments for share capital	**-**	**-**	**-**	**-**
3. Opening balance of supplementary capital	256,067	230,244	172,097	172,097
3.1 Changes in supplementary capital	-	25,823	58,148	58,148
a) increases (due to)	-	25,823	65,481	65,482
- profit-sharing for the previous years	-	25,823	44,279	44,279
- transferring the reserve capital	-	-	21,202	21,203
b) decreases (due to)	-	-	7,334	7,334
- covering the loss from merger	-	-	7,334	7,334
3.2 Closing balance of supplementary capital	**256,067**	**256,067**	**230,244**	**230,245**
4. Opening balance of revaluation reserve	153,878	0	6	6
4.1 Changes in revaluation reserve	2,800	156,678	-	-
a) increases (due to)	3,208	193,429	-	-
- balance sheet valuation of investment certificates and participation units	3,208	193,429	-	-
b) decreases (due to)	408	36,751	6	-
- provision for deferred income tax due to certificates valuation	408	36,751	-	-
- valuation of shares at the balance sheet date	-	-	6	-
4.2 Closing balance of revaluation reserve	**156,678**	**156,678**	**0**	**6**
5. Opening balance of capital from merger	0	0	-7,334	-7,334
a) increases (due to)	-	-	7,334	7,334
- covering the loss from supplementary capital	-	-	7,334	7,334
5.1 Closing balance of capital from merger	**0**	**0**	**-**	**-**
6. Opening balance of other reserve capitals	745	745	21,948	21,948
a) decreases (due to)	-	-	21,203	21,203
- transferring to the supplementary capital	-	-	21,203	21,203
6.1 Closing balance of other reserve capitals	**745**	**745**	**745**	**745**
7. Opening balance of previous years' profit	176	25,999	44,455	44,455
a) changes to adopted accounting principles (policies)	-	-	-	-
7.1 Opening balance of previous years' profit after adjustments	-	25,999	44,455	44,455
a) decreases (due to)	-	25,823	44,279	44,279
- transferring the result from the previous years to capital	-	25,823	44,279	44,279
7.2 Closing balance of previous years' profit	**176**	**176**	**176**	**176**
8.1 Net result	**10,907**	**10,907**	**25,823**	**23,171**
8.1 Net result for the period	1,166	10,907	25,823	23,171
8.2 Net result for H1 2008	9,741	-	-	-
II. Closing balance of equity	**432,533**	**432,533**	**264,948**	**262,303**
III. Equity including proposed profit-sharing (loss coverage)	432,533	432,533	264,948	262,303

All amounts are expressed in thousands of PLN unless otherwise indicated

IV. Cash Flow Statement

For the period 01.01– 30.09.2008 and 01.01-30.09.2007 (thousands of PLN)	3 months ended 30 September 2008	9 months ended 30 September 2008	3 months ended 30 September 2007	9 months ended 30 September 2007
A. Cash flows from operating activities				
I. Net profit (loss)	1,166	10,907	9,017	23,171
II. Total adjustments	-3,418	11,460	-24,085	-28,107
1. Depreciation	4,251	12,665	4,021	11,479
2. Exchange gains (losses)	-265	-191	-62	237
3. Interest and profit sharing (dividends)	1,728	4,493	505	1,973
4. (Profit) loss on investing activities	-45	448	5	-101
5. Change in provisions	3,641	3,639	-652	-1,521
6. Change in inventories	-9,060	1,567	17,050	-3,986
7. Change in receivables	1,559	40,611	6,497	-6,415
8. Change in current liabilities, excluding credits and loans	-4,483	-41,795	-47,288	-9,123
9. Change in prepayments and accruals	-744	-9,977	-4,161	-21,235
10. Other adjustments	-	-	-	585
III. Net cash used in operating activities (I+/-II) – indirect method	**-2,252**	**22,367**	**-15,068**	**-4,936**
B. Cash flows from investing activities				
I. Inflows	91	7,902	126	2,489
1. Disposal of property, plant and equipment and intangible assets	91	412	126	450
2. From financial assets, including:	-	7,490	-	2,039
a) in related parties	-	450	-	-
- sale of financial assets	-	450	-	-
b) in other entities	-	7,040	-	2,039
- sale of financial assets	-	7,040	-	2,039
II. Outflows	-9,993	-45,035	-11,467	-51,061
1. Purchase of property, plant and equipment and intangible assets	-9,393	-34,935	-11,417	-48,811
2. For financial assets, including:	-600	-10,100	-50	-2,250
a) in related parties	-600	-3,100	-50	-250
- purchase of financial assets	-	-100	-50	-50
- non-current loans granted	-	-	-	-200
- current loans granted	-600	-3,000	-	-
- surcharge to capital	-	-	-	-
b) in other entities	-	-7,000	-	-2,000
- purchase of financial assets	-	-7,000	-	-2,000
III. Net cash used in investing activities (I-II)	**-9,902**	**-37,133**	**-11,341**	**-48,572**
C. Cash flows from financing activities				
I. Inflows	3,201	18,617	5,690	26,604
1. Inflows from share issue	-	-	-	442
2. Loans and credits	3,201	18,557	5,690	26,161
3. Interest	-	60	-	-
4. Other financial inflows	-	-	-	1
II. Outflows	-2,702	-7,092	-945	-4,239
1. Repayment of loans and credits	-974	-2,538	-590	-1,680
2. Interest	-1,728	-4,554	-504	-1,974
3. Other financial outflows	-	-	-	-
4. Other financial liabilities	-	-	149	-585
III. Net cash (used in)/generated from financing activities (I-II)	**499**	**11,525**	**4,745**	**22,365**
D. TOTAL net cash flow (A.III+/-B.III+/-C.III)	**-11,655**	**-3,241**	**-21,664**	**-31,143**

All amounts are expressed in thousands of PLN unless otherwise indicated

E. Balance sheet change in cash and cash equivalents, including:	-11,388	-3,049	-21,603	-31,381
- change in cash and cash equivalents due to exchange differences	267	192	61	-238
F. Cash and cash equivalents opening balance	58,422	50,083	40,127	49,905
H. Closing balance of cash and cash equivalents (F+/- E), including:	47,034	47,034	18,524	18,524
- limited disposal	-	-	-	-

V. Additional Information and Commentary

1. Adopted Accounting Policies

This financial statement was prepared according to the Act passed on 29 September 1994 on Accounting (unified text - Journal of Laws, 2002, No. 76 pos. 694 and subsequent changes) and the requirements specified in the Regulation issued by the Minister of Finance on 19 October 2005 concerning current and periodical information pertaining to companies traded on the stock exchange (Journal of Laws of 2005, No. 209, pos. 1744).
A complete description of the adopted accounting principles was presented in the last annual financial statement, i.e. for the period from 1 January 2007 until 31 December 2007. If this financial statement for the 9 months ended 30 September 2008 was prepared according to IFRS, the financial results would amount to 1.559 million PLN.

2. Selected Valuation Principles

Non-current financial assets

As at the balance sheet date, financial assets are classified as non-current in the financial statement if the period of their further owning exceeds 12 months from the balance sheet date.
Shares are recognised at the acquisition or originate date according to acquisition price, and at the balance sheet date according to acquisition price less write-offs due to permanent loss in value.
When permanent loss in value appear, the revaluation of write-offs is carried out no later than at the balance sheet date.
Value of investment units in Comarch Closed Investment Fund is determined with fair value and results of the valuation are settled in revaluation reserve.
Loans are valuated according to nominal value plus accrued interest.

Current financial assets

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

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

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

Due to the fact that the company is taxed according to general principles and enjoys tax-exempt status, temporary differences in the tax yield may be realised within both of these activities. At the same time, the final determination within which of these activities (taxed or tax-exempt) the temporary differences will be realised is established on the basis of the annual settlement of income tax, after the end of the fiscal year. In 2008, an asset due to temporary differences in income tax, worth 0.793 million PLN, was recognised. A tax asset worth 0.881 million PLN recognised at 31 December 2007 was dissolved in part. Provisions for deferred income tax in the amount of 0.165 million PLN was recognised. The total effect of these operations on the result of 2008 was minus 0.253 million PLN.
Provisions for deferred income tax related to valuation of investment certificates in Closed Investment Fund in the amount of 36.751 million PLN was recognised. The provisions as well as certificates valuation are settled with revaluation reserve.

All amounts are expressed in thousands of PLN unless otherwise indicated

4. Selected Notes to the Summary Financial Statement

4.1. NON-CURRENT FINANCIAL ASSETS	**30 September 2008**	**30 June 2008**	**31 December 2007**	**30 September 2007**
a) in subsidiaries and correlated parties	228,855	225,126	35,940	24,861
- interest or shares	27,886	27,886	28,314	17,851
- loans granted	5,251	4,867	5,439	5,873
- other securities	194,489	191,281	1,060	-
- other non-current financial assets (interest on granted loans)	1,229	1,092	1,127	1,137
b) in associates	-	-	-	11,260
- interest or shares	-	-	-	11,260
c) in other entities	-	-	-	-
- loans granted	-	-	-	-
Non-current financial assets, TOTAL	**228,855**	**225,126**	**35,940**	**36,121**

4.2. CHANGES IN NON-CURRENT FINANCIAL ASSETS (TYPES)	**3 months ended 30 September 2008**	**9 months ended 30 September 2008**	**3 months ended 30 September 2007**	**9 months ended 30 September 2007**
a) Opening balance	225,126	35,940	36,167	36,250
- interests or shares	27,887	28,314	29,063	29,063
- loans	5,958	6,566	7,104	7,187
- other non-current assets	191,281	1,060	-	-
b) increases (due to)	3,322	193,730	315	514
- valuation of other non-current assets	3,208	193,429	-	-
- purchases of shares in subsidiaries	-	100	50	50
- loans granted to subsidiaries	-	-	-	-
- loans granted to other entities	-	-	-	85
- interest due to non-current loans	114	201	265	379
- balance sheet valuation of non-current loans	-	-	-	-
- revaluation of shares in foreign currencies	-	-	-	-
- reclassification to non-current loans from subsidiaries	-	-	-	-
c) decreases (due to)	-407	815	361	643
- disposal of shares in associates	-	-	-	-
- decrease in shares due to merger	-	-	-	-
- repayment of subsidiaries' loans	-	-	-	-
- repayment of other entities loans	-	-	-	88
- balance sheet valuation of shares	-	527	-	-
- balance sheet valuation of non-current loans and other assets	-407	288	361	555
- reclassification to current financial loans	-	-	-	-
- reclassification to non-current financial assets	-	-	-	-
d) Closing balance	**228,855**	**228,855**	**36,121**	**36,121**

All amounts are expressed in thousands of PLN unless otherwise indicated

4.3. CURRENT FINANCIAL ASSETS	**30 September 2008**	**30 June 2008**	**31 December 2007**	**30 September 2007**
a) in subsidiaries and correlated parties	4,000	3,400	1,450	1,450
- loans granted	4,000	3,400	1,450	1,450
c) in other entities	210	85	12	101
- other securities, including:	-	-	-	-
- participation units in funds	-	-	-	-
- treasury bills	-	-	-	-
- loans granted	-	-	12	38
- other current financial assets, including:	210	85	-	63
- assets due to the valuation of forward contracts	210	85	-	63
g) cash and cash equivalents	47,259	58,584	50,195	18,616
- cash in hand and at banks	47,034	48,422	50,083	18,524
- other cash	-	10,000	-	-
- other monetary assets	225	162	112	92
TOTAL current financial assets	**51,469**	**62,069**	**51,657**	**20,167**