

Krakow, 4 April 2006

Dear Shareholders,

The ComArch Group achieved record revenue from sales in 2005 and very high net profit. Increase in sales by over 30 % and increase in net profit by over 100 % are the best indicators of what ComArch achieved last year. The fact is of special emphasis that this increase is entirely organic. At the same time, the ComArch Group significantly improved operational profitability from the level of 4.8 % to 6 % and return on equity from 8.6 % to 17 %.

In the times of globalisation, competitiveness of the offered products is the key factor deciding about market position and the achieved results. The ComArch brand, after several years of international expansion, is gradually better recognised in the world, not only in the neighbouring Central European countries, but also in Western Europe, both Americas and in the Near East. ComArch systems support clients in over twenty countries in four continents. Along with expansion of the client base, volume of contracts grows and client types change, with the largest world companies appearing among them.

ComArch is not only focused on achieving the best possible current financial results, but is all the time systematically investing in long-term development. Finding and employing the best graduates from Polish academic centres is an important element of this process. In 2005, the Group increased employment by over three hundred employees. R&D work is continued all the time, financed from both own means and the acquired European funds. These expenses are a certain burden on short-term financial results, yet in the perspective of several years they will give effects in a stronger market position for ComArch among international companies in the IT field.

Enjoying tax holidays on account of activities in the Special Economic Zone in Krakow, ComArch initiated construction of a new production building for its IT needs in the end of 2004. The building was commissioned in the second quarter of 2005 and completely filled with employees within several months. Therefore, in the end of the pervious year, the company decided to erect another building. Its completion is planned for the end of 2006.

The Board of Directors of ComArch S.A. is aware of risks related to dynamic growth of the company. In parallel to efforts related to acquiring new clients and developing new products, management procedures are continuously enhanced so as to correspond with size and structure of the Group.

Professor Janusz Filipiak
President of the Management Board
ComArch S.A.