

FINANCIAL SUPERVISION AUTHORITY

CONSOLIDATED HALF-YEAR REPORT PSr 2014

year

(pursuant to §2 sec.2 and §3 sec. 3 of the Regulation issued by the Minister of Finance on 19th of January, 2009 - Journal of Laws no. 33, item 259) for issuers of securities managing production, construction, trade and services activities

for first half of financial year 2014 from	2014-01-01 to 2014-06-30
including consolidated annual financial statement according to	International Financial Reporting Standards (IFRS)
in currency	PLN
and condensed financial statement according to	Act on Accounting (Journal of Laws 2013, pos. 330)
in currency	PLN
date of publication	2014-08-29

COMARCH SA	
(full name of an issuer)	
COMARCH	Information Technology (IT)
(abbreviated name of issuer)	(sector according to WSE classification)
31-864	Kraków
(postal code)	(city)
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Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp.k.
(An auditor entitled to audit financial statements)

SELECTED FINANCIAL DATA	thousands of PLN		thousands of EURO	
	H1 2014	H1 2013	H1 2014	H1 2013
DATA RELATED TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT				
I. Net revenues from sales	429,677	391,701	102,833	92,953
II. Operating profit (loss)	20,823	2,928	4,983	695
III. Profit before income tax	20,100	-34	4,810	-8
IV. Net profit attributable to shareholders	13,353	2,397	3,196	569
V. Cash flows from operating activities	51,869	17,077	12,414	4,052
VI. Cash flows from investing activities	-31,141	-31,637	-7,453	-7,508
VII. Cash flows from financing activities	-268	4,297	-64	1,020
VIII. Total net cash flows	20,460	-10,263	4,897	-2,435
IX. Number of shares	8,125,590	8,051,637	8,125,590	8,051,637
X. Earnings per single share (PLN/EURO)	1.64	0.30	0.39	0.07
XI. Diluted earnings (losses) per single share (PLN/EURO)	1.64	0.30	0.39	0.07
DATA RELATED TO THE FINANCIAL STATEMENT				
XII. Net revenues from sales of products, goods and materials	281,232	282,816	67,306	67,114
XIII. Profit (loss) on operating activities	18,159	27,064	4,346	6,422
XIV. Gross profit (loss)	18,154	24,369	4,345	5,783
XV. Net profit (loss)	15,263	24,819	3,653	5,890
XVI. Cash flows from operating activities	35,716	53,650	8,548	12,732
XVII. Cash flows from investing activities	-20,838	-48,682	-4,987	-11,553
XVIII. Cash flows from financing activities	4,185	4,451	1,002	1,056
XIX. Total net cash flow	19,063	9,419	4,562	2,235

XX. Number of shares	8,125,590	8,051,637	8,125,590	8,051,637
XXI. Earnings (losses) per single share (PLN/EURO)	4.46	6.04	1.07	1.43
XXII. Diluted earnings (losses) per single share (PLN/EURO)	4.46	6.00	1.07	1.42
EQUITIES				
XXIII. Equity attributable to shareholders (consolidated)	628,674	609,301	151,091	140,742
XXIV. Equity (dominant unit)	648,716	638,077	155,908	147,389

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 01.01.2014 to 30.06.2014: 4.1784;

- arithmetical average of NBP average exchange rates as of the end of each month for the period 01.01.2013 to 30.06.2013: 4.2140;

The balance sheet items were presented based on NBP average exchange rates as of the end of the period:

- 30.06.2014: 4.1609;

- 31.12.2013: 4.1472.

Values of equities (positions XXIII, XXIV) were presented as at the end of first six months of the current year and as at the end of the previous year.

When presenting selected financial data from the quarterly financial statement, it should be properly described.

Selected financial data from the consolidated balance sheet (consolidated statement regarding the financial situation) or from the balance sheet respectively (statement regarding the financial situation) is presented as of the end of the current half-year and as of the end of the previous year, and this should be properly described.

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
PSr 2014 separate.pdf	Condensed interim financial statement of Comarch S.A. – Appendix No. 1
Report from review –separate.pdf	Report from review of condensed interim financial statement of Comarch Group – Appendix No. 2
PSr 2014 consolidated.pdf	Condensed interim consolidated financial statement – Appendix No. 3
Report from review –consolidated.pdf	Report from review of condensed interim consolidated financial statement – Appendix No. 4
Report regarding activities.pdf	Report of the Management Board regarding activities – Appendix No. 5
The Management Board's Statement regarding the Reliability of Financial Statement.pdf	The Management Board's Statement regarding the Reliability of Financial Statement - Appendix No. 6
The Management Board's Statement regarding Auditor Independence.pdf	The Management Board's Statement regarding Auditor Independence -Appendix No. 7

SIGNATURES OF PERSONS REPRESENTING COMPANY

Date	Name and surname	Position	Signature
2014-08-29	Konrad Tarański	Vice-president of the Management Board	
2014-08-29	Maria Smolińska	Proxy	

**REPORT OF AN INDEPENDENT EXPERT AUDITOR FROM THE REVIEW
OF THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE 6 MONTHS ENDED 30 JUNE 2014**

To the Shareholders and the Supervisory Board of Comarch S.A.

We have conducted a review of the condensed interim financial report of Comarch S.A. with its registered office in Krakow, at Al. Jana Pawła II 39A, that included introduction to the financial statement, balance sheet as at 30th of June, 2014, income statement, changes in equity (fund), cash flow statement for the period from 1st of January, 2014 to 30th of June, 2014, and additional information and annotations.

The Management Board of the company takes responsibility for preparing the financial statement compliant with the binding law. Our task was to review the financial statement.

The review of the financial report was conducted in compliance with the regulations of the Act on Accounting dated the 29th of September, 1994 (Journal of Laws from 2013, pos. 330, and subsequent changes) and national standards for financial review, issued by the National Board of Expert Auditors in Poland. According to these standards we are obliged to plan and conduct review so as to have sufficient certainty that the financial statement does not include significant errors.

This review has been conducted largely by analyzing data from the financial report, by inspecting the account books as well as by using information obtained from the Management Board and from personnel responsible for finance and accounting at the company.

The scope and the method of review of the interim financial statement differ significantly from audit that expresses our opinion on the annual financial statement compliant with the accounting principles as well as on reliability and clarity of information included in this report; hence we do not present such opinion.

The review we have carried out did not indicate anything which could state that the audited condensed financial statement was not prepared compliant with the binding accounting regulations and in all significant aspects presents a true and fair view on the company's equity and financial situation as at 30th of June, 2014, and on the financial result from 1st of January to 30th of June, 2014 compliant with the accounting principles specified in the above-mentioned act and the provisions of the Regulation issued by the Minister of Finance on the 19th of February, 2009 concerning current and periodical information pertaining to companies traded on the stock exchange and on the conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state (Journal of Laws from 2014, pos. 133).

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Marek Turczyński
Key Expert Auditor
Conducting the review
Registration no. 90114

.....
On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. – the entity entitled to audit financial statements registered in the list of entities entitled under item no. 73:

.....
Marek Turczyński-Vice-President of the Management Board of Deloitte Polska Sp. z o.o. - a general partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.

Warsaw, 29th of August, 2014

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I. Balance Sheet

(PLN'000)

30 June 2014 ^{31 December} 2013 30 June 2013

ASSETS

I. Non-current assets

1. Intangible assets	598,957	603,433	598,163
2. Property, plant and equipment	9,682	11,119	11,806
3. Non-current investments	209,296	197,825*	203,752*
3.1. Non-current financial assets	373,796	386,519	374,857
a) in related parties	342,336	354,336	341,914
3.2 Real estates	342,336	354,336	341,914
3.3 Other non-current investment	31,417	32,140*	32,900*
4. Non-current prepayments	43	43	43
4.1 Deferred income tax assets	6,183	7,970	7,748
4.2 Other accruals	5,543	7,066	6,710

II. Current assets

1. Inventories	360,725	406,170	380,331
2. Current receivables	37,630	26,511	40,023
2.1 from related parties	215,588	295,304	263,805
2.2 from other entities	79,127	86,475	93,708
3. Current investments	136,461	208,829	170,097
3.1 Current financial assets	67,103	53,964	36,920
a) in related parties	67,103	53,964	36,920
b) in other entities	4,191	8,050	9,394
- interest and shares	1,143	1,781	156
- granted loans	3	25	74
- other current financial assets	4	112	82
c) cash and cash equivalents	1,136	1,644	-
4. Short-term prepayments	61,769	44,133	27,370
	40,404	30,391	39,583

Total assets

959,682 1,009,603 978,494

EQUITY AND LIABILITIES

I. Equity

1. Share capital	648,867	661,046	638,077
2. Supplementary capital	8,125	8,051	8,051
3. Revaluation reserve	521,244	487,672	487,672
4. Other reserve capitals	103,490	118,818	116,614
5. Capital from merger settlement	745	745	745
6. Previous years' profit (loss)	-	-	-
7. Net profit (loss)	-	176	176

II. Liabilities and provisions for liabilities

1. Provisions for liabilities	310,815	348,557	340,417
1.1 Provision for deferred income tax	76,875	99,738	70,010
1.2 Other provisions	25,747	29,423	28,705
a) current	51,128	70,315	41,305
2. Non-current liabilities	51,128	70,315	41,305
2.1 to related parties	74,684	84,298	93,896
2.2 to other entities	749	337	255
3. Current liabilities	73,935	83,961	93,641
3.1 to related parties	153,254	157,106	171,397
3.2 to other entities	14,382	12,765	13,322
3.3 Special funds	136,749	142,843	155,798
4. Accruals	2,123	1,498	2,277
4.1 Other accruals	6,002	7,415	5,114
a) current	6,002	7,415	5,114

TOTAL EQUITY AND LIABILITIES

959,682 1,009,603 978,494

*) As a consequence of a change in the method of using a real estate, comparable data as at 30th of June, 2013 and 31st of December, 2013, were changed.

II. Income Statement

For the period 01.01 – 30.06 (PLN'000)	Q2 2014*	6 months ended 30 June 2014	Q2 2013	6 months ended 30 June 2013
I. Net revenues from sales of products, goods and materials, including:	143,030	281,232	137,739	282,816
- revenues from related parties	34,280	58,900	39,610	72,464
1. Net revenues from sales of products	128,259	250,004	113,770	227,600
2. Net revenues from sales of goods and materials	14,771	31,228	23,969	55,216
II. Costs of products, goods and materials sold, including:	103,120	210,009	102,144	214,064
- to related parties	6,491	12,434	7,831	17,266
1. Manufacturing cost of products sold	90,168	182,289	82,905	165,331
2. Value of products, goods and materials sold	12,952	27,720	19,239	48,733
III. Gross profit (loss) on sales	39,910	71,223	35,595	68,752
IV. Costs of sales	16,114	29,541	15,119	27,656
V. Administrative expenses	8,891	16,260	11,121	15,023
VI. Profit (loss) on sales	14,905	25,422	9,355	26,073
VII. Other operating revenues	-1,230	850	4,517	8,830
1. Profit on disposal of non-financial non-current assets	53	99	-50	-
2. Other operating revenues	-1,283	751	4,567	8,830
VIII. Other operating costs	2,647	8,113	3,714	7,839
1. Loss on disposal of non-financial non-current assets	-	-	476	476
2. Cost of works financed in part with subsidies	2,411	4,728	2,467	5,918
3. Other operating costs	236	3,385	771	1,445
IX. Profit (loss) on operating activities	11,028	18,159	10,158	27,064
X. Financial revenues	1,139	2,010	455	2,753
1. Interest, including:	232	638	612	1,006
- from related parties	119	240	295	412
2. Dividends and share in profits	-	-	-	-
- from related parties	357	425	-157	1,747
3. Profit on disposal of investment	-	-	-	-
4. Other	550	947	-	-
XI. Finance costs	1,118	2,015	4,293	5,448
1. Interest	536	1,071	638	1,367
- from related parties	64	64	69	69
2. Revaluation of investments	-	-	1,704	1,669
3. Other	582	944	1,951	2,412
XII. Profit (loss) on business activities	11,049	18,154	6,320	24,369
XIII. Gross profit (loss)	11,049	18,154	6,320	24,369
XIV. Income tax	2,841	2,891	-250	-450
XV. Net profit (loss)	8,208	15,263	6,570	24,819
Net profit (loss) (annualised)		36,028		48,652
Weighted average number of shares		8,070,277		8,051,637
01.07.2013 – 30.06.2014				
Earnings (losses) per single share (PLN)		4.46		6.04
Diluted weighted average number of shares 01.07.2013 – 30.06.2014		8,070,277		8,115,232
Diluted earnings (losses) per single share (PLN)		4.46		6.00

*) Data for the second quarter of 2014 were calculated by subtraction of the data presented by the Group in the report for the first quarter of 2014 from the data for the first half of 2014 (reviewed).

III. Changes in Equity

(PLN'000)	6 months ended 30 June 2014	12 months ended 31 December 2013	6 months ended 30 June 2013
I. Opening balance of equity	661,046	629,386	629,386
a) changes to adopted accounting principles (policies)	-	-	-
I. a. Opening balance of equity after adjustments	661,046	629,386	629,386
1. Opening balance of share capital	8,051	8,051	8,051
1.1 Changes in share capital	74	-	-
a) increases (due to)	74	-	-
- shares issue	74	-	-
1.2 Closing balance of share capital	8,125	8,051	8,051
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	487,672	458,146	458,146
3.1 Changes in supplementary capital	33,572	29,526	29,526
a) increases (due to)	33,572	29,526	29,526
- profit-sharing for the previous years	33,572	29,526	29,526
- decreases	-	-	-
3.2 Closing balance of supplementary capital	521,244	487,672	487,672
4. Opening balance of revaluation reserve	118,818	120,664	120,664
4.1 Changes in revaluation reserve	-15,328	-1,846	-4,050
a) increases (due to)	3,595	433	950
- provision for deferred income tax due to certificates valuation	3,595	433	950
b) decreases (due to)	18,923	2,279	5,000
- balance sheet valuation of investment certificates	18,923	2,279	5,000
4.2 Closing balance of revaluation reserve	103,490	118,818	116,614
5. Opening balance of capital from merger	-	-	-
5.1 Closing balance of capital from merger	-	-	-
6. Opening balance of other reserve capitals	745	745	745
6.1 Closing balance of other reserve capitals	745	745	745
7. Opening balance of previous years' profit	45,760	41,780	41,780
a) changes to adopted accounting principles (policies)	-	-	-
7.1 Opening balance of previous years' profit after adjustments	45,760	41,780	41,780
a) decreases (due to)	45,760	41,604	41,604
- transferring the result from the previous years to capital	33,572	29,526	29,526
- payment of dividend	12,188	12,078	12,078
7.2 Closing balance of previous years' profit	0	176	176
8. Net result	15,263	45,584	24,819
a) Net profit	15,263	45,584	24,819
II. Closing balance of equity	648,867	661,046	638,077
III. Equity including proposed profit-sharing (loss coverage)	648,867	661,046	638,077

IV. Cash Flow Statement

For the period 01.01–30.06 (PLN'000)	6 months ended 30 June 2014	6 months ended 30 June 2013
A. Cash flows from operating activities		
I. Net profit (loss)	15,263	24,819
II. Total adjustments	20,453	28,831
1. Depreciation	14,873	13,976
2. Exchange gains (losses)	1,428	-454
3. Interest and profit sharing (dividends)	929	1,058
4. (Profit) loss on investing activities	11	2,157
5. Change in provisions	-19,267	-31,492
6. Change in inventories	-11,085	-5,224
7. Change in receivables	81,018	140,426
8. Change in current liabilities, excluding credits and loans	-37,814	-73,110
9. Change in prepayments and accruals	-9,640	-18,506
10. Other adjustments	-	-
III. Net cash used in operating activities (I+/-II) – indirect method	35,716	53,650
B. Cash flows from investing activities		
I. Inflows	5,763	13,629
1. Disposal of property, plant and equipment and intangible assets	201	850
2. From financial assets, including:	5,562	12,779
a) in related parties	4,575	12,447
- repaid interests on loans	-	87
- repaid loans	-	2,360
- received loans	4,575	10,000
b) in other entities	987	332
- other proceeds from financial assets	987	332
3. Other investment proceeds	-	-
II. Outflows	-26,601	-62,311
1. Purchase of property, plant and equipment and intangible assets	-20,582	-17,255
2. For financial assets, including:	-6,019	-45,040
a) in related parties	-6,019	-45,040
- purchase of financial assets	-454	-33,711
- granted non-current loans	-3,552	-2,729
- repayment of loans	-2,000	-8,600
- repayment of interest on loans	-13	-
b) in other entities	-	-
- granted non-current loans	-	-
3. Expenses for investment in real estates	-	-16
III. Net cash used in investing activities (I-II)	-20,838	-48,682
C. Cash flows from financing activities		
I. Inflows	12,193	31,440
1. Net inflows from issuance of shares and other instruments, as well as additional payment to capital	74	-
2. Credits and loans	12,116	31,436
3. Other financial inflows	3	4
II. Outflows	-8,008	-26,989
1. Repayment of loans and credits	-6,834	-25,723
2. Interest	-994	-1,266
3. Granted loans	-180	-
III. Net cash (used in)/generated from financing activities (I-II)	4,185	4,451
D. TOTAL net cash flow (A.III+/-B.III+/-C.III)	19,063	9,419
E. Balance sheet change in cash and cash equivalents, including:	17,638	9,891
- change in cash and cash equivalents due to exchange differences	-1,425	472

F. Cash and cash equivalents opening balance	44,130	17,473
H. Closing balance of cash and cash equivalents (F+/- E), including:	61,768	27,364
- limited disposal	2,351	913

V. Additional Information and Commentary

1. Adopted Accounting Policies

This financial statement was prepared according to the Act passed on 29th of September, 1994 on Accounting (unified text - Journal of Laws 2013, pos. 330 and subsequent changes) and the requirements specified in the Regulation issued by the Minister of Finance on 19th of February, 2009, concerning current and periodical information pertaining to companies listed on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state (Journal of Laws, 2009, No. 33 pos. 259 and subsequent changes).

A complete description of the adopted accounting principles was presented in the last annual financial statement, i.e. for the period from 1st of January, 2013 until 31st of December, 2013. If this financial statement for the 6 months ended the 30th of June, 2014 was prepared according to IFRS, the financial results would amount to 12.811 million PLN.

Earnings according to Act on Accounting	15,263
Depreciation of perpetual usufruct	(46)
Asset due to activity in the SEZ	(895)
Managerial option	(1,511)

2. 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 Current Asset Items

In H1 2014, Comarch S.A. created new write-offs that revaluated goods and materials and amounted to PLN 0.111 million. The company dissolved write-offs which had been created in the previous years and amounted to PLN 0.284 million.

No hedges were made on inventories owned by the company.

As at 30th of June, 2014, in relation to payments of receivables, Comarch S.A. dissolved revaluating write-offs which had been created in the previous years and were worth PLN 2.776 million and created write-offs worth PLN 2.432 million that revaluated bad debts.

a) 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 2014, an asset due to temporary differences in income tax, worth PLN 0.597 million, was created. A tax asset worth PLN 2.12 million and created as at 31st of December, 2013, was dissolved in part. A provision for deferred income tax due to temporary differences in the amount of PLN 0.034 million was created and in the amount of PLN 0.115 million was dissolved. The total effect of these operations on the result of 2014 was minus PLN 1.442 million.

A provision for deferred income tax related to valuation of investment certificates in CCF FIZ was diminished by PLN 3.595 million. The provision as well as certificates valuation are settled with revaluation reserve.

3. Selected Notes to the Summary Financial Statement

	30 June 2014	31 December 2013	30 June 2013
3.1. NON-CURRENT FINANCIAL ASSETS			
a) in subsidiaries and correlated parties	342,336	354,336	341,914
- interest or shares	203,161	202,707	195,576
- granted loans	10,034	3,880	1,242
- other securities	128,826	147,749	145,027
- other non-current financial assets, including:	315	-	69
- interest on granted loans	315	-	69
b) in associates	-	-	-
c) in other entities	-	-	-
Non-current financial assets, TOTAL	342,336	354,336	341,914
3.2. CHANGES IN NON-CURRENT FINANCIAL ASSETS (TYPES)	6 months ended 30 June 2014	2013	6 months ended 30 June 2013
a) Opening balance	354,336	322,083	322,083
- interests or shares	202,707	163,587	163,587
- loans	3,880	8,005	8,005
- other securities	147,749	150,027	150,027
- other non-current assets (interest on granted loans)	-	464	464
b) increases (due to)	8,025	48,789	35,463
- purchases of shares in subsidiaries	454	43,305	33,710
- loans granted to subsidiaries	1,747	4,039	180
- loans granted to other entities	-	-	-
- due interest to long-term loans	141	7	19
- balance sheet and adjusted valuation long-term loans	-	142	254
- balance sheet and adjusted valuation of interest on long-term loans	-	210	214
- transferring loans from subsidiaries from short-term to long-term loans	5,469	1,022	1,022
- transferring interest on loans from subsidiaries from short-term to long-term	214	64	64
c) decreases (due to)	20,025	16,536	15,632
- repayment of subsidiaries' loans	-	2,237	2,130
- repayment of other entities' loans	12	131	105
- repayment of interest on subsidiaries' loans	-	-	-
- repayment of interest on other entities' loans	-	-	-
- balance sheet valuation of loans	5	-	-
- balance sheet and adjusted valuation of interests on loans	33	-	-
- valuation of participation units in CCF FIZ	18,923	2,278	5,000
- balance sheet valuation of shares	-	4,185	1,721
- creating write-offs revaluating loans	1,045	33	33
- creating write-offs revaluating interest on loans	7	17	17
- dissolving write-offs revaluating loans	-	(46)	-
- dissolving write-offs revaluating interest	-	(11)	-
- transferring loans from related parties' from long-term to short-term loans	-	6,898	5,876
- transferring loans from other parties' from long-term to short-term loans	-	75	75
- transferring interest on loans from subsidiaries from long-term to short-term interest on loans	-	734	670

- transferring interest on loans from other entities from long-term to short-term interest on loans	-	5	5
d) Closing balance	342,336	354,336	341,914

3.3. CURRENT FINANCIAL ASSETS	30 June 2014	31 December 2013	30 June 2013
a) in subsidiaries and correlated parties	4,191	8,050	9,394
- loans granted	3,939	7,643	9,394
- other financial assets	252	407	
b) in other entities	1,143	1,781	156
- loans granted	4	112	82
- interest and shares	3	25	74
- other current financial assets, including:	1,136	1,644	-
- forward contracts	1,425	1,644	-
- participation units in funds	(289)	-	-
c) cash and cash equivalents	61,769	44,133	27,370
- cash in hand and at banks	61,768	44,130	27,364
- other money means	-	-	-
- other monetary assets	1	3	6
TOTAL current financial assets	67,103	53,964	36,920

4. A Brief Description of Significant Achievements or Failures of the Issuer during the Period Covered by the Report, Including a List of the Most Significant Events Related to Such Achievements or Failures

In the first half of 2014, Comarch S.A. achieved very favourable financial results. Revenue from sales maintained the previous year's level (PLN 281.2 million compared to PLN 282.8 million in the first half of 2013). Net sales of products constituted 88.9% of total company's sales and were higher by PLN 22.4 million, i.e. 9.8% compared to the first half of 2013. In the first half of 2014, the company generated operating profit in the amount of 18.2 million PLN and net profit was PLN 15.3 million. EBIT margin reached level of 6.5% and net margin was 5.4%.

In the second quarter of 2014, Comarch S.A. achieved PLN 143 million from sales (an increase of 3.8% compared to the second quarter of 2013). Net revenue from sales of products constituted 89.7% of total company's sales and were higher by PLN 14.5 million compared to the second quarter of 2013. The company's operating profit amounted to PLN 11 million and net profit was PLN 8.2 million. EBIT margin amounted to 7.7% and net margin was 5.7%.

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

None were present, except for the ones described in point 2 of the financial statement.

6. Discussion of Seasonality (Cyclical Nature) of the Issuer's Business in the Period Presented

Over 2013, Comarch S.A. revenue structure was as follows: 23% of annual sales were achieved in the first quarter, 21% in the second quarter, 22% in the third quarter and 34% in the fourth quarter. This revenue structure is consistent with tendency observed in IT branch.

In the company's opinion, over 2014, Group's revenue structure will be similar to that observed in the previous year.

7. Information about Write-Offs that Revaluated Inventories at the Net Realizable Value and Reversal Referred to Them

In H1 2014, Comarch S.A. created new write-offs that revaluated goods and materials and amounted to PLN 0.111 million. The company dissolved write-offs which had been created in the previous years and amounted to PLN 0.284 million.

8. Information about Revaluating Write-Offs in Relation to Impairment of Financial Assets, Property, Plant and Equipment, Intangible Assets or Other Assets and about Reversal Referred to Them

Revaluating write-offs in relations to impairment of	Financial assets	Property, plant and equipment	Intangible assets	Other assets	Total
Balance at 1 January 2013	18,136	-	-	-	18,136
Change:	1,721	-	-	-	1,721
-creation	1,721	-	-	-	1,721
-dissolution	-	-	-	-	-
Balance at 30 June 2013	19,857	-	-	-	19,857

Revaluating write-offs in relations to impairment of	Financial assets	Property, plant and equipment	Intangible assets	Other assets	Total
Balance at 1 January 2013	18,136	-	-	-	18,136
Change:	4,185	-	-	-	4,185
-creation	4,185	-	-	-	4,185
-dissolution	-	-	-	-	-
Balance at 31 December 2013	22,321	-	-	-	22,321

Revaluating write-offs in relations to impairment of	Financial assets	Property, plant and equipment	Intangible assets	Other assets	Total
Balance at 1 January 2014	22,321	-	-	-	22,321
Change:	-	-	-	-	-
-creation	-	-	-	-	-
-dissolution	-	-	-	-	-
Balance at 30 June 2014	22,321	-	-	-	22,321

9. Information about Creation, Increasing, Using and Dissolution of Provisions

Current	Provisions for contracts costs	Provisions for contractual penalties and other claims	Provisions for leaves	Provisions for cash rewards	Total
Balance at 1 January 2013	14,527	1,412	9,819	44,878	70,636
Change:	(1,240)	236	4,051	(32,378)	(29,331)
-creation	3,739	259	5,623	11,105	20,726
-dissolution	(4,979)	(23)	(1,572)	(43,483)	(50,057)
Balance at 30 June 2013	13,287	1,648	13,870	12,500	41,305

Current	Provisions for contracts costs	Provisions for contractual penalties and other claims	Provisions for leaves	Provisions for cash rewards	Total
Balance at 1 January 2013	14,527	1,412	9,819	44,878	70,636
Change:	(1,311)	(609)	1,997	(399)	-322
-creation	8,441	2,058	8,164	55,288	73,951
-dissolution	(9,752)	(2,667)	(6,167)	(55,687)	(74,273)
Balance at 31 December 2013	13,216	803	11,816	44,479	70,314

Current	Provisions for contracts costs	Provisions for contractual penalties and other claims	Provisions for leaves	Provisions for cash rewards	Total
Balance at 1 January 2014	13,216	803	11,816	44,479	70,314
Change:	93	2,058	4,026	(25,363)	(19,186)
-creation	3,789	2,569	6,097	16,824	29,279
-dissolution	(3,696)	(511)	(2,071)	(42,187)	(48,465)
Balance at 30 June 2014	13,309	2,861	15,842	19,116	51,128

All provisions were calculated based on credible estimate as of the balance sheet date.

10. Information about Provisions and Assets in Reference to Deferred Income Tax

Asset due to deferred income tax	
At 1 January 2013	6,413
Creation in I-VI 2013	911
Dissolution in I-VI 2013	(614)
At 30 June 2013	6,710

Provision due to deferred income tax	
At 1 January 2013	29,847
Creation in I-VI 2013	31
Dissolution in I-VI 2013	(1,173)
At 30 June 2013	28,705

Asset due to deferred income tax	
At 1 January 2013	6,413
Creation in I-XII 2013	2,807
Dissolution in I-XII 2013	(2,154)
At 31 December 2013	7,066

Provision due to deferred income tax	
At 1 January 2013	29,847
Creation in I-XII 2013	111
Dissolution in I-XII 2013	(535)
At 31 December 2013	29,423

Asset due to deferred income tax	
At 1 January 2014	7,066
Creation in I-VI 2014	597
Dissolution in I-VI 2014	(2,120)
At 30 June 2014	5,543

Provision due to deferred income tax	
At 1 January 2014	29,423
Creation in I-VI 2014	34
Dissolution in I-VI 2014	(3,710)
At 30 June 2014	25,747

11. Information about Significant Transactions of Purchase and Sale of Property, Plant and Equipment

In the first half of 2014, Comarch S.A. purchased computer hardware for the amount of PLN 6.84 million and intangible assets for the amount of PLN 1.43 million.

In the first half of 2014, revenue from sales of property, plant and equipment amounted to PLN 0.38 million.

12. Information about Liability in Relation to Purchase of Property, Plant and Equipment

As at 30th of June, 2014, Comarch S.A.'s investment liabilities comprised mostly liability due to purchase of computer hardware in the amount of PLN 2.23 million and liability due to purchase of intangible assets in the amount of PLN 0.67 million.

Comarch S.A. had also investment liabilities in the amount of PLN 3.79 million related to the construction of a new building.

13. Information about Significant Settlements in Reference to Court Proceedings

None present.

14. Corrections of Mistakes from the Previous Periods

None present.

15. Information in Relation to Changes in Economic Situation and Conditions for Operation, which Have a Significant Effect on Fair Value of an Entity's Financial Assets and Financial Liabilities Regardless of whether the Assets and the Liabilities Are Recognised in Fair Value or in Adjusted Purchase Price (Depreciated Cost)

None present.

16. Information about Unpaid Credits or Loans, as well as Breach of Significant Provisions of the Credit or Loan Agreements which Were Not Subject to Corrective Measures as of the Reporting Period

None present.

17. Information about One or More Transactions Concluded by the Issuer or Its Subsidiary with Related Parties, if Individually or in Total are Significant and Concluded on Terms Different from Market Conditions

None present.

18. In Case of Financial Instruments Valuated in Fair Value – Information about Changes in Method of Its Establishment

None present.

19. Information Related to Changes in Classification of Financial Assets as a Result of Changes in Their Purpose or Using of These Assets

None present.

20. Information on any Issue, Repurchase or Repayment of Debt and Equity Securities

In execution of the Resolution no. 23 of the Annual General Meeting dated 28th of June, 2010, regarding the managerial option program for key employees, on the 13th of January, 2014, the Supervisory Board of Comarch S.A. passed the Resolution no. 2/01/2014 on execution of the managerial option program for 2013, by way of issuance of 73,953 ordinary bearer series K3 shares, of nominal value of PLN 1 and issue price of PLN 1 each, excluding a stock right of the current company's shareholders (current report no. 2/2014 dated the 13th of January, 2014). As a consequence, the Management Board of Comarch S.A. passed the resolution no. 1 dated the 20th of January, 2014, regarding an increase in the share capital by way of emission of 73,953 ordinary bearer series K3 shares (current report no. 3/2014 dated the 20th of January, 2014).

On the 31st of March, 2014, the District Court for Kraków-Śródmieście, the Eleventh Economic Division of the National Court Register registered increase in the company's share capital to the amount of PLN 8,125,590.00. After this increase the company's share capital is divided into 8,125,590 shares. It corresponds to 15,119,190 votes at the company's AGM (current report no. 7/2014 dated the 3rd of March, 2014).

Within the reporting period, the company has not issued, repurchased or repaid debt or equity securities.

21. Information on any Dividend Paid Out or Declared, Including Its Total and per Share Value, Separately for Ordinary and Preference Shares

On the 26th of June, 2014, General Meeting approved the resolution no. 9 regarding the distribution of net profit for the fiscal year 1.01.2013 - 31.12.2013. The General Shareholder's Meeting decided that the earned in the fiscal year 1 January 2013-31 December 2013 net profit in the amount of PLN 45,584,120.35 is divided as follows:

a) PLN 12,188,385 will be paid as dividend. Persons who will be the company's shareholders on the 31st of July, 2014 (dividend's day), will get the dividend in the amount of PLN 1.50 per one share. The

dividend will be allocated to 8,125,590 shares, including 1,748,400 preference share by votes and 6,377,190 ordinary shares.

b) The remaining part of the net profit in the amount of PLN 33,395,735.35 will be passed in total to supplementary capital.

The dividend was paid out on the 18th of August, 2014.

22. Events that Occurred after the Date of Condensed Half-Year Financial Statement, which Are Not Included in the Financial Statement but May Significantly Affect the Future Performance of the Issuer

None present.

23. Information on any Changes in Contingent Liabilities or Contingent Assets which Have Occurred since the End of the Last Financial Year

On 30th of June, 2014, the value of bank guarantees and letters of credit issued by banks on order from Comarch S.A. in reference to executed agreements and participation in tender proceedings was PLN 59.12 million, whereas it was PLN 70.77 million on 31st of December, 2013.

Comarch S.A. is the defendant in legal proceedings in which the potential total amount of third party claims is PLN 0.077 million. Provisions for part of these claims were presented in the balance sheet as of 30th of June, 2014 and are worth 0.066 million PLN; however in 2014 there were no new provisions for the legal proceedings. Comarch S.A. is the party to the matters in disputes but not legal proceedings, in which the potential total amount of third party claims is PLN 34.493 million. Provisions for part of these claims were presented in the balance sheet as of 30th of June, 2014 and are worth PLN 2.277 million.

24. Other Information with Significant Effects on the Financial Condition Assessment and the Achieved Financial Results of the Issuer

None present, except for the ones described in point 2 of the financial statement.

29th of August, 2014

SIGNATURES OF MANAGEMENT BOARD MEMBERS

NAME AND SURNAME	POSITION	SIGNATURE
Janusz Filipiak	President of the Management Board	
Piotr Piątosza	Vice-president of the Management Board	
Paweł Prokop	Vice-president of the Management Board	
Piotr Reichert	Vice-president of the Management Board	
Zbigniew Rymarczyk	Vice-president of the Management Board	
Konrad Tarański	Vice-president of the Management Board	
Marcin Warwas	Vice-president of the Management Board	

SIGNATURE OF PERSON CHARGED WITH CARRYING ON ACCOUNT BOOKS

NAME AND SURNAME	POSITION	SIGNATURE
Maria Smolińska	Head Accountant	

REPORT OF AN INDEPENDENT EXPERT AUDITOR FROM THE REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT FOR THE 6 MONTHS ENDED 30 JUNE 2014

To the Shareholders and the Supervisory Board of Comarch S.A.

We have conducted a review of the condensed interim consolidated financial report of the Comarch Capital Group's, where Comarch S.A. with its registered office in Krakow, at Al. Jana Pawła II 39A is the parent company, including consolidated balance sheet as at 30th of June, 2014, income statement and total income consolidated statement, changes in consolidated equity, consolidated cash flow statement for the period from 1st of January, 2014 to 30th of June, 2014, and additional information, including information on adopted accounting policy, and other annotations.

The Management Board and the Supervisory Board of the parent company take responsibility for preparing of this consolidated report compliant with International Accounting Standard 34 "Interim Financial Reporting", as approved by the European Union ("IAS 34") and with other binding regulations. Our task was to review this consolidated financial statement.

The review of the financial report was prepared and conducted in compliance with the national standards for financial review, issued by the National Board of Expert Auditors in Poland. According to these standards we are obliged to plan and conduct review so as to have sufficient certainty that the consolidated financial statement does not include significant errors.

This review has been conducted largely by analyzing data from the financial statement, by inspecting the account books as well as by using information obtained from the managing persons and from personnel responsible for finance and accounting at the Group.

The scope and the method of review of the condensed interim financial statement differ significantly from audit that expresses our opinion on the annual financial statement compliant with the accounting principles as well as on reliability and clarity of information included in this report; hence we do not present such opinion.

The review we have carried out did not indicate anything which could state that the condensed interim consolidated financial report was not prepared compliant in all significant aspects with International Accounting Standard 34 "Interim Financial Reporting" as approved by the European Union.

.....
Marek Turczyński
Key Expert Auditor
Conducting the review
Registration no. 90114

.....
On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. – the entity entitled to audit financial statements registered in the list of entities entitled under item no. 73:

.....
Marek Turczyński-Vice-President of the Management Board of Deloitte Polska Sp. z o.o. - a general partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.

Warsaw, 29th of August, 2014

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I. Consolidated Balance Sheet

Note 30 June 2014 31 December 2013

ASSETS

Non-current assets

Property, plant and equipment	3.2	359,597	352,949
Investment real estates	3.3	14,143	7,876
Goodwill	3.4	44,061	44,061
Other intangible assets	3.5	76,403	79,720
Non-current prepayments		640	904
Investments in associates	3.6	642	49
Other investments		106	106
Deferred income tax assets	3.19	26,948	28,985
Other non-current receivables		240	1,639
		522,780	516,289

Current assets

Inventories	3.7	54,994	53,687
Trade and other receivables	3.10	277,541	362,404
Current income tax receivables		1,313	1,527
Long-term contracts receivables	3.14	48,163	32,264
Available-for-sale financial assets	3.8	6,822	6,685
Other financial assets at fair value – derivative financial instruments	3.9	1,136	1,644
Interest and shares		2	112
Cash and cash equivalents		186,896	167,689
		576,867	626,012

Assets dedicated for sales

275 -

TOTAL ASSETS

1,099,922 1,142,301

EQUITY

Capital and reserves attributable to the company's shareholders

Share capital	3.11	8,125	8,051
Other capitals		146,716	145,205
Exchange differences		3,334	2,670
Net profit for the current period		13,353	25,077
Retained earnings		457,146	445,340
		628,674	626,343

Minority interest

12,048 11,368

Total equity

640,722 637,711

LIABILITIES

Non-current liabilities

Credit and loans	3.15	97,209	110,751
Provision for deferred income tax	3.19	37,453	40,545
Other financial liabilities	3.16	332	516
Other liabilities		83	83
		135,077	151,895

Current liabilities

Trade and other payables	3.13	162,866	193,633
Current income tax liabilities		3,678	11,237
Long-term contracts liabilities	3.14	28,888	33,416
Credit and loans	3.15	38,685	20,700
Financial liabilities	3.16	13,669	409
Provisions for other liabilities and charges	3.20	76,337	93,300
		324,123	352,695

Total liabilities

459,200 504,590

TOTAL EQUITY AND LIABILITIES

1,099,922 1,142,301

II. Consolidated Income Statement

	Q2 2014*	6 months ended 30 June 2014	Q2 2013	6 months ended 30 June 2013
Revenue	220,963	429,677	203,556	391,701
Cost of sales	(167,288)	(333,000)	(159,124)	(309,692)
Gross profit	53,675	96,677	44,432	82,009
Other operating income	652	3,782	5,061	7,670
Sales and marketing costs	(25,450)	(47,763)	(23,627)	(46,353)
Administrative expenses	(14,739)	(29,197)	(18,169)	(30,942)
Other operating expenses	(1,077)	(2,676)	(6,214)	(9,456)
Operating profit	13,061	20,823	1,483	2,928
Finance revenue/(costs)-net	176	133	(2,232)	(3,041)
Share of profit /(loss) of associates	(386)	(856)	20	79
Profit / (loss) before income tax	12,851	20,100	(729)	(34)
Income tax expense	(4,591)	(6,067)	1,247	1,655
Net profit for the period	8,260	14,033	518	1,621
Attributable to:				
Shareholders of the parent company	7,923	13,353	998	2,397
Interests not entitled to control	337	680	(480)	(776)
Earnings per share for profit attributable to the shareholders of the parent company during the period (expressed in PLN per share)				
– basic		1.64		0.30
– diluted		1.64		0.30

III. Total Income Consolidated Statement

	Q2 2014*	6 months ended 30 June 2014	Q2 2013	6 months ended 30 June 2013
Net profit for the period	8,260	14,033	518	1,621
Other total income				
Currency translation differences from currency translation in related parties	343	664	(318)	574
Total other total income	343	664	(318)	574
Sum of total income for the period	8,603	14,697	200	2,195
Attributable to the parent company's shareholders	8,266	14,017	689	2,972
Attributable to the interests not entitled to control	337	680	(489)	(777)

**) Data for the second quarter of 2014 were calculated by subtraction of the data presented by the Group in the report for the first quarter of 2014 from the data for the first half of 2014 (reviewed).*

IV. Consolidated Statement of Changes in Shareholders' Equity

	Attributable to the shareholders of the parent company					Capitals attributable to interests not entitled to control	Total equity
	Share capital	Other capitals	Exchange differences	Net profit for the current period	Retained earnings		
Balance at 1 January 2013	8,051	142,332	3,090	40,660	427,490	3,319	624,942
Transferring result for 2012	-	-	-	(40,660)	40,660	-	-
Dividend to be paid	-	-	-	-	(13,103)	-	(13,103)
Capital from acquisition of shares	-	-	-	-	-	169	169
Changes in shareholding structure	-	-	-	-	(3,627)	3,627	-
Capital from valuation of the managerial option	-	1,436	-	-	-	-	1,436
Currency translation differences ¹	-	-	575	-	-	(1)	574
Profit/(loss) for the period ²	-	-	-	2,397	-	(776)	1,621
Total income recognised in equity (1+2)	-	-	575	2,397	-	(777)	2,195
Balance at 30 June 2013	8,051	143,768	3,665	2,397	451,420	6,338	615,639
Balance at 1 January 2014	8,051	145,205	2,670	25,077	445,340	11,368	637,711
Transferring result for 2013	-	-	-	(25,077)	25,077	-	-
Increase in share capital	74	-	-	-	-	-	74
Subsidiaries' result dedicated to general partners outside Group	-	-	-	-	(1,083)	1,083	-
Dividend to be paid	-	-	-	-	(12,188)	(1,083)	(13,271)
Capital from valuation of the managerial option	-	1,511	-	-	-	-	1,511
Currency translation differences ¹	-	-	664	-	-	-	664
Profit/(loss) for the period ²	-	-	-	13,353	-	680	14,033
Total income recognised in equity (1+2)	-	-	664	13,353	-	680	14,697
Balance at 30 June 2014	8,125	146,716	3,334	13,353	457,146	12,048	640,722

As at the 30th of June, 2014, dividend to be paid in total amount of PLN 13.27 million includes dividend in the amount of PLN 12.19 million to be paid by the parent company to its shareholders and dividend in the amount of PLN 1.08 million to be paid by its subsidiaries to the general partners outside Group.

Dividend was paid by the parent company as agreed, i.e. on the 18th of August, 2014. Other dividends were paid on the 1st of July, 2014 and were related to the following payments: Bonus Development Sp. z o.o. II Koncept SK-A paid the amount of PLN 0.34 million, Bonus Management Sp. z o.o. SK-A paid the amount of PLN 0.38 million; Bonus Management Sp. z o.o. II Activia SK-A paid the amount of PLN 0.37 million.

V. Consolidated Cash Flow Statement

	6 months ended 30 June 2014	6 months ended 30 June 2013
Cash flows from operating activities		
Net profit (loss)	14,033	1,621
Total adjustments	44,366	20,532
Share in net (gains) losses of related parties valued using the equity method of accounting	815	(79)
Depreciation	26,512	31,778
Exchange gains (losses)	890	(1,208)
Interest and profit-sharing (dividends)	831	743
(Profit) loss on investing activities	1,375	2,237
Change in inventories	1,091	(18,381)
Change in receivables	68,859	82,705
Change in liabilities and provisions excluding credits and loans	(57,518)	(76,588)
Other adjustments	1,511	(675)
Net profit less total adjustments	58,399	22,153
Income tax paid	(6,530)	(5,076)
Net cash used in operating activities	51,869	17,077
Cash flows from investing activities		
Purchases of property, plant and equipment	(22,580)	(20,661)
Proceeds from sale of property, plant and equipment	170	871
Purchases of intangible assets	(6,129)	(10,145)
Proceeds from disposal of investment in real estates and intangible assets	-	9
Expenses for investment in real estates	(5,663)	(1986)
Expenses for purchase of financial assets	(381)	(58)
Proceeds from sales of available-for-sale financial assets	-	563
Granted loans	(10,912)	(860)
Repayment of granted loans	12,709	300
Interest	659	1,019
Other investment proceeds	-	(1,021)
Other investment expenses	986	332
Net cash used in investing activities	(31,141)	(31,637)
Cash flows from financing activities		
Proceeds from credits and loans	11,851	32,407
Repayments of credits and loans	(10,790)	(26,854)
Proceeds from repayment of granted loans	265	168
Net proceeds from issuance of shares and other capital instruments	74	-
Other interest and expenses	(1,672)	(1,561)
Other financial proceeds	4	137
Net cash (used in)/generated from financing activities	(268)	4,297
Net change in cash, cash equivalents and bank overdrafts	20,460	(10,263)
Cash, cash equivalents and bank overdrafts at beginning of the period	167,640	142,269
Positive (negative) exchange differences in cash and bank overdrafts	(1,297)	1,883
Cash, cash equivalents and bank overdrafts at end of the period	186,803	133,889
- including limited disposal	5,028	2,494

VI. 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 office in Krakow at Al. Jana Pawła II 39 A is the parent company, include activity related to software, PKD 62.01.Z. The registration court for Comarch S.A. is the District Court for Krakow Śródmieście in Krakow, The Eleventh Economic Division of the National Court Register. The company's KRS number is 0000057567. Comarch S.A. holds the dominant share in 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 parent company is not limited.

1.1. Organisational Structure of Comarch Group

On 30th of June, 2014, the following entities formed the Comarch Group (in parentheses, the share of votes held by Comarch S.A. unless otherwise indicated):

- Comarch Spółka Akcyjna with its registered office in Krakow,
- Comarch AG with its registered office in Dresden in Germany (100%),
 - Comarch Software und Beratung AG with its registered office in Munich in Germany (100% subsidiary of Comarch AG*),
 - Comarch Solutions GmbH with its registered office in Innsbruck in Austria (100% subsidiary of Comarch Software und Beratung AG),
- Comarch S.A.S. with its registered office in Lezennes in France (100%),
 - Comarch R&D S.à r.l. with its registered office in Montbonnot-Saint-Martin in France (70% votes held by Comarch SAS, 30% votes held by Comarch S.A.),
- Comarch Luxembourg S.à r.l. with its registered office in Luxembourg in Luxembourg (100%),
- Comarch, Inc. with its registered office in Rosemont in United States of America (100%),
 - Comarch Panama, Inc. with its registered office in Panama in Panama (100% subsidiary of Comarch, Inc.),
- Comarch Canada, Corp. with its registered office in New Brunswick in Canada (100%),
- Comarch Middle East FZ-LLC with its registered office in Dubai in United Arab Emirates (100%),
- Comarch LLC with its registered office in Kiev in Ukraine (100%),
- OOO Comarch with its registered office in Moscow in Russia (100%),
- Comarch Software (Shanghai) Co. Ltd. with its registered office in Shanghai in China (100%),
- Comarch Vietnam Company Ltd. (Comarch Co., Ltd.) with its registered office in Ho Chi Minh City in Vietnam (100%),
- Comarch Oy with its registered office in Espoo in Finland (100%),
- Comarch UK Ltd. with its registered office in London in United Kingdom (100%),
- Comarch Chile SpA with its registered office in Santiago in Chile (100%),
- Comarch s.r.o. with its registered office in Bratislava in Slovakia (100%),
- SouthForge sp. z o.o. with its registered office in Krakow in Poland (100%),
- CA Consulting S.A. with its registered office in Warsaw in Poland (100%),
- Comarch Management sp. z o.o. with its registered office in Krakow in Poland (100%),
- Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty with its registered office in Krakow in Poland („CCF FIZ”) (Comarch S.A. holds 100% of issued investment certificates),
 - Comarch Management sp. z o.o. SK-A with its registered office in Krakow in Poland (21.49% votes held by CCF FIZ; 78.51% votes held by Comarch S.A.; shares purchased by Comarch Management sp. z o.o. SK-A to be redeemed don't give any votes),
 - Bonus Management sp. z o.o. SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - „Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park SK-A (66.67% votes held by Bonus Management spółka z ograniczoną odpowiedzialnością SK-A; 33.33% votes held by MKS Cracovia SSA),
 - Bonus Development sp. z o.o. SK-A with its registered office in Krakow in

- Poland (100% votes held by CCF FIZ),
- Bonus Management sp. z o.o. II Activia SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- Bonus Development sp. z o.o. II Koncept SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- iMed24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- Comarch Polska S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- iReward24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- Infrastruktura24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- iComarch24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
- CASA Management and Consulting sp. z o.o. SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - ESAProjekt sp. z o.o. with its registered office in Chorzow in Poland (100% held by CASA Management and Consulting sp. z o.o. SK-A),
 - Comarch Swiss AG with its registered office in Luzern in Switzerland (100% subsidiary of CASA Management and Consulting sp. z o.o. SK-A),
 - CAMS AG with its registered office in Luzern in Switzerland (51% subsidiary of CASA Management and Consulting sp. z o.o. SK-A),
- Opso sp. z o.o. with its registered office in Krakow in Poland (100%),
- MKS Cracovia SSA with its registered office in Krakow in Poland (66.11%).

() including 2.68% CSuB AG shares borrowed from an entity outside the Comarch Group*

On 30th of June, 2014, an associate of the parent company is:

- SolInteractive S.A. with its registered office in Krakow in Poland (16.1% votes held by CCF FIZ, 11.27% held by Bonus Management sp. z o.o. Activia SK-A),
- Volatech Capital Advisors S.A. (15.79% votes held by Comarch S.A., 31.58% votes held by CAMS AG).

The associated companies are not consolidated. Shares are valued with equity method.

1.2. Changes in Ownership and Organisational Structure in H1 2014

In the first quarter of 2014, an increase in share capital of SolInteractive S.A. was registered. As a consequence, Bonus Management sp. z o.o. Activia SK-A holds 11.27% and CCF FIZ 16.10% of votes at the company's AGM, 17.7% and 25.28% in the company's share capital, respectively.

On the 7th of January, 2014, pursuant to a decision of the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, an increase in share capital of MKS Cracovia SSA from PLN 19,560,100.00 to PLN 21,840,100.00 was registered (current report no. 4/2014 dated the 28th of January, 2014).

On the 24th of January, 2014, pursuant to a decision of the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, an increase in share capital of iMed24 S.A. from PLN 2,450,000.00 to PLN 2,850,000.00 was registered. On the 17th of February, 2014, Extraordinary General Meeting of iMed24 S.A. passed the resolution on an increase in share capital to the amount of PLN 3,250,000. On the 7th of May, 2014, the increase in share capital of iMed24 S.A. up to PLN 3.25 million was registered in the proper register.

On the 5th of June, 2014, the Extraordinary General Meeting of iMed24 S.A. changed the Articles of Association of the company and did a 100-for-1 stock split. As a consequence of the change, the company's share capital is divided into 3,250,000 shares of PLN 1 each. The change was registered in the National Court Register on the 27th of June, 2014.

With the notarial deed of the 6th of February, 2014, Volatech Capital Advisors S.A., a joint stock company was established. Comarch S.A. holds 21.43% of the share capital (15.79% of votes at the company's AGM) and CAMS AG holds 42.86% of the share capital (31.58% of votes at the

company's AGM. The company was registered with the decision of the District Court for Krakow-Śródmieście, the Eleventh Economic Division of the National Court Register dated the 19th of March, 2014.

As of the 17th of February, 2014, an agreement for purchase of 15,943 own shares by Comarch Management sp. z o.o. SK-A from CCF FIZ to be redeemed was signed. Purchase price in the amount of PLN 3,999,939.27 was paid in total.

With the notarial deed of the 25th of March, 2014, „Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park spółka komandytowo-akcyjna, a limited joint-stock partnership, was established. Bonus Management spółka z ograniczoną odpowiedzialnością SK-A holds 50% of the share capital (66.67% of votes at the company's AGM) and MKS Cracovia SSA holds 50% of the share capital (33.33% of votes at the company's AGM). On the 17th of April, 2014, it was registered in the proper register.

On the 11th of June, 2014, AGM of Bonus Development Sp. z o.o. II Koncept SK-A passed a resolution on an increase in the share capital from PLN 91,863 to PLN 101,263. The increase was not registered as at the 30th of June, 2014.

On the 11th of June, 2014, AGM of Bonus Management Sp. z o.o. II Activia SK-A passed a resolution on an increase in the share capital from PLN 1,542,700 to PLN 1,555,200. The increase was not registered as at the 30th of June, 2014.

On the 11th of June, 2014, AGM of Bonus Management Sp. z o.o. SK-A passed a resolution on an increase in the share capital from PLN 2,865,101 to PLN 2,879,401. The increase was not registered as at the 30th of June, 2014.

On the 13th of June, 2014, AGM of Comarch Management Sp. z o.o. SK-A passed a resolution on an increase in the share capital from PLN 90,110 to PLN 140,110.

As of the 30th of June, 2014, Comarch Vietnam Company Limited was dissolved.

1.3. Changes in Ownership and Organisational Structure after the Balance Sheet Date

On the 3rd of July, 2014, there was a decrease down to EUR 0 in the share capital of Comarch S.A.S. in order to cover the previous years' losses and at the same time, the share capital was increased up to EUR 2,500,000.

On the 10th of July, 2014, an increase up to PLN 140,110 in the share capital of Comarch Management Sp. z o.o. SK-A was registered in the proper register.

On the 5th of August, 2014, the Extraordinary AGM of iMed24 S.A. passed a resolution on an increase in the share capital from PLN 3,250,000 to PLN 3,950,000, i.e. of PLN 700,000, through issue of 700,000 new series K shares. The change has not been yet registered in the proper register.

2. Description of the Applied Accounting Principles

This unaudited Condensed Interim Consolidated Financial Statement of Group for the three months ended the 30th of June, 2014 and comparable data (the "Interim Consolidated Financial Statement") are prepared in accordance with International Accounting Standard ("IAS") 34 and with all accounting standards applicable to interim financial reporting adopted by the European Union, issued and effective as at the date of preparing the Condensed Interim Consolidated Financial Statement.

This Interim Consolidated Financial Statement does not include all information and disclosures that are obligatory in annual financial statements, therefore should be read in conjunction with the audited Comarch Capital Group IFRS Consolidated Financial Statement for the period from

1st of January, 2013 until 31st of December, 2013 ("the Interim IFRS Consolidated Financial Statement").

The scope of the accounting principles and calculation methods applied in the Interim Consolidated Financial Statement does not differ from the accounting principles described in the audited Comarch Capital Group IFRS Consolidated Financial Statement for the period from 1st of January, 2014 until 31st of December, 2014 (the notes 2 and 3 of the Consolidated Financial Statement of the Comarch Group for the year ended 31st of December, 2013).

The Interim Consolidated Financial Statement includes the consolidated balance sheet, consolidated income statement, total income consolidated statement, consolidated statement of changes in shareholders' equity, consolidated cash flow statement and selected explanatory notes.

Costs that arise unevenly during the year are anticipated or deferred in the interim financial statement, only if it would also be appropriate to anticipate or defer such costs at the end of the year.

This Interim Consolidated Financial Statement is prepared in thousands of Polish zloty ("PLN") and was authorised for issuance by the Management Board on 29th of August, 2014.

Standards and interpretations applied in 2014 for the first time

- **IFRS 10 "Consolidated Financial Statements"**- they were approved by the EU on 11th of December, 2012 (effective for annual periods beginning on or after 1st of January, 2014),
- **IFRS 11 "Joint Arrangements"**- they were approved by the EU on 11th of December, 2012 (effective for annual periods beginning on or after 1st of January, 2014),
- **IFRS 12 "Disclosure of Interests in Other Entities"**-they were approved by the EU on 11th of December, 2012 (effective for annual periods beginning on or after 1st of January, 2014),
- **IAS 27 (amended in 2011) "Separate Financial Statements"**-they were approved by the EU on 11th of December, 2012 (effective for annual periods beginning on or after 1st of January, 2014),
- **IAS 28 (amended in 2011) "Investments in Associates and Joint Ventures"**- they were approved by the EU on 11th of December, 2012 (effective for annual periods beginning on or after 1st of January, 2014),
- **Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities"** –commentaries related to temporary regulations. They were approved by the EU on 4th of April, 2013 (effective for annual periods beginning on or after 1st of January, 2014),
- **Amendments to IFRS 10 "Consolidated Financial Statement", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 27 "Separate Financial Statements"** – investments units. They were approved by the EU on 20th of November, 2013 (effective for annual periods beginning on or after 1st of January, 2014)
- **Amendments to IAS 32 "Financial Instruments: Presentation"** - Offsetting Financial Assets and Financial Liabilities. They were approved by the EU on 13th of December, 2012 (effective for annual periods beginning on or after 1st of January, 2014),
- **Amendments to IAS 36 "Impairment of Assets"** – Recoverable Amounts Disclosures for Non-Financial Assets. They were approved by the EU on 19th of December, 2013 (effective for annual periods beginning on or after 1st of January, 2014),
- **Amendments to IAS 39 "Financial Instruments: Recognition and Measurement"** – Novation of Derivatives and Continuation of Hedge Accounting. They were approved by

the EU on 19th of December, 2013 (effective for annual periods beginning on or after 1st of January, 2014).

According to the parent company's calculations, the accounting standards mentioned above, the interpretations and changes to standards presented above did not affect significantly the company's accounting policy.

Standards and Interpretations published and approved by the EU, but not yet effective

At the date of authorisation of these financial statements the following standards, amendments to the existing standards and interpretations issued by IASB and adopted by the EU were in issue but not yet effective:

- **IFRIC 21 "Levies"** (effective for annual periods beginning on or after the 17th of June, 2014).

Standards and Interpretations adopted by IASB but not yet approved by the EU

The scope of the IFRS approved by the European Union does not differ significantly from the regulations of the International Accounting Standards Board, excluding the below-mentioned standards, changes to standards and the interpretations which were not applied by the EU as at the 29th of August, 2014 (the effective dates mentioned below are related to full versions of standards):

- **IFRS 9 "Financial Instruments" and the subsequent changes** (the effective date has not been established yet),
- **IFRS 14 „Regulatory Deferral Accounts"** (effective for annual periods beginning on or after 1st of January, 2016),
- **IFRS 15 "Revenue from Contracts with Customers"** (effective for annual periods beginning on or after 1 January 2017),
- **Amendments to IFRS 11 "Joint Arrangements"** - Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"** - Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture"** - Agriculture: Bearer Plants (effective for annual periods beginning on or after 1 January 2016),
- **Amendments to IAS 19 "Employee Benefits"** - Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 July 2014),
- **Amendments to various standards "Annual Improvements (period 2010-2012)"** – adopted within the frame of annual improvements process to IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38. The purpose of these annual improvements is to clarify guidance or wording (effective for annual periods beginning on or after 1st of July, 2014),
- **Amendments to various standards "Annual Improvements (period 2011-2013)"** – adopted within the frame of annual improvements process to IFRS (IFRS 1, IFRS 3, IFRS 13 and IAS 40). The purpose of these annual improvements is to clarify guidance or wording (effective for annual periods beginning on or after 1st of July, 2014).

According to the parent company's calculations, the accounting standards mentioned above, the interpretations and changes to standards would not have any significant impact on the financial statement if applied on the balance sheet date.

At the same time, hedge accounting regarding the portfolio of financial assets and liabilities have not been adopted by the EU.

According to the parent company's estimates, application of hedge accounting for the portfolio of financial assets or liabilities pursuant to **IAS 39: "Financial Instruments: Recognition and Measurement"**, would not significantly impact the financial statements, if applied as at the balance sheet date.

3. Notes to the Consolidated Financial Statement

3.1. Segment Information

In the Comarch Group, the business segments are basic type of operating segments, and geographical segments are the supplementary type of operating segments. The operations of Comarch's subsidiary units comprise the following types of activities:

- the sale of IT systems and services, as well as sales of IT hardware (hereinafter referred to as the "IT segment"),
- professional sports (hereinafter referred to as the "Sport segment"; MKS Cracovia SSA),
- investment activity on capital market and activity in relation with real estates investment, (hereinafter referred to as the "Investment segment"),
- activity in relation to medical services and software production, as well as medical equipment for medicine sector (hereinafter referred to as the "Medical segment").

IT segment has a dominant share in sales revenues, profits and assets. IT segment is divided into the DACH (Germany, Austria and Switzerland) market, Polish market and other markets according to the specific character of the activity in the segment.

Over 2013, Comarch Group revenue structure was as follows: 20% of annual sales were achieved in the first quarter, 22% in the second quarter, 25% in the third quarter and 33% in the fourth quarter. This revenue structure is consistent with tendency observed in IT branch. In the Group's opinion, over 2014, Group's revenue structure will be similar to that observed in the previous year.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT
FOR THE FIRST HALF OF 2014

COMARCH

All amounts are expressed in thousands of PLN unless otherwise indicated

Revenue, costs and financial result

6 months ended 30 June 2013	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Eliminations	Total
	Polish market	DACH market	Other markets					
Revenues per segment- sales to external clients	255,885	89,747	42,379	2,347	4,960	4,053	-	399,371
including:								
revenues from sales	253,888	87,672	41,713	103	4,663	3,662	-	391,701
To customers in Telecommunication, Media, IT sector	47,322	33,340	17,323	-	-	-	-	97,985
To customers in Finance and Banking sector	56,175	1,556	5,633	-	-	-	-	63,364
To customers in Trade and services sector	26,850	3,206	17,155	-	-	-	-	47,211
To customers in Industry&Utilities	41,718	2,335	1,345	-	-	-	-	45,398
To customers in Public sector	49,774	-	257	-	-	-	-	50,031
To customers in small and medium enterprises sector	30,979	47,235	-	-	-	-	-	78,214
To other customers	1,070	-	-	103	4,663	3,662	-	9,498
other operating revenue	4,422	1,948	610	2	297	391	-	7,670
finance revenue	(2,425)	127	56	2,242	-	-	-	-
Revenues per segment - sales to other segments	82,379	8,683	13,680	1,334	4,293	2,964	(113,333)	-
Revenues per segment - total*	338,264	98,430	56,059	3,681	9,253	7,017	(113,333)	399,371
Costs per segment relating to sales to external clients	235,079	103,338	40,829	1,847	6,748	11,643	-	399,484
Costs per segment relating to sales to other segments	82,379	8,683	13,680	1,334	4,293	2,964	(113,333)	-
Costs per segment - total*	317,458	112,021	54,509	3,181	11,041	14,607	(113,333)	399,484
Current taxes	(157)	(133)	(1,616)	-	-	-	-	(1,906)
Assets for the tax due to investment allowances and other tax relief	891	2,466	-	-	182	22	-	3,561
Share of segment in the result of parties valuated using the equity method of accounting	79	-	-	-	-	-	-	79
Net result	21,619	(11,258)	(66)	500	(1,606)	(7,568)	-	1,621
including:								
result attributable to shareholders of the parent company	21,619	(11,099)	(57)	500	(998)	(7,568)	-	2,397
result attributable to minority interest	-	(159)	(9)	-	(608)	-	-	(776)

*) 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.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT
FOR THE FIRST HALF OF 2014

COMARCH

All amounts are expressed in thousands of PLN unless otherwise indicated

6 months ended 30 June 2014	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Eliminations	Total
	Polish market	DACH market	Other markets					
Revenues per segment- sales to external clients	254,915	100,743	61,744	901	9,449	6,978	-	434,730
including:								
revenues from sales	251,336	100,392	61,525	127	9,335	6,962	-	429,677
To customers in Telecommunication, Media, IT sector	44,462	43,435	22,484	-	-	-	-	110,381
To customers in Finance and Banking sector	51,241	1,893	8,528	-	-	-	-	61,662
To customers in Trade and services sector	21,272	3,419	28,723	-	-	-	-	53,414
To customers in Industry&Utilities	37,185	2,042	1,399	-	-	-	-	40,626
To customers in Public sector	48,018	-	391	-	-	-	-	48,409
To customers in small and medium enterprises sector	42,405	49,603	-	-	-	-	-	92,008
To customers in Medicine sector	5,728	-	-	-	-	6,962	-	12,690
To other customers	1,025	-	-	127	9,335	-	-	10,487
other operating revenue	3,325	326	9	-	106	16		3,782
finance revenue	254	25	210	774	8	-	-	1,271
Revenues per segment - sales to other segments	68,740	10,771	4,713	1381	4,294	3,878	(93,777)	-
Revenues per segment - total*	323,655	111,514	66,457	2,282	13,743	10,856	(93,777)	434,730
Costs per segment relating to sales to external clients	234,343	92,716	59,345	990	7,991	18,389	-	413,774
Costs per segment relating to sales to other segments	68,740	10,771	4,713	1381	4,294	3,878	(93,777)	-
Costs per segment - total*	303,083	103,487	64,058	2,371	12,285	22,267	(93,777)	413,774
Current taxes	(1,719)	(2,217)	(3,092)	(95)	-	-	-	(7,123)
Assets for the tax due to investment allowances and other tax relief	1,399	(594)	(14)	(798)	108	955	-	1,056
Share of segment in the result of parties valuated using the equity method of accounting	(856)	-	-	-	-	-	-	(856)
Net result	19,396	5,216	(707)	(982)	1566	(10,456)	-	14,033
including:								
result attributable to shareholders of the parent company	19,396	5,066	(707)	(982)	1,036	(10,456)	-	13,353
result attributable to minority interest	-	150	-	-	530	-	-	680

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

Sales between specific segments are calculated based on market conditions.

Share of business segments in assets and liabilities and investment expenditures

The following table presents the assets and liabilities of particular segments, as well as investment expenditures and depreciation as at 30th of June, 2013 and as at 30th of June, 2014:

30 June 2013 / 6 months ended 30 June 2013

	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH	Other				
Assets	653,364	186,297	49,848	130,349	42,898	37,899	1,100,655
Liabilities	357,108	82,402	11,305	1,348	13,335	19,518	485,016
Investment expenditures	17,336	11,860	710	2,522	231	2,072	34,731
Depreciation	14,608	12,210	496	568	1,069	2,827	31,778

30 June 2014 / 6 months ended 30 June 2014

	IT Segment			Investment Segment	Sport Segment	Medicine Segment	Total
	Poland	DACH	Other				
Assets	641,099	197,132	68,228	117,861	40,758	34,844	1,099,922
Liabilities	311,470	96,822	14,920	3,285	14,052	18,651	459,200
Investment expenditures	26,358	4,903	204	103	194	2,991	34,753
Depreciation	14,885	7,096	299	424	913	2,895	26,512

Due to the geographical distribution of its activities, the Comarch Group has defined the following market segments: Poland, DACH (Germany, Austria and Switzerland), Europe- other countries, the Americas, and other countries. The Sport segment, the Investment segment and the Medicine segment operate 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:

Revenues from basic sales - activities location

	6 months ended 30 June 2014	%	6 months ended 30 June 2013	%
Poland	267,760	62.3%	262,316	67.0%
DACH	100,392	23.3%	87,671	22.4%
Other countries	61,525	14.4%	41,714	10.6%
TOTAL	429,677	100.0%	391,701	100.0%

Assets – activities location

	30 June 2014	%	31 December 2013	%
Poland	844,230	76.6%	905,387	79.3%
DACH	197,132	18.1%	182,842	16.0%
Other countries	58,560	5.3%	54,072	4.7%
TOTAL	1,099,922	100.0%	1,142,301	100.0%

Investments expenditures - activities location

	6 months ended 30 June 2014	6 months ended 30 June 2013
Poland	29,664	22,162
DACH	4,903	11,860
Other countries	186	709
TOTAL	34,753	34,731

3.2. Property, Plant and Equipment

	30 June 2014	31 December 2013
Lands and buildings	245,843	250,109
Means of transport and machinery	68,889	72,170
Property, plant and equipment under construction	24,303	9,763
Others	20,527	20,122
Advance money for property, plant and equipment under construction	35	785
Total	359,597	352,949

Property, plant and equipment comprise mostly real estate and machinery owned by Group. As at the 30th of June, 2014, propriety of Group are five office buildings in the Special Economic Zone in Krakow ("SEZ") at 45,051 square metres of the total space, two office buildings in Warsaw at 2,582 square metres of the total space and office buildings in Łódź, one office and storage building in Lille, and an office building and data centre in Dresden. Group owns also lands in the Special Economic Zone in Krakow at 3.5 ha of the total space. As at the 30th of June, 2014, property, plant and equipment under construction comprise mostly expenditures for the investments and the modernisation works of buildings used by Group.

On the 3rd of October, 2013, Comarch S.A. signed an agreement with consortium of Łęgrzem sp. z o.o., ZSK sp. z o.o. and Graphbud sp. z o.o. for the realisation of the fifth construction stage of the investment in the Special Economic Zone in Krakow (SSE6 building). The subject of the contract is the construction of a production and office building, altogether with data centre, including traffic and technical infrastructure. Total space of the building will be 11,708.87 m². The value of this agreement amounts to PLN 62,268 thousand. In the fourth quarter of 2013, Comarch S.A. began construction works. The planned completion date of this investment is the second quarter of 2015.

In the first quarter of 2012, iMed24 S.A., a subsidiary of Comarch S.A., commenced diagnostic and medical activity (Centrum Medyczne iMed24- medical centre) using diagnostic and medical equipment purchased in 2011. As at the 30th of June, 2014, book value of this equipment amounts to PLN 12.58 million.

In Łódź, design works are performed and related to a new office building. In April, 2014, the Group obtained a building permit. Realization of a designed investment is planned for 2015-2016.

The office building that was purchased by Comarch SAS in Lille is the new office of the company. The storage building will be transformed into the Comarch Data Centre of an approximately total space of 1,700 square metres. The estimated value of this investment amounts to approximately EUR 6 million. Preparation works will last till the end of the second quarter of 2014, and decision on commencing of the investment will depend on the current business condition.

3.3. Investment Real Estates

	30 June 2014	31 December 2013
Lands	7,465	1,098
Buildings	6,678	6,778
Total	14,143	7,876

As at the 30th of June, 2014, investment real estates comprise plots developed, placed in Krakow and used for lease to the entities outside the Group and lands located in Krakow, purchased in order to construct buildings dedicated for lease to the entities outside the Group.

Investment real estates were separated in relation to a change in method of using the owned real estates and significant purchase of such real estates in 2014.

In order to compare, there were presentation changes as at 31st of December, 2013, in the consolidated balance sheet and the following notes: "Investment real estates" and Property, plant and equipment".

3.4. Goodwill

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

	30 June 2014	31 December 2013
Comarch Kraków	99	99
CDN Comarch	1,227	1,227
Comarch AG	1,900	1,900
Comarch, Inc.	58	58
Comarch Software und Beratung AG	29,038	29,038
Comarch Swiss AG (A-MEA Informatik AG till 31 st of Dec., 2012)	8,413	8,413
ESAProjekt Sp. z o.o.	3,326	3,326
Total	44,061	44,061

On the 31st of December, 2013, the Comarch Group ran a test for loss in value regarding goodwill and it did not show any loss in value of the above-mentioned items of assets. The methodology was described in detail in the financial statement for 2013.

3.5. Other Intangible Assets

	30 June 2014	31 December 2013
Costs of finished development works	2,870	2,418
Perpetual usufruct right	38,989	39,035
Licences and software	26,349	28,161
Other	8,195	10,106
Total	76,403	79,720

Other intangibles include, in particular, valuation of assets related to acquisition of ESAProjekt sp. z o.o. in the amount of PLN 6 million, the value of relationships with customers in A-MEA Informatik AG in the amount of PLN 1.55 million, and the right to use the players' cards in the amount of PLN 0.64 million.

The perpetual usufruct right for land related to MKS Cracovia SSA that is worth PLN 31.65 million is considered the intangible asset with unspecified period of use and is not depreciated. The company expects renewal of perpetual usufruct right which will occur without incurring any major costs, as the company is not obliged to meet any conditions, which would decide about extension of this right. The company does not expect incurring any major costs when renewal of perpetual usufruct right, having in mind current activities of the co-owner of the sports club, i.e. Krakow commune.

3.6. Investment in Associates

As at 30th of June, 2014, Group had shares in associates.

At 1 January 2013	244
Share in profit for Q1-Q4 2013	(216)
Granting a loan	141
Repayment of a loan	(120)
At 31 December 2013	49
At 1 January 2014	49
Share in the increased capital and profit for H1 2014 of Sointeractive S.A.	505
Acquiring shares in and share in profit of Volatech Capital Advisors S.A.	109
Repayment of a loan	(21)
At 30 June 2014	642

As at 30th of June, 2014, investment in associates includes interest and shares in SolInteractive S.A. acquired by CCF FIZ and Bonus Management sp. z o.o. Activia SK-A. They constitute 42.98% of shares in the company (27.37% of votes). The investment in associates includes also shares in Volatech Capital Advisors S.A. Comarch S.A. holds 21.43% of share capital (15.79% of votes) and CAMS AG holds 42.86% of share capital (31.58% of votes) in the total amount of PLN 0.642 million.

3.7. Inventories

	30 June 2014	31 December 2013
Raw materials	757	701
Work in progress	29,072	33,716
Goods	24,625	18,777
Advance due to finished products	540	493
TOTAL	54,994	53,687

The cost of inventories included in 'Costs of products, goods and materials sold' in the income statement amounted to PLN 202.63 million (6 months ended the 30th of June, 2014), PLN 539.77 million (12 months ended the 31st of December, 2013), PLN 208.12 million (6 months ended 30th of June, 2013).

Within the first half of 2014, the Comarch Group created write-offs that revaluated goods and materials and were worth PLN 0.11 million. Group dissolved write-offs which had been created in previous years and amounted to PLN 0.28 million.

3.8. Available-for-Sale Financial Assets

	6 months ended 30 June 2014	12 months ended 31 December 2013
At the beginning of the year	6,685	1,616
Additions H1	137	15
Disposals H1	-	-
At 30 June	6,822	1,631
Additions H2	-	5,054
Disposals H2	-	-
At 31 December	-	6,685

In the periods related to this statement, no write-offs due to loss in value of available-for-sale financial assets were performed.

As of the 30th of June, 2014, available-for-sale financial assets comprised investments units in money market and debt securities fund, which were held by Comarch Management sp. z o.o. SK-A. They were purchased as a deposit for free monetary means. Participation units' turnover is held beyond the scope of the regulated market. Acquisition price of participation units amounted to PLN 6.4 million, and their valuation through fair value as at the 30th of June, 2014, amounted to PLN 6.82 million.

Information on disposal intention of available-for-sale financial assets: Comarch Management sp. z o.o. SK-A intends to sell held available-for-sale financial assets within 12 months from the balance sheet date.

3.9. Financial Assets-Derivative Financial Instruments

	30 June 2014	31 December 2013
Forward foreign exchange contracts – held-for-trading	1,425	1,641
Transaction on change of IRS	(289)	3
	1,136	1,644
<i>Current portion</i>	<i>1,323</i>	<i>1,644</i>
<i>Non-current portion</i>	<i>(187)</i>	<i>-</i>

Group held forward contracts to reduce the effect of changes in cash flows on financial result, where cash flows are related to the planned transactions and changes are the result of foreign exchange risk, and to secure cash flows on account of an investment credit granted in euro. As at 30th of June, 2014, the above-mentioned instruments were valued at fair value according to market price and changes in valuation were referred into the results from financial operations. Total net value of forward contracts that were open as at 30th of June, 2014, amounted to EUR 9.9 million, USD 3.9 million and GBP 3.1 million. After the balance sheet date, the Comarch Group concluded forward contracts for sales of EUR 2.9 million, USD 1.9 million, GBP 2 million and CAD 0.4 million.

On the 24th of October, 2013, Comarch S.A. concluded a transaction on change of IRS for investment credit taken on the 30th of September, 2013 from Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw, which was announced in current report no. 20/2013 dated the 1st of October, 2013. As a consequence of the concluded transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded for the period of 5 years, i.e. till the 31st of October, 2018. As at the 30th of June, 2014, valuation of the IRS transaction amounted to minus PLN 0.25 million.

On the 27th of June, 2014, Comarch S.A. concluded a transaction on change of IRS for nonrevolving credit taken on the 4th of January, 2013 from Bank Zachodni WBK S.A. (formerly Kredyt Bank S.A.) with its registered office in Wrocław. As a consequence of the concluded transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded for the period of 5 years, i.e. till the 28th of June, 2019. As at the 30th of June, 2014, valuation of IRS transaction amounted to minus PLN 0.04 million.

After the balance sheet date, Comarch S.A. concluded a transaction on change of IRS which was described in detail in point 4.4.2. As at 28th of August, 2014, valuation of IRS transaction amounted to minus PLN 0.44 million.

3.10. Trade and Other Receivables

	30 June 2014	31 December 2013
Trade receivables	246,556	331,046
Write-off revaluating receivables	(7,932)	(9,226)
Trade receivables – net	238,624	321,820
Other receivables	24,896	22,556
Short-term prepayments	7,922	7,804
Other prepayments	3,230	396
Loans	2822	9,781
Receivables from related parties	47	47
Total	277,541	362,404
<i>Current portion</i>	<i>277,541</i>	<i>362,404</i>

The fair value of trade and other receivables is close to their balance sheet value presented above. There is no concentration of credit risk with respect to trade receivables as Group has a large number of internationally dispersed customers. In 2014, Group has recognised a write-off due to loss in value of its trade receivables that was worth PLN 1.12 million and dissolved write-

offs which had been previously created and worth PLN 2.93 million in relation to payment of debts. These operations were presented in the income statement, in other costs and operating revenues, respectively.

3.11. Share Capital

	Number of shares	Ordinary and preference shares	Own shares	TOTAL
At 1 January 2013	8,051,637	8,051,637	-	8,051,637
At 31 December 2013	8,051,637	8,051,637	-	8,051,637
31 March 2014 - registration of an increase in the company's share capital	73,953	73,953	-	73,953
At 30 June 2014	8,125,590	8,125,590	-	8,125,590

The nominal value of one share is PLN 1.

The share capital of Comarch S.A. consists of:

- 1) 864,800 series A registered preference shares,
- 2) 75,200 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,
- 12) 91,041 series J2 ordinary bearer shares,
- 13) 73,953 series K3 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.

3.11.1. 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 Publication the Financial Report

- Janusz Filipiak held 2,669,315 shares (32.85% of the company's share capital), which gave him 6,241,315 votes at the AGM and constituted 41.28% of all votes at the AGM;
- Elżbieta Filipiak held 846,000 shares (10.41% of the company's share capital), which gave her 4,230,000 votes at the AGM and constituted 27.98% of all votes at the AGM

3.11.2. Changes in Share Capital in H1 2014

In execution of the Resolution no. 23 of the Annual General Meeting dated 28th of June, 2010, regarding the managerial option program for key employees, on the 13th of January, 2014, the Supervisory Board of Comarch S.A. passed the Resolution no. 2/01/2014 on execution of the managerial option program for 2013, by way of issuance of 73,953 ordinary bearer series K3

shares, of nominal value of PLN 1 and issue price of PLN 1 each, excluding a stock right of the current company's shareholders (current report no. 2/2014 dated the 13th of January, 2014). As a consequence, the Management Board of Comarch S.A. passed the resolution no. 1 dated the 20th of January, 2014, regarding an increase in the share capital by way of emission of 73,953 ordinary bearer series K3 shares (current report no. 3/2014 dated the 20th of January, 2014).

On the 31st of March, 2014, the District Court for Kraków-Śródmieście, the Eleventh Economic Division of the National Court Register registered increase in the company's share capital to the amount of PLN 8,125,590.00. After this increase the company's share capital is divided into 8,125,590 shares. It corresponds to 15,119,190 votes at the company's AGM (current report no. 7/2014 dated the 3rd of March, 2014).

3.11.3. Changes in Share Capital after the Balance Sheet Date

None present.

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

3.12.1. for 2011-2013

On 28th of June, 2010, the Annual General Meeting of Shareholders passed Resolution no. 23 on the managerial options programme for company's Key Employees for 2011-2013. 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 was executed through offers of newly-issued shares in the company in 2012, 2013 and 2014 to 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 of each year of the execution of the programme (beginning with 2011) and the issue price of shares offered to Key Employees. The basis for the calculation of the value of the Option were increases in company capitalisation, calculated as follows:

- for 2011 – as the difference between the average capitalisation of the company in 2011 and the average capitalisation of the company in 2010,
 - for 2012 – as the difference between the average capitalisation of the company in 2012 and the average capitalisation of the company in 2011,
 - for 2013 – as the difference between the average capitalisation of the company in 2013 and the average capitalisation of the company in 2012,
- where the average capitalisation of the company in the given year is the arithmetical average of the daily capitalisations of the company in the given year, and the daily capitalisation is the number of shares of the company multiplied by the stock exchange closing rate for shares of the company in the given day.

In the fourth quarter of the year that precedes the year of the Programme execution, the Board of Supervisors shall establish a list of Key Employees and Individual Option Ratios. The list of Key Employees and Individual Option's Ratios will be established independently for each year of the Programme. Total value of Individual Option Ratios for all Key Employees in the given year will amount to 3.6% (three and six tenths per cent) of the increase in the company's capitalization.

The difference between the average capitalisation 2011 and the average capitalisation in 2010 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 were not issued in 2012.

The difference between the average capitalisation 2012 and the average capitalisation in 2011 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 2013.

The determined Option's value amounts to PLN 2.87 million and it was recognised as cost in the income statement.

The difference between the average capitalisation in 2013 and the average capitalisation in 2012 is positive, as a result, shares for members of the Management Board and Key Employees will be issued in 2014.

In execution of the Resolution no. 23 of the Annual General Meeting dated 28th of June, 2010,

regarding the managerial option program for key employees, on the 13th of January, 2014, the Supervisory Board of Comarch S.A. passed the Resolution no. 2/01/2014 on execution of the managerial option program for 2013, by way of issuance of 73,953 ordinary bearer series K3 shares, of nominal value of PLN 1 and issue price of PLN 1 each, excluding a stock right of the current company's shareholders (current report no. 2/2014 dated the 13th of January, 2014). As a consequence, the Management Board of Comarch S.A. passed the resolution no. 1 dated the 20th of January, 2014, regarding an increase in the share capital by way of emission of 73,953 ordinary bearer series K3 shares (current report no. 3/2014 dated the 20th of January, 2014).

On the 31st of March, 2014, the District Court for Kraków-Śródmieście, the Eleventh Economic Division of the National Court Register registered increase in the company's share capital to the amount of PLN 8,125,590.00. After this increase the company's share capital is divided into 8,125,590 shares. It corresponds to 15,119,190 votes at the company's AGM (current report no. 7/2014 dated the 3rd of March, 2014).

On the 25th of April, 2014, the Management Board of the National Deposit for Securities passed a resolution no. 424/14 on the conditional registration of series K3 shares. The Management Board of the National Deposit for Securities decided to register 73,953 ordinary bearer series K3 Comarch S.A. shares of a nominal value of PLN 1 each and mark them with the code PLCOMAR00012, providing that the company managing the regulated market decides that these shares will be introduced to trading on the regulated market where other Comarch S.A. shares were introduced, providing that the above-mentioned bearer series K3 shares will be registered in the National Deposit for Securities three days from the reception by the National Deposit of documents that confirm that decision mentioned above was made by the company managing the regulated market, but not earlier than on the day of introduction to trading that was pointed out in the decision. The company announced details in current report no. 10/2014 dated the 25th of April, 2014.

With the resolution no. 540/2014 dated the 6th of May, 2014, the Management Board of the Warsaw Stock Exchange decided that 73,953 ordinary bearer series K3 Comarch S.A. shares of nominal value of 1 PLN each are admitted to trading. The Management Board of the Warsaw Stock Exchange decided that the shares mentioned above will be introduced to trading on the 8th of May, 2014, providing that on the 8th of May, 2014, they will be registered by the National Deposit for Securities and marked with the code "PLCOMAR00012". The company announced details in current report no. 12/2014 dated the 6th of May, 2014.

On the 6th of May, 2014, the Operating Department of the National Deposit for Securities announced that on the 8th of May, 2014, 73,953 Comarch S.A. shares will be registered in the National Deposit for Securities (ISIN code: PLCOMAR00012, resolution no. 424/14 dated the 25th of April, 2014 of the KDPW S.A. Management Board). The company announced details in current report no. 13/2014 dated the 6th of May, 2014.

3.12.2. for 2014-2016

On 26th of June, 2013, the Annual General Meeting of Shareholders passed Resolution no. 36 on the managerial options programme for members of the company's Management Board managing company and Capital Group for 2014-2016. The objective of the programme is to additionally motivate members of the company's Management Board 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 2015, 2016 and 2017 to company's Management Board. 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 of each year of the execution of the programme (beginning with 2014) and the issue price of shares offered to company's Management Board. After changes introduced by the resolution no. 25 of the Annual General Meeting of the 26th of June, 2014, period of execution of the programme was limited for 2014.

The basis for the calculation of the value of the Option shall be increases in company capitalisation, calculated as the difference between the average capitalisation of the company in 2014 and the average capitalisation of the company in 2013, where the average capitalisation of the company in the given year is the arithmetical average of the daily capitalisations of the company in the given year, and the daily capitalisation is the number of shares of the company multiplied by the stock exchange closing rate for shares of the company in the given day.

In the fourth quarter of 2013, the Board of Supervisors established a list of members of the company's Management Board participating the Programme and Individual Option Ratios. Total value of Individual Option Ratios for all members of the company's Management Board amounts to 3.6% (three and six tenths per cent) of the increase in the company's capitalization.

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 members of the Management Board 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 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).

The determined Option's value amounts to PLN 3.02 million, including PLN 1.51 million in the first half of 2014, and it was recognised as cost in the income statement.

3.13. Trade and Other Payables

	30 June 2014	31 December 2013
Trade payables	89,351	121,824
Advance payments received due to services	1,982	1,252
Liabilities to related parties	732	467
Liabilities due to social insurance and other tax charges	20,970	43,245
Investments liabilities	6,756	3,248
Revenues from the future periods	37,934	18,389
Other payables	2,888	3,637
Special funds (Social Services Fund and Residential Fund)	2,253	1,571
Total	162,866	193,633

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

3.14. Long-term Contracts

	6 months ended 30 June 2014	6 months ended 30 June 2013
a) revenues from completed contracts recognised in the reporting period	10,901	11,360
b) revenues from contracts not completed recognised in the reporting period	48,410	56,532
c) revenues from contracts not completed recognised in the reporting period- an effect of settlement pursuant to IAS 11	20,427	19,417
Revenues due to long-term contracts recognised in the reporting period	79,738	87,309

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 valued in accordance with the degree of work progress. Changes in settlements due to long-term contracts recognised in assets and liabilities between the 30th of June, 2014 and the 30th of June, 2013 are presented below:

	At 30 June 2014	At 30 June 2013
Long-term contracts revenues included to the balance sheet date - determined according to the progress of work	255,417	212,900

Issued invoices	(236,142)	(200,363)	
	19,275	12,537	
	Long-term contracts receivables	Long-term contracts liabilities	Net
Revenues from long-term contracts included in the reporting period			
Value at 01.01.2013	10,165	(17,045)	(6,880)
Value at 31.12.2013	39,985	(27,448)	12,537
Change	29,820	(10,403)	19,417
Value at 01.01.2014	32,264	(33,416)	(1,153)
Value at 30.06.2014	48,163	(28,888)	19,275
Change	15,899	4,528	20,427

3.15. Credits and Loans

	30 June 2014	31 December 2013
Non-current		
Bank credits	97,148	110,630
Loans	61	121
	97,209	110,751
Current	-	-
Bank overdraft	-	-
Loans	118	368
Bank credits	38,567	20,332
	38,685	20,700
Total credit and loans	135,894	131,451

The value of liabilities due to bank credits and loans was recognised in the amount of depreciated cost that was determined using the effective interest rate. The fair value of liabilities due to credits and loans does not differ significantly from the balance sheet value.

The amount of principal instalments paid in the first half of 2014 amounted to PLN 10.5 million. Within the 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 Group bank credits to interest rate changes

At 31 December 2013	6 months or less	6-12 months	1-5 years	Over 5 years	Total
Credits and loans	10,806	10,437	81,851	28,900	131,994
Interest	(543)	-	-	-	(543)
	10,263	10,437	81,851	28,900	131,451
At 30 June 2014	6 months or less	6-12 months	1-5 years	Over 5 years	Total
Credits and loans	13,506	25,628	66,080	31,129	136,343
Interest	(449)	-	-	-	(449)
	13,057	25,628	66,080	31,129	135,894

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

	30 June 2014	31 December 2013
Between 1 and 2 years	19,362	35,064
Between 2 and 5 years	46,718	46,787
Over 5 years	31,129	28,900
	97,209	110,751

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

	30 June 2014	31 December 2013
In Polish currency	28,025	26,396
In EUR (equivalence in PLN)	107,869	105,055
	135,894	131,451

The effective interest rates at the balance sheet date

	30 June 2014	31 December 2013
Bank credits	1,94%	1,91%
Loans	5,81%	3,64%

3.15.1. Long-term Bank Credits

Comarch Comarch S.A. credit lines:

- a) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw in amount of PLN 20 million, acquired in 2004 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. On 5th of January, 2009, the company revaluated the remaining credit to be paid into EUR. A promissory note, the mortgage on land and the building insurance policy are security for this credit. As at 30th of June, 2014, the value of the credit to be repaid amounted to EUR 0.5 million, i.e. PLN 2.08 million.
- b) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office 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 PLN 44 million. The crediting period may last a maximum of 16 years, i.e. until 2024. This credit has a variable interest rate. It was taken out by 30th of September, 2008. A promissory note, the mortgage on land and the building insurance policy are security for this credit. On the 5th of October, 2011, the company revaluated the remaining credit to be paid into euro. As at 30th of June, 2014, the value of the credit to be repaid amounted to EUR 6.35 million, i.e. PLN 26.43 million.
- c) An investment credit from Bank Pekao S.A. with its registered office in Warsaw, for the financing of purchase of land in the Special Economic Zone in Krakow. The credit amounts to PLN 15.1 million. This credit has a variable interest rate. A promissory note and the mortgage on the land are security for this credit. At the beginning, the crediting period was 5 years, till 2012, however on the 29th of May, 2012, an annex was concluded which extended it till 2015. As at 30th of June, 2014, the value of the credit to be repaid amounted to PLN 15.1 million.
- d) An investment credit from Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw, for the refinancing of the investment credit acquired in DnB NORD Bank Polska S.A. on the 28th of April, 2010, for financing of the fourth construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to EUR 4.13 million. The crediting period may last 8 years at a variable interest rate. The real estate mortgage in the amount of EUR 6.19 million and cession of rights in the building insurance policy are security for this credit. The loan was drawdown on the 1st of October, 2013. As at the 30th of June, 2014, the value of the credit to be repaid amounted to EUR 3.74 million, i.e. PLN 15.56 million.

- e) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw, for the financing of the purchase of hardware and software for a project related to data centre services. The credit amounts to EUR 2.4 million. The crediting period may last until 2016. The loan was drawdown on the 7th of August, 2012. This credit has a variable interest rate. Transfer of debts from the contract and the registered pledge on the financed property, plant and equipment in use are security for this credit. As at 30th of June, 2014, the value of the credit to be repaid amounted to EUR 1.2 million, i.e. PLN 4.99 million.
- f) A nonrevolving operating credit from BZ WBK Bank S.A. (previously Kredyt Bank S.A.) with its registered office in Warsaw acquired in the first quarter of 2013, for financing of company's operations. The credit amounts to EUR 7.4 million. The crediting period may last 8 years, and its maturity date is 31st of December, 2020. This credit has a variable interest rate. The real estate mortgage and cession of rights in the insurance policy are security for this credit. As at 30th of June, 2014, the value of the credit to be repaid amounted to EUR 6.21 million, i.e. PLN 25.82 million.
- g) an investment credit agreement with bank Polska Kasa Opieki Spółka Akcyjna with its registered office in Warsaw, for financing and refinancing of not more than 90% of net costs of an investment related to construction of office building SSE6 and data centre in the Special Economic Zone in Krakow. The credit amounts to PLN 56 million, i.e. EUR 13,323,182.34. The crediting period: 10 years, repayment will be made not later than on 4th of December, 2023. Loan was granted in EUR and it has a variable interest rate. Power of attorney to manage Comarch S.A. bank accounts in the Bank, declaration of submission to enforcement, the real estate mortgage in the amount of PLN 84 million (entry dated the 13th of February, 2014, in the Mortgage and Land Register of the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register -current report no. 5/2014 dated the 20th of March, 2014), cession of rights in the building insurance policy, cession of rights in the bank guarantee for contract good performance and for warranty obligations and warranty are security for this credit. It should be taken out by 4th of December, 2015. As at 30th of June, 2014, value of the credit taken out amounted to EUR 2.96 million, i.e. PLN 12.33 million.
- h) A nonrevolving operating credit from bank Pekao S.A. with its registered office in Warsaw for financing and refinancing of deliveries related to the contract for delivery and implementation of the system for digital recording of court proceedings in common courts which was concluded between Ministerstwo Sprawiedliwości (Ministry of Justice) and Comarch Polska S.A., a subsidiary of Comarch S.A. (current report no. 6/2014 dated the 21st of March, 2014. The crediting period: till the 30th of November, 2014, at a variable interest rate. It should be drawdown by 30th of September, 2014. The surety granted by Comarch Polska S.A., a subsidiary of Comarch S.A., declaration of submission to enforcement and authorisation to manage accounts in PEKAO S.A., as well as declaration of submission to enforcement and authorisation to manage Comarch S.A.'s accounts in PEKAO S.A. are security for this credit. As at 30th of June, 2014, value of the credit taken out amounted to PLN 2.98 million (current report no. 9/2014 dated the 9th of April, 2014).

In the third quarter of 2011, iMed24 S.A. acquired investment loan from Bank Pekao S.A. with its registered office in Warsaw for financing of purchase of medical equipment and facilities in relation with NZOZ Centrum Medyczne iMed24 (medical centre) in Krakow. The credit amounts to PLN 15.89 million and as at 31st of December, 2011, it was used in total. The crediting period may last 7 years, i.e. until 2018. This credit has a variable interest rate. The registered pledge on the financed property, plant and equipment in use, cession of rights in the property, plant and equipment in use insurance policy and surety granted by Comarch S.A. are security for this credit. As at the 30th of June, 2014, the value of the credit to be repaid amounted to PLN 10.21 million.

In the second quarter of 2013, Comarch AG acquired investment loan from BNP Paribas Bank Polska S.A. with its registered office in Warsaw for financing of construction of an office and production building, including data centre in Dresden. The credit amounts to EUR 6 million, and its crediting period is until 2018. The loan was drawdown on the 25th of July, 2013. This credit has a variable interest rate. Surety granted by Comarch S.A., a mortgage and cession of rights

in the insurance policy are security of this credit. As at the 30th of June, 2014, the value of the credit to be repaid amounted to EUR 4.97 million, i.e. PLN 20.66 million.

3.15.2. Loans

On the 27th of December, 2012, Comarch S.A. signed a loan agreement with IBM Polska sp. z o.o. for financing of delivery of IBM hardware in relation to an IT project performed by the Comarch Group. The loan amounts to PLN 0.34 million and drawdown was made in the first quarter of 2013. Loan will reach its maturity date in December, 2015. It has a fixed interest rate. The loan is not secured. As at the 30th of June, 2014, the value of the credit to be repaid amounted to PLN 0.18 million.

In the second quarter of 2013, CA Consulting S.A., a subsidiary of Comarch S.A., signed a loan agreement with IBM Polska sp. z o.o. for financing of delivery of IBM hardware in relation to an IT project performed by the company. The loan amounts to PLN 1.14 million and drawdown was made in the second quarter of 2013. Loan will reach its maturity date in April, 2014. It has a fixed interest rate. The loan is secured with a surety granted by Comarch S.A. The loan was repaid in total in the second quarter of 2014.

3.15.3. Current credit lines (variable interest rate)

In the Comarch Group, Comarch S.A., parent company, has the following credit limits in current account:

- a) Credit limit in current account in bank Powszechna Kasa Oszczędności Bank Polski S.A. ("PKO BP S.A.") with its registered office in Warsaw in the amount of PLN 10 million. It can be used by the 13th of December, 2014. An authorisation to manage Comarch S.A.'s accounts in PKO BP S.A. and a promissory note are security for this credit. As at the 30th of June, 2014, the credit was not used.
- b) Credit limit in current account in bank BPH S.A with its registered office in Krakow in the amount of PLN 13.38 million. It can be used by the 28th of September, 2014. A promissory note and a declaration of submission to enforcement are security for this credit. As at the 30th of June, 2014, the credit was not used.
- c) Credit limit in current account in bank Pekao S.A. with its registered office in Warsaw in the amount of PLN 26.34 million. It can be used by the 31st of May, 2016. An authorisation to manage Comarch S.A.'s accounts in bank Pekao S.A., a promissory note and a declaration of submission to enforcement are security for this credit. As at the 30th of June, 2014, the credit was not used.

	30 June 2014	31 December 2013
Current credit lines granted, expiring within one year, including:	56,120	53,778
– used at the balance sheet date	-	-
– available at the balance sheet date	56,120	53,778

3.16. Financial Liabilities

	30 June 2014	31 December 2013
Liabilities due to finance lease	730	925
Current portion	398	409
Non-current portion	332	516
Liabilities due to dividend	13,271	-
Current portion	13,271	-
Total	14,001	925

Liabilities due to the Comarch Group's finance lease (excluding lease agreements between the companies in the Group) comprise liabilities of Comarch SA and ESAProjekt sp. z o.o., a subsidiary of Comarch SA, due to finance lease agreements for cars and IT hardware. As at the 30th of June, 2014, value of these liabilities amounted to PLN 0.73 million.

3.17. Liabilities due to Operating Lease

	Less than 1 year	Less than 5 years	Total
Liabilities due to lease agreements for usage places	15,588	35,655	51,243
Liabilities due to lease agreements for equipment and means of transport	1,460	1,279	2,739
Total	17,048	36,934	53,982

Liabilities due to lease agreements for usage places comprise Group's liabilities, including those between Comarch Group's companies and related to leases of office spaces and company flats. Agreements including the given expiration date were directly recorded to the liabilities due within 1 year or less, or within 5 years or less, respectively. However, most of the agreements have been concluded for an indefinite period, therefore the amounts of the liabilities were established by multiplying the amount of monthly rent by 12 months (column: 1 year or less) or by 60 months (column: 5 years or less).

As at 30th of June, 2014, Comarch Group had contractual liabilities due to operating lease (means of transport and electronic equipment) in the amount of PLN 2.74 million.

3.18. Contingent Liabilities

On 30th of June, 2014, the value of bank guarantees and letters of credit issued by banks on order from Comarch S.A. in reference to executed agreements and participation in tender proceedings was PLN 59.12 million, whereas it was PLN 70.77 million on 31st of December, 2013.

On 30th of June, 2014, the value of bank guarantees issued by banks on order from Comarch Polska S.A. in reference to executed agreements and participation in tender proceedings was PLN 0.57 million, whereas it was PLN 0.64 million on 31st of December, 2013.

On 30th of June, 2014, the value of bank guarantees issued by banks on order from Comarch Software und Beratung Group in reference to executed agreements and participation in tender proceedings was EUR 0.47 million, i.e. PLN 1.96 million, whereas it was EUR 0.29 million, i.e. PLN 1.2 million on 31st of December, 2013.

Comarch S.A. granted letters of comfort for its subsidiaries: MKS Cracovia SSA and ESAProjekt sp. z o.o. (they are both valid till 30th of June, 2015) and iMed24 S.A. (valid till 31st of December, 2018).

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

	30 June 2014	31 December 2013
Credit lines *	166,456	177,158
	166,456	177,158

(*) they comprise credit lines at current account that are described in 3.14.3

The Comarch Group is the defendant in legal proceedings, in which the potential total amount of third party claims is PLN 10.19 million. Provisions for part of these claims were presented in the balance sheet as of 30th of June, 2014 and are worth PLN 2.21 million. They include provisions for claims recognised in 2014 and worth PLN 1.2 million. The Comarch Group is the party to the matters in disputes but not legal proceedings in which the potential total amount of third party claims is PLN 34.49 million. Provisions for part of these claims were presented in the balance sheet as of 30th of June, 2014 and are worth PLN 2.28 million. In the opinion of the Management Boards in the entities of the Comarch Group and based on the opinions of legal advisors, there are no circumstances suggesting the necessity to create provisions for the rest of the claims in legal proceedings or matters in disputes but not legal proceedings.

Due to legal proceedings conducted in 2014, the Comarch Group created write-offs that revalue receivables and were worth PLN 0.115 million.

3.19. Deferred Income Tax

	30 June 2014	31 December 2013
A deferred income tax assets		
- temporary differences	12,709	14,287
- basset due to a tax loss	6,339	5,903
- an asset due to activities in Special Economic Zone ("SEZ")	7,900	8,795
Total	26,948	28,985
- charged to financial result	26,948	28,985

In the first half of 2014, the Group settled in part an asset due to activities in the SEZ that was worth PLN 0.895 million and established as at 31st of December, 2013 in proportion to the generation of tax-exempt income in this period.

In 2014, the Group settled in part a deferred tax asset related to temporary differences that was established on 31st of December, 2013 and worth PLN 3.819 million, as well as an asset due to temporary differences was recognised in the amount of PLN 2.241 million. An asset due to tax loss was dissolved in the amount of PLN 0.247 million and recognised in the amount of PLN 0.683 million. The total effect of the above-mentioned operations on the net result of 2014 was minus PLN 2.037 million.

	30 June 2014	31 December 2013
Provision for deferred income tax		
- temporary differences	6,335	5,578
- provision due to fair value valuation of assets recognised as a result of acquisition of the Comarch Sub, ESAProjekt sp. z o.o. and A-MEA Informatik AG, and due to valuation of MKS Cracovia SSA's real estates	6,842	7,096
- provision due to valuation of certificates in CCF FIZ	24,276	27,871
Total	37,453	40,545
- charged to equity	5,430	5,430
- charged to financial result	30,611	33,449
- provision due to acquisition of the Comarch Sub	-	-
- provision due to acquisition of A-MEA Informatik AG and ESAProjekt sp. z o.o.	1,412	1,666

Due to valuation of net assets of CCF FIZ, in 2014, Group dissolved in part a deferred tax provision, which was recognised in the previous years and was worth PLN 3.595 million. At the same time, a deferred tax provision due to temporary differences was recognised in the amount of PLN 4.469 million and dissolved in the amount of PLN 3.712 million. In 2014, Group dissolved a provision due to acquisition of A-MEA Informatik AG and ESAProjekt sp. z o.o. which was worth PLN 0.254 million. The total effect of the all above-mentioned operations on the net result of 2014 was plus PLN 3.092 million.

Total changes in the deferred income tax resulted in an increase in result of PLN 1.055 million.

In relation to MKS Cracovia SSA and iMed24 S.A., despite of the fact that the tax loss existed, a deferred tax asset was not created due to the lack of possibility to make the reliable estimates of the income tax possible to achieve in the coming years.

3.20. Provisions for Other Liabilities and Charges

Current	Costs related to current period which will be incurred in future	Provisions for costs of contracts	Provisions for contractual penalties and other claims	Provisions for leaves	Provisions for premiums	Total
At 1 January 2014	3,655	13,614	4,728	16,618	54,685	93,300
Change:	289	(42)	5,441	6,163	(28,814)	(16,963)
- provisions created	4,060	7,072	6,481	10,222	22,920	50,755
- provisions used and dissolved	(3,771)	(7,114)	(1040)	(4,059)	(51,734)	(67,718)
At 30 June 2014	3,944	13,572	10,169	22,781	25,871	76,337

All provisions were calculated based on credible estimate as of the balance sheet date.

3.21. Related-Party Transactions

3.21.1. Revenues from Sales of Goods and Services

	6 months ended 30 June 2014	6 months ended 30 June 2013
Revenues from sales of goods:		
SolInteractive S.A.	-	-
	-	-
Revenues from sales of services:		
SolInteractive S.A.	35	118
	35	118
	35	118

Price for services is determined depending on the type of transaction, according to one of three methods:

- 1) comparable market price,
- 2) cost - plus basis (margin from 2 to 3% for goods, 5% for services),
- 3) margin on sales of services (from 10% to 40%)

3.21.2. Purchase of Goods and Services

	6 months ended 30 June 2014	6 months ended 30 June 2013
Purchases of goods:		
SolInteractive S.A.	811	53
	811	53
Purchase of services:		
SolInteractive S.A.		
<i>included in generation costs</i>	537	704
<i>included in other costs</i>	1 653	1 538
	2 190	2 242
	3 001	2 295

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

	30 June 2014	31 December 2013
Receivables from related parties		
SolInteractive S.A.	47	93
	47	93
Payables to related parties		
SolInteractive S.A.	732	571
	732	571

3.21.4. Transactions with Associates and Personally Related Entities

PLN'000	6 months ended 30 June	6 months ended 30 June
Purchases from personally related entities	495	709
Sales to personally related entities	42	74
Loans and interest on loans paid by personally related entities	11 604	251
Loans and interest on loans granted to personally related entities	10 874	306
Purchases from associates	3 001	2 295
Sales to associates	35	118
Loans and interest on loans repaid by associates	66	4
Loans and interest on loans granted to associates	-	125

4. Additional Notes

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

4.1.1. Deferred Income Tax Assets

In the first half of 2014, the Group settled in part an asset due to activities in the SEZ that was worth PLN 0.895 million and established as at 31st of December, 2013 in proportion to the generation of tax-exempt income in this period.

In 2014, the Group settled in part a deferred tax asset related to temporary differences that was established on 31st of December, 2013 and worth PLN 3.819 million, as well as an asset due to temporary differences was recognised in the amount of PLN 2.241 million. An asset due to tax loss was dissolved in the amount of PLN 0.247 million and recognised in the amount of PLN 0.683 million. The total effect of the above-mentioned operations on the net result of 2014 was minus PLN 2.037 million.

4.1.2. Valuation of Exchange Differences

Contrary to the first half of 2013, fluctuations of PLN versus EUR, USD and GBP in the first half of 2014 had a slight effect on revenue and results of the Comarch Group. Realised exchange differences and balance sheet valuation of exchange differences on receivables and liabilities as of the 30th of June, 2014, decreased by PLN 0.017 million the revenue and operating result of the Comarch Group (they increased them by PLN 4.774 million in the first half of 2013). Other exchange differences decreased by PLN 0.196 million the Comarch's result (they decreased by PLN 1.346 million in the first half of 2013). Total exchange differences resulted in a decrease of PLN 0.213 million in the Comarch Group's net result (an increase of PLN 3.428 million in the first half of 2013).

4.2. Events after the Balance Sheet Date

4.2.1. Forward Contracts Concluded after the Balance Sheet Date

Between the 1st of July, 2014 and the 29th of August, 2014, Comarch S.A. concluded forward contracts for sales of EUR 2.9 million, USD 1.9 million, GBP 2 million and CAD 0.4 million. The total net value of open forward contracts as of the 29th of August, 2014 amounted to EUR 11.1 million, USD 5.1 million, GBP 4.4 million and CAD 0.4 million. The open forward contracts as of the 29th of August, 2014 were valued at PLN 0.85 million. The contracts will be settled within 18 months from the balance sheet date. All forward contracts have been concluded in order to limit the influence of currency exchange rates on the financial results related to the contracts carried out by Comarch S.A., in which the remuneration is set in a foreign currency, and to secure cash flows on account of an investment credit granted in euro.

4.2.2. IRS Transaction Concluded after the Balance Sheet Date

On the 9th of July, 2014, Comarch S.A. concluded a transaction on change of IRS for investment credit taken in June, 2006 from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw, for financing of the third investment stage of construction in the special economic zone in Krakow. As a consequence of the concluded transaction, variable EURIBOR1M rate was changed into a fixed interest rate. The hedging transaction was concluded for the period of 10 years, i.e. till the 29th of July, 2024.

4.3. 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 the Issuer

None present.

29th of August, 2014

SIGNATURES OF MANAGEMENT BOARD MEMBERS

NAME AND SURNAME	POSITION	SIGNATURE
Janusz Filipiak	President of the Management Board	
Piotr Piątosza	Vice-president of the Management Board	
Paweł Prokop	Vice-president of the Management Board	
Piotr Reichert	Vice-president of the Management Board	
Zbigniew Rymarczyk	Vice-president of the Management Board	
Konrad Tarański	Vice-president of the Management Board	
Marcin Warwas	Vice-president of the Management Board	

SIGNATURE OF PERSON CHARGED WITH CARRYING ON ACCOUNT BOOKS

NAME AND SURNAME	POSITION	SIGNATURE
Maria Smolińska	Head Accountant	

COMARCH

REPORT
OF COMARCH S.A.'s MANAGEMENT BOARD
REGARDING
THE ACTIVITIES OF THE CAPITAL GROUP IN H1 2014

Krakow, 29th of August, 2014

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1. GENERAL INFORMATION ABOUT COMPANY

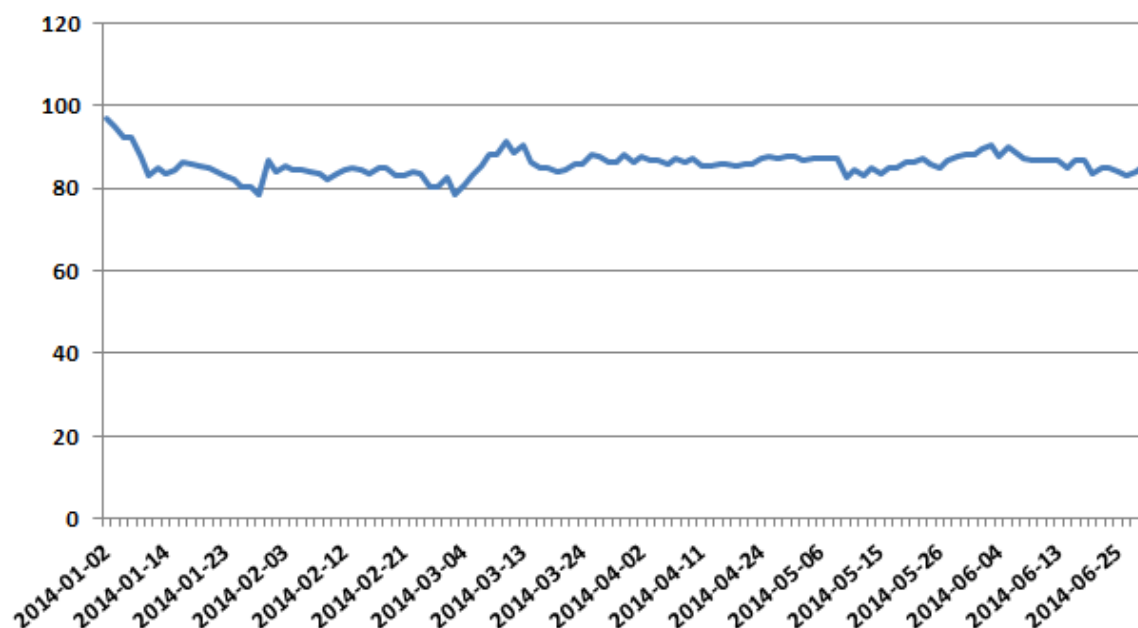
The basic activities of the Comarch Group (the "Group"), in which Comarch S.A. with its registered office in Krakow at Al. Jana Pawła II 39 A is the parent company, include activity related to software, PKD 62.01.Z. The registration court for Comarch S.A. is the District Court for Krakow Śródmieście in Krakow, The Eleventh Economic Division of the National Court Register. The company's KRS number is 0000057567. Comarch S.A. holds the dominant share in 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 parent company is not limited.

1.1. Selected Financial Data

1.1.1. Consolidated Financial Data

	H1 2014	H1 2013	H1 2012	H1 2011
Revenues from sales	429,677	391,701	354,881	299,388
Operating profit (loss)	20,823	2,928	4,386	(24,922)
Profit (loss) before income tax	20,100	(34)	10,867	(22,229)
Net profit (loss) attributable to shareholders of the parent company	13,353	2,397	12,268	(20,050)
Profit (loss) per share	1.64	0.30	1.52	(2.67)
Assets	1,099,922	1,100,655	963,902	901,519
Book value	640,722	615,639	604,200	558,828

In the first half of 2014, the Comarch Group sales revenue climbed by PLN 38 million, i.e. 9.7% to PLN 429.7 million year on year. In the first half of 2014, operating result amounted to PLN 20.8 million and was higher by PLN 17.9 million compared to that achieved in the first half of 2013, net result attributable to the shareholders of the parent company amounted to PLN 13.4 million. On the 30th of June, 2014, Comarch S.A. employed 3,139 people. This represented a 9% decrease in the number employed compared to the end of the previous year. The Comarch Group employed 3,897 people (excluding employees of MKS Cracovia SSA due to the different type of its activity), i.e. 325 persons less than at the end of the previous year (a decrease of 7.7%). In the first half of 2014, the value of the Comarch Group's assets declined by PLN 42.4 million (3.7%) compared to the end of 2013. Book value (equity) of the Comarch Group grew by PLN 3 million, i.e. 0.5%.

1.1.2. Comarch S.A. Stock Price Performance (in PLN)**H1 2014**

	The highest	The lowest	The highest	The lowest
Period	2014		2013	
Q1	96.70	78.39	92.00	72.40
Q2	90.50	82.70	90.00	79.72

On the 30th of June, 2014, the closing rate of Comarch S.A. shares in the Warsaw Stock Exchange reached PLN 85.17 compared to PLN 80.9 on the 30th of June, 2013, and PLN 97 on the 31st of December, 2013.

1.2. Organisational Structure and Characteristics of Group's Entities**1.2.1. Organisational Structure**

On 30th of June, 2014, the following entities formed the Comarch Group (in parentheses, the share of votes held by Comarch S.A. unless otherwise indicated):

- Comarch Spółka Akcyjna with its registered office in Krakow,
- Comarch AG with its registered office in Dresden in Germany (100%),
 - Comarch Software und Beratung AG with its registered office in Munich in Germany (100% subsidiary of Comarch AG*),
 - Comarch Solutions GmbH with its registered office in Innsbruck in Austria (100% subsidiary of Comarch Software und Beratung AG),
- Comarch S.A.S. with its registered office in Lezennes in France (100%),
 - Comarch R&D S.à r.l. with its registered office in Montbonnot-Saint-Martin in France (70% votes held by Comarch SAS, 30% votes held by Comarch S.A.),
- Comarch Luxembourg S.à r.l. with its registered office in Luxembourg (100%),
- Comarch, Inc. with its registered office in Rosemont in United States of America (100%),
 - Comarch Panama, Inc. with its registered office in Panama in Panama (100% subsidiary of Comarch, Inc.),
- Comarch Canada, Corp. with its registered office in New Brunswick in Canada (100%),
- Comarch Middle East FZ-LLC with its registered office in Dubai in United Arab Emirates (100%),
- Comarch LLC with its registered office in Kiev in Ukraine (100%),
- OOO Comarch with its registered office in Moscow in Russia (100%),
- Comarch Software (Shanghai) Co. Ltd. with its registered office in Shanghai in China (100%),
- Comarch Vietnam Company Ltd. (Comarch Co., Ltd.) with its registered office in Ho Chi Minh City in

- Vietnam (100%),
- Comarch Oy with its registered office in Espoo in Finland (100%),
 - Comarch UK Ltd. with its registered office in London in United Kingdom (100%),
 - Comarch Chile SpA with its registered office in Santiago in Chile (100%),
 - Comarch s.r.o. with its registered office in Bratislava in Slovakia (100%),
 - SouthForge sp. z o.o. with its registered office in Krakow in Poland (100%),
 - CA Consulting S.A. with its registered office in Warsaw in Poland (100%),
 - Comarch Management sp. z o.o. with its registered office in Krakow in Poland (100%),
 - Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty with its registered office in Krakow in Poland („CCF FIZ”) (Comarch S.A. holds 100% of issued investment certificates),
 - Comarch Management sp. z o.o. SK-A with its registered office in Krakow in Poland (21.49% votes held by CCF FIZ; 78.51% votes held by Comarch S.A.; shares purchased by Comarch Management sp. z o.o. SK-A to be redeemed don't give any votes),
 - Bonus Management sp. z o.o. SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - „Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park SK-A (66.67% votes held by Bonus Management spółka z ograniczoną odpowiedzialnością SK-A; 33.33% votes held by MKS Cracovia SSA),
 - Bonus Development sp. z o.o. SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - Bonus Management sp. z o.o. II Activia SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - Bonus Development sp. z o.o. II Koncept SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - iMed24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - Comarch Polska S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - iReward24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - Infrastruktura24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - iComarch24 S.A. with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - CASA Management and Consulting sp. z o.o. SK-A with its registered office in Krakow in Poland (100% votes held by CCF FIZ),
 - ESAProjekt sp. z o.o. with its registered office in Chorzow in Poland (100% held by CASA Management and Consulting sp. z o.o. SK-A),
 - Comarch Swiss AG with its registered office in Luzern in Switzerland (100% subsidiary of CASA Management and Consulting sp. z o.o. SK-A),
 - CAMS AG with its registered office in Luzern in Switzerland (51% subsidiary of CASA Management and Consulting sp. z o.o. SK-A),
 - Opso sp. z o.o. with its registered office in Krakow in Poland (100%),
 - MKS Cracovia SSA with its registered office in Krakow in Poland (66.11%).

(*) including 2.68% CSuB AG shares borrowed from an entity outside the Comarch Group

On 30th of June, 2014, associates of the parent company are:

- SolInteractive S.A. with its registered office in Krakow in Poland (16.1% votes held by CCF FIZ, 11.27% held by Bonus Management sp. z o.o. Activia SK-A),
- Volatech Capital Advisors S.A. (15.79% votes held by Comarch S.A., 31.58% votes held by CAMS AG).

The associated companies are not consolidated. Shares are valued with equity method.

1.2.2. Activities Structure in the Comarch Group

The structure of activities of the Comarch Group is as follows:

- The parent company Comarch S.A. acquires the majority of contracts and in large part executes them;
- Comarch AG, Comarch S.A.S., Comarch R&D S.à r.l., Comarch Luxembourg S.à r.l., Comarch, Inc., Comarch Panama, Inc., Comarch Canada, Corp., Comarch Middle East FZ-LLC, Comarch LLC, OOO Comarch, Comarch Oy, Comarch UK and Comarch Chile SpA acquire IT contracts in foreign markets and execute them in their entirety or in part;

- SouthForge sp. z o.o. and Comarch Polska S.A. acquire IT contracts in domestic and foreign markets and execute them in their entirety or in part;
- CA Consulting S.A. specialises in data communications relating to the provision of connections for the own needs of the Comarch Group, as well as the provision of IT and consulting services for the own needs of the Comarch S.A. and for Comarch's contractor;
- Comarch Software und Beratung AG is an important provider of ERP and an integrator of IT solutions in Germany. Activities of Comarch Solutions GmbH are identical as activities of Comarch Software und Beratung AG;
- Comarch Swiss AG sells and implements Comarch IT solutions, especially ERP and ECM on the Swiss market;
- ESAProjekt sp. z o.o. is a leading Polish producer and complex IT solution provider for medicine sector;
- Purpose of the Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty is investment activity, through its subsidiaries, in the scope of new technologies and services, as well as investment activities on capital market;
- Comarch Management sp. z o.o., Comarch Management sp. z o.o. SK-A, CASA Management and Consulting sp. z o.o. SK-A, CAMS AG, Bonus Management sp. z o.o. SK-A and Bonus Management sp. z o.o. II Activia SK-A conduct investment activities on capital market and activities related to IT;
- The subject matter of activities of Bonus Development sp. z o.o. SK-A and Bonus Development sp. z o.o. II Koncept SK-A are activities related to real estates;
- iMed24 S.A. produces and sells IT software related to medicine, provides medical and diagnostic services;
- iReward24 S.A. produces and implements loyalty software for the customers in small and medium sized enterprises;
- Infrastruktura24 S.A. offers services related to Data Centre and IT services outsourcing;
- iComarch24 S.A. conducts IT projects related to e-accounting and e-trading, as well as provides accounting services for domestic subsidiaries in the Comarch Group;
- MKS Cracovia SSA is a sport joint stock company;
- „Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park SK-A conducts investment activity in relation to sport;
- Opso sp. z o.o. provides catering services;
- Comarch Co. Ltd (Vietnam) was liquidated. Comarch s.r.o. and Comarch Software (Shanghai) Co. Ltd. are currently not operating.

1.2.3. Changes in Ownership and Organisational Structure in H1 2014

In the first quarter of 2014, an increase in share capital of SolInteractive S.A. was registered. As a consequence, Bonus Management sp. z o.o. Activia SK-A holds 11.27% and CCF FIZ 16.10% of votes at the company's AGM, 17.7% and 25.28% in the company's share capital, respectively.

On the 7th of January, 2014, pursuant to a decision of the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, an increase in share capital of MKS Cracovia SSA from PLN 19,560,100.00 to PLN 21,840,100.00 was registered (current report no. 4/2014 dated the 28th of January, 2014).

On the 24th of January, 2014, pursuant to a decision of the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, an increase in share capital of iMed24 S.A. from PLN 2,450,000.00 to PLN 2,850,000.00 was registered. On the 17th of February, 2014, Extraordinary General Meeting of iMed24 S.A. passed the resolution on an increase in share capital to the amount of PLN 3,250,000. On the 7th of May, 2014, the increase in share capital of iMed24 S.A. up to PLN 3.25 million was registered in the proper register.

On the 5th of June, 2014, the Extraordinary General Meeting of iMed24 S.A. changed the Articles of Association of the company and did a 100-for-1 stock split. As a consequence of the change, the company's share capital is divided into 3,250,000 shares of PLN 1 each. The change was registered in the National Court Register on the 27th of June, 2014.

With the notarial deed of the 6th of February, 2014, Volatech Capital Advisors S.A., a joint stock company was established. Comarch S.A. holds 21.43% of the share capital (15.79% of votes at the company's AGM) and CAMS AG holds 42.86% of the share capital (31.58% of votes at the company's AGM). The company was registered with the decision of the District Court for Krakow-Śródmieście, the Eleventh Economic Division of the National Court Register dated the 19th of March, 2014.

As of the 17th of February, 2014, an agreement for purchase of 15,943 own shares by Comarch Management sp. z o.o. SK-A from CCF FIZ to be redeemed was signed. Purchase price in the amount of PLN 3,999,939.27 was paid in total.

With the notarial deed of the 25th of March, 2014, „Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park spółka komandytowo-akcyjna, a limited joint-stock partnership, was established. Bonus Management spółka z ograniczoną odpowiedzialnością SK-A holds 50% of the share capital (66.67% of votes at the company's AGM) and MKS Cracovia SSA holds 50% of the share capital (33.33% of votes at the company's AGM). On the 17th of April, 2014, it was registered in the proper register.

On the 11th of June, 2014, AGM of Bonus Development Sp. z o.o. II Koncept SK-A passed a resolution on an increase in the share capital from PLN 91,863 to PLN 101,263. The increase was not registered as at the 30th of June, 2014.

On the 11th of June, 2014, AGM of Bonus Management Sp. z o.o. II Activia SK-A passed a resolution on an increase in the share capital from PLN 1,542,700 to PLN 1,555,200. The increase was not registered as at the 30th of June, 2014.

On the 11th of June, 2014, AGM of Bonus Management Sp. z o.o. SK-A passed a resolution on an increase in the share capital from PLN 2,865,101 to PLN 2,879,401. The increase was not registered as at the 30th of June, 2014.

On the 13th of June, 2014, AGM of Comarch Management Sp. z o.o. SK-A passed a resolution on an increase in the share capital from PLN 90,110 to PLN 140,110.

As of the 30th of June, 2014, Comarch Vietnam Company Limited was dissolved.

1.2.4. Changes in Ownership and Organisational Structure after the Balance Sheet Date

On the 3rd of July, 2014, there was a decrease down to EUR 0 in the share capital of Comarch S.A.S. in order to cover the previous years' losses and at the same time, the share capital was increased up to EUR 2,500,000.

On the 10th of July, 2014, an increase up to PLN 140,110 in the share capital of Comarch Management Sp. z o.o. SK-A was registered in the proper register.

On the 5th of August, 2014, the Extraordinary AGM of iMed24 S.A. passed a resolution on an increase in the share capital from PLN 3,250,000 to PLN 3,950,000, i.e. of PLN 700,000, through issue of 700,000 new series K shares. The change has not been yet registered in the proper register.

1.2.5. Relationship

The consolidated financial statement of the Comarch Group for the 6 months ended 30 June 2014 comprises the financial statements of the following companies:

	Relationship	Consolidation method	% held by Comarch S.A. in a subsidiary's share capital
Comarch S.A.	parent company	full	
Comarch AG	subsidiary	full	100%
Comarch Software und Beratung AG	subsidiary	full	100% held by Comarch AG *)
Comarch Solutions GmbH	subsidiary	full	100% held by Comarch Software und Beratung AG
Comarch S.A.S.	subsidiary	full	100%
Comarch R&D S.à r.l.	subsidiary	full	30%, 70% held by Comarch SAS
Comarch Luxembourg S.à r.l.	subsidiary	full	100%
Comarch Inc.	subsidiary	full	100%
Comarch Panama Inc.	subsidiary	full	100% held by Comarch Inc.
Comarch Canada, Corp.	subsidiary	full	100%
Comarch Middle East FZ-LLC	subsidiary	full	100%
Comarch LLC	subsidiary	full	100%
OOO Comarch	subsidiary	full	100%
Comarch Software (Shanghai) Co. Ltd.	subsidiary	full	100%
Comarch Co., Ltd. (Vietnam)	subsidiary	full	100%
Comarch Oy	subsidiary	full	100%
Comarch UK Ltd.	subsidiary	full	100%
Comarch Chile SpA	subsidiary	full	100%
Comarch s.r.o.	subsidiary	full	100%
SouthForge sp. z o.o.	subsidiary	full	100%
CA Consulting S.A.	subsidiary	full	100%
Comarch Management sp. z o.o.	subsidiary	full	100%
Comarch Corporate Finance Fundusz Inwestycyjny Zamknięty	subsidiary	full	100% in total number of investment certificates

Comarch Management sp. z o.o. SK-A	subsidiary	full	13.67% held by CCF FIZ, 49.94% held by Comarch S.A., 36.39% purchased by Comarch Management sp. z o.o. SK-A to be redeemed
Bonus Management sp. z o.o. SK-A	subsidiary	full	100% held by CCF FIZ
Bonus Development sp. z o.o. SK-A	subsidiary	full	100% held by CCF FIZ
Bonus Management sp. z o.o. II Activia SK-A	subsidiary	full	100% held by CCF FIZ
Bonus Development sp. z o.o. II Koncept SK-A	subsidiary	full	100% held by CCF FIZ
iMed24 S.A.	subsidiary	full	100% held by CCF FIZ
Comarch Polska S.A.	subsidiary	full	100% held by CCF FIZ
iReward24 S.A.	subsidiary	full	100% held by CCF FIZ
Infrastruktura24 S.A.	subsidiary	full	100% held by CCF FIZ
iComarch24 S.A.	subsidiary	full	100% held by CCF FIZ
CASA Management and Consulting sp. z o.o. SK-A	subsidiary	full	100% held by CCF FIZ
ESAProjekt sp. z o.o.	subsidiary	full	100% held by CASA Management and Consulting sp. z o.o. SK-A
Comarch Swiss AG	subsidiary	full	100% held by CASA Management and Consulting sp. z o.o. SK-A
CAMS AG	subsidiary	full	51.00% held by CASA Management and Consulting sp. z o.o. SK-A
Bonus MANAGEMENT Sp. z o.o. Cracovia Park SK-A	subsidiary	full	100%
Opso sp. z o.o.	subsidiary	full	100%
MKS Cracovia SSA	subsidiary	full	66.11%

(*) including 2.68% CSuB AG shares borrowed from an entity outside the Comarch Group

1.3. Shareholding Structure, Core Shareholders

1.3.1. 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 Financial Report

Comarch S.A.'s share capital consists of 8,125,590 shares at total nominal value of PLN 8,125,590. According to the information possessed by Comarch S.A., as at the 29th of August, 2014, shareholders holding at least 5% of votes at the company's AGM are Janusz Filipiak and Elżbieta Filipiak.

Shareholders	Number of shares	% of share capital	Number of votes at the company's AGM	% of votes at the company's AGM
Janusz Filipiak	2,669,315	32.85%	6,241,315	41.28%
Elżbieta Filipiak	846,000	10.41%	4,230,000	27.98%
Other shareholders	4,610,275	56.74%	4,647,875	30.74%
Total	8,125,590	100.00%	15,119,190	100.00%

1.3.2. Changes in Significant Holdings of Comarch S.A. Shares between 15 May 2014 and 29 August 2014

Entity	At 29 August 2014				At 15 May 2014			
	Shares	(%) in share capital	Number of votes	(%) in votes	Shares	(%) in share capital	Number of votes	(%) in votes
Janusz Filipiak	2,669,315	32.85	6,241,315	41.28	2,669,315	32.85	6,241,315	41.28
Elżbieta Filipiak	846,000	10.41	4,230,000	27.98	846,000	10.41	4,230,000	27.98

1.3.3. Shareholding Structure of Managing and Supervising Entities as at the Date of Preparing the Financial Report

Shareholders	Position	Shares	(%) in share capital	Number of votes	(%) in votes
Janusz Filipiak	President of the Management Board	2,669,315	32.85	6,241,315	41.28
Elżbieta Filipiak	Chairman of the Board of Supervisors	846,000	10.41	4,230,000	27.98
Piotr Piątosza	Vice-President of the Management Board	20,953	0.26	20,953	0.14
Paweł Prokop	Vice-President of the Management Board	37,108	0.46	74,708	0.49
Piotr Reichert	Vice-President of the Management Board	10,177	0.13	10,177	0.07
Zbigniew Rymarczyk	Vice-President of the Management Board	32,436	0.40	32,436	0.21
Konrad Tarański	Vice-President of the Management Board	10,177	0.13	10,177	0.07
Marcin Warwas	Vice-President of the Management Board	10,177	0.13	10,177	0.07

According to the company's information only Chairman of the Board of Supervisors Mrs. Elżbieta Filipiak holds the company's shares.

1.3.4. Changes in Holdings of Comarch S.A. Shares by Managing and Supervising Persons between 15 May 2014 and 29 August 2014

Entity	At 29 August 2014				At 15 May 2014			
	Shares	(%) in share capital	Number of votes	(%) in votes	Shares	(%) in share capital	Number of votes	(%) in votes
Janusz Filipiak	2,669,315	32.85	6,241,315	41.28	2,669,315	32.85	6,241,315	41.28
Elżbieta Filipiak	846,000	10.41	4,230,000	27.98	846,000	10.41	4,230,000	27.98
Piotr Piątosza	20,953	0.26	20,953	0.14	20,953	0.26	20,953	0.14
Paweł Prokop	37,108	0.46	74,708	0.49	37,108	0.46	74,708	0.49
Piotr Reichert	10,177	0.13	10,177	0.07	10,177	0.13	10,177	0.07
Zbigniew Rymarczyk	32,436	0.40	32,436	0.21	32,249	0.40	32,249	0.21
Konrad Tarański	10,177	0.13	10,177	0.07	10,177	0.13	10,177	0.07
Marcin Warwas	10,177	0.13	10,177	0.07	10,177	0.13	10,177	0.07

1.3.5. Registered Preference Comarch S.A. Shares

Registered shares in series A and B are preferential and each such share corresponds with 5 votes at the General Meeting. Janusz Filipiak, the President of the Comarch S.A. Management Board, holds 470,000 series A registered preference shares, which give 2,350,000 votes at the annual general meeting and 423,000 series B registered preference shares, which give 2,115,000 votes at the annual general meeting. Paweł Prokop, the Vice-president of the Management Board holds 9,400 series A registered preference shares, which give 47,000 votes at the annual general meeting. Elżbieta Filipiak, Chairman of the Comarch S.A. Supervisory Board holds 385,400 series A registered preference shares, which give 1,927,000 votes at the annual general meeting and 460,600 series B registered preference shares, which give 2,303,000 votes at the annual 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:

- disposal for the benefit of persons who were shareholders of the company on the 18th of March, 1998,
- disposal for the benefit of descendants of a disposer,
- 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.

2. ECONOMIC ACTIVITIES

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

Due to the type of IT systems offered by Comarch, medium-size and large companies (who are the largest clients of advanced IT solutions all over the world) constitute the main group of clients. Majority of Comarch's products are addressed to specific groups of customers, while IT services are of universal nature and are offered to all groups of customers. The Comarch's offer is dedicated to both Polish and foreign customers. Currently, the Comarch's strategy is based on the sale of an increasing number of products on international markets, especially in Western Europe. Sale in the Comarch Group is highly diversified, with no dependency on one major client. In the first half of 2014, the share of none of the customers exceeded 10% of the sale in the Comarch Group sales.

Due to the specific nature of the industry, in which the Comarch manages its operations, international concerns, which are producers of computer systems and programmers tools, Polish branches and representatives of such concerns, as well as Polish distributing companies and subcontractors for systems, have to be considered sources of supply. In the first half of 2014, no supplier provided products and merchandise at the value exceeding 10% of the Comarch Group proceeds on sale.

2.2. Sales Structure

2.2.1. Geographical Sales Structure

Geographical sales structure	6 months ended 30 June 2013	%	6 months ended 30 June 2012	%	Change in PLN	Change in %
Domestic (Poland)	213,444	49.7%	205,158	52.4%	8,286	4.0%
Export	216,233	50.3%	186,543	47.6%	29,690	15.9%
Revenue from sales	429,677	100.0%	391,701	100.0%	37,976	9.7%

In the first half of 2014, the Comarch Group sales revenue climbed by PLN 38 million, i.e. 9.7% compared to those in the analogical period of 2013. Foreign sales recorded growth of PLN 29.07 million, i.e. 15.9% compared to the first half of 2013. This results mostly from a significant increase in sales on the European market. An increase of PLN 8.3 million, i.e. 4% in domestic sales results mostly from increased sales to the customers in the SME sector and the telecommunication, media and IT sector. In the first half of 2014, the share of export sales in total sales was at the level of 50.3% compared to 47.6% in the previous year.

The growing revenues from export sales confirm the efficiency of the company's strategy for the intensification of foreign sales of Comarch own products on foreign markets. Looking back over the half-year as a whole, the structure of geographical sales remained at a consistent level.

2.2.2. Market Sales Structure

Market sales structure	6 months ended 30 June 2014	%	6 months ended 30 June 2013	%	Change in PLN	Change in %
Telecommunications, Media, IT	110,381	25.7%	97,985	25.0%	12,396	12.7%
Finance and Banking	61,662	14.4%	63,364	16.2%	-1,702	-2.7%
Trade and Services	53,414	12.4%	47,211	12.1%	6,203	13.1%
Industry & Utilities	40,626	9.5%	45,398	11.6%	-4,772	-10.5%
Public sector	48,409	11.3%	50,031	12.8%	-1,622	-3.2%
Small and Medium-Sized Enterprises - Poland	42,405	9.9%	30,979	7.9%	11,426	36.9%
Small and Medium-Sized Enterprises - DACH	49,603	11.5%	47,235	12.1%	2,368	5.0%
Medicine	12,690	3.0%	3,662	0.9%	9,028	246.5%
Others	10,487	2.4%	5,836	1.5%	4,651	79.7%
Total	429,677	100.0%	391,701	100.0%	37,976	9.7%

In the first half of 2014, the Comarch Group enjoyed significant growth in sales to the most of the sectors. Sales to the TMT sector and the SME-Poland sector grew the most. Sales to the TMT sector increased by PLN 12.4 million, i.e. 12.7%. Their share in total sales of the Group amounted to 25.7% what means TMT sector is still the largest Comarch sector. Sales to the SME-Poland sector grew significantly and amounted to PLN 42.4 million (an increase of PLN 11.4 million, i.e. 36.9%). This is another year of a dynamic growth in sales to the medicine sector (an increase of PLN 9 million, i.e. 246.5%). This segment constitutes 3% of the total Comarch Group sales. Sales to the trade and services sector increased by PLN 6.2 million, i.e. 13.1%, and their share in total sales grew up to 12.4%. There was also an increase in sales to the SME-DACH sector and these sales achieved PLN 49.6 million (an increase of 5%). Sales to the public sector maintained the previous year's level and amounted to PLN 48.4 million and their share in total sales was 11.3%. There were decreases of PLN 4.8 million, i.e. 10.5% in sales to the Industry&Utilities sector and of PLN 1.7 million, i.e. 2.7% in sales to the finance institutions. An increase in sales to other customers amounted to PLN 4.7 million and results mostly from an increase in revenue of MKS Cracovia.

Market sales structure is characterized by quarterly seasonality related to contracts execution cycle.

Despite periodical changes in the direction of the economic winds, Comarch, with its extensive customer portfolio, varied product range and diversified income sources, remains well-positioned to sustain stable growth in operations.

2.2.3. Products Sales Structure

Products sales structure	6 months ended 30 June 2014	%	6 months ended 30 June 2013	%	Change in PLN	Change in %
Services	336,690	78.4%	312,027	79.7%	24,663	7.9%
Proprietary software	46,180	10.7%	33,338	8.5%	12,842	38.5%
Third party software	20,609	4.8%	28,159	7.2%	-7,550	-26.8%
Hardware	7,742	1.8%	6,716	1.7%	1,026	15.3%
Others	18,456	4.3%	11,461	2.9%	6,995	61.0%
Total	429,677	100.0%	391,701	100.0%	37,976	9.7%

In the first half of 2014, there was an increase of PLN 37.5 million, i.e. 10.9% in total sales of Comarch services and proprietary software. This is a consequence of both growth in sales of services and sales of proprietary software. Sales of services increased by PLN 24.7 million, i.e. 7.9%, and sales of proprietary software grew by PLN 12.8 million, i.e. 38.5%. The share of services and proprietary software in total sales was 89.1%. Total sales of third party software and hardware decreased by PLN 6.5 million, i.e. 18.7%, and amounted to PLN 28.4 million, and their share in total sales was 6.6%. During the first half of 2014, products sales structure was characterised by a continuous growth in sales of services, which is related to ongoing changes in business model of sales for IT solutions.

2.3. The most Significant Contracts in H1 2014 and After the Balance Sheet Date

2.3.1. Contract with the Ministry of Justice

On the 21st of March, 2014, a contract was signed between Comarch Polska S.A., a subsidiary of Comarch and Ministerstwo Sprawiedliwości (Ministry of Justice). The tasks covered by the contract are delivery and implementation of the system for digital recording of court proceedings in common courts, hereinafter referred to as the "System", system modifications, as well as maintenance and technical support for the System. The contract's net value amounts to PLN 75,864,983.74 (gross value: PLN 93,313,930.00). The delivery term, installation, configuration and implementation of the System in the courtrooms in common courts is the 28th of February, 2015; maintenance and technical support for the System will be provided for 24 months from the date of signing the final acceptance protocol. The total value of contracts concluded by the companies in the Comarch Group with the Ministry of Justice during the previous 12 months amounted to PLN 90,275,417.74. The company announced details in current report no. 6/2014 dated the 21st of March, 2014.

2.3.2. Operating Credit Agreement

On the 8th of April, 2014, Comarch S.A. signed an operating credit agreement with bank Polska Kasa Opieki Spółka Akcyjna (PEKAO S.A.) with its registered office in Warsaw, for financing and refinancing of deliveries related to the contract for delivery and implementation of the system for digital recording of court proceedings in common courts which was concluded between Ministerstwo Sprawiedliwości (Ministry of Justice) and Comarch Polska S.A., a subsidiary of Comarch S.A. (current report no. 6/2014 dated the 21st of March, 2014). The credit amounts to PLN 35 million. The crediting period: till the 30th of November, 2014, at a variable interest rate. It should be drawdown by 30th of September, 2014. The surety granted by Comarch Polska S.A., a subsidiary of Comarch S.A., declaration of submission to enforcement and authorisation to manage accounts in PEKAO S.A., as well as declaration of submission to enforcement and authorisation to manage Comarch S.A.'s accounts in PEKAO S.A. are security for this credit.

2.3.3. Subcontracting Agreement between Comarch Polska S.A. and Comarch S.A.

On the 25th of April, 2014, a contract was signed between Comarch Polska S.A., a subsidiary of Comarch (hereinafter referred to as the "Comarch Polska") and Comarch S.A. The tasks covered by the contract are delivery and implementation of the system for digital recording of court proceedings in common courts, hereinafter referred to as the "System", system modifications, as well as maintenance and technical support for the System in relation to the contract concluded between Comarch Polska S.A. and Ministry of Justice which was announced by Comarch S.A. in the current report no. 6/2014 of the 21st of March, 2014. The contract's net value amounts to PLN 73,057,979.34. The delivery term, installation, configuration and implementation of the System in the courtrooms in common courts is the 28th of February, 2015; maintenance and technical support for the System will be provided for 24 months from the date of signing the final acceptance protocol. The company announced details in current report no. 11/2014 dated the 25th of April, 2014.

2.4. Major Domestic and Foreign Investment (Securities, Financial Instruments, Intangible Assets and Real Estate), including Capital Investment Made outside Group of Related Parties, and a Description of their Financing, as well as an Appraisal of Ability for Executing Investment Plans, Including Capital Investment Compared to the Amount of Resources Owned

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

Within the following years, the Comarch Group will continue investment projects which will enable further expansion of the company to new commercial areas and new markets. They will be financed with the means accorded by the companies at the Comarch Group, and bank credits.

2.4.1. Capital Investment

In the first quarter of 2014, an increase in share capital of SolInteractive S.A. was registered. As a consequence, Bonus Management sp. z o.o. Activia SK-A holds 11.27% and CCF FIZ 16.10% of votes at the company's AGM, 17.7% and 25.28% in the company's share capital, respectively.

On the 7th of January, 2014, pursuant to a decision of the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, an increase in share capital of MKS Cracovia SSA from PLN 19,560,100.00 to PLN 21,840,100.00 was registered (current report no. 4/2014 dated the 28th of January, 2014).

On the 24th of January, 2014, pursuant to a decision of the District Court for Krakow-Śródmieście in Krakow, the Eleventh Economic Division of the National Court Register, an increase in share capital of iMed24 S.A. from PLN 2,450,000.00 to PLN 2,850,000.00 was registered. On the 17th of February, 2014, Extraordinary General Meeting of iMed24 S.A. passed the resolution on an increase in share capital to the amount of PLN 3,250,000. On the 7th of May, 2014, the increase in share capital of iMed24 S.A. up to PLN 3.25 million was registered in the proper register.

On the 5th of June, 2014, the Extraordinary General Meeting of iMed24 S.A. changed the Articles of Association of the company and did a 100-for-1 stock split. As a consequence of the change, the company's share capital is divided into 3,250,000 shares of PLN 1 each. The change was registered in the National Court Register on the 27th of June, 2014.

With the notarial deed of the 6th of February, 2014, Volatech Capital Advisors S.A., a joint stock company was established. Comarch S.A. holds 21.43% of the share capital (15.79% of votes at the company's AGM) and CAMS AG holds 42.86% of the share capital (31.58% of votes at the company's AGM). The company was registered with the decision of the District Court for Krakow-Śródmieście, the Eleventh Economic Division of the National Court Register dated the 19th of March, 2014.

As of the 17th of February, 2014, an agreement for purchase of 15,943 own shares by Comarch Management sp. z o.o. SK-A from CCF FIZ to be redeemed was signed. Purchase price in the amount of PLN 3,999,939.27 was paid in total.

With the notarial deed of the 25th of March, 2014, „Bonus MANAGEMENT spółka z ograniczoną odpowiedzialnością” Cracovia Park spółka komandytowo-akcyjna, a limited joint-stock partnership, was established. Bonus Management spółka z ograniczoną odpowiedzialnością SK-A holds 50% of the share capital (66.67% of votes at the company's AGM) and MKS Cracovia SSA holds 50% of the share capital (33.33% of votes at the company's AGM). On the 17th of April, 2014, it was registered in the proper register.

On the 11th of June, 2014, AGM of Bonus Development Sp. z o.o. II Koncept SK-A passed a resolution on an increase in the share capital from PLN 91,863 to PLN 101,263. The increase was not registered as at the 30th of June, 2014.

On the 11th of June, 2014, AGM of Bonus Management Sp. z o.o. II Activia SK-A passed a resolution on an increase in the share capital from PLN 1,542,700 to PLN 1,555,200. The increase was not registered as at the 30th of June, 2014.

On the 11th of June, 2014, AGM of Bonus Management Sp. z o.o. SK-A passed a resolution on an increase in the share capital from PLN 2,865,101 to PLN 2,879,401. The increase was not registered as at the 30th of June, 2014.

On the 13th of June, 2014, AGM of Comarch Management Sp. z o.o. SK-A passed a resolution on an increase in the share capital from PLN 90,110 to PLN 140,110.

On the 3rd of July, 2014, there was a decrease down to EUR 0 in the share capital of Comarch S.A.S. in order to cover the previous years' losses and at the same time, the share capital was increased up to EUR 2,500,000.

On the 5th of August, 2014, the Extraordinary AGM of iMed24 S.A. passed a resolution on an increase in the share capital from PLN 3,250,000 to PLN 3,950,000, i.e. of PLN 700,000, through issue of 700,000 new series K shares. The change has not been yet registered in the proper register.

2.4.2. Real Estates and Other Material Investment

On the 3rd of October, 2013, Comarch S.A. signed an agreement with consortium of Łęgrzem sp. z o.o., ZSK sp. z o.o. and Graphbud sp. z o.o. for the realisation of the fifth construction stage of the investment in the Special Economic Zone in Krakow (SSE6 building). The subject of the contract is the construction of a production and office building, altogether with data centre, including traffic and technical infrastructure. Total space of the building will be 11,708.87 m². The value of this agreement amounts to PLN 62,268 thousand. In the fourth quarter of 2013, Comarch S.A. began construction works. The planned completion date of this investment is the second quarter of 2015.

In the first quarter of 2012, iMed24 S.A., a subsidiary of Comarch S.A., commenced diagnostic and medical activity (Centrum Medyczne iMed24- medical centre) using diagnostic and medical equipment purchased in 2011. As at the 30th of June, 2014, book value of this equipment amounts to PLN 12.58 million.

In Łódź, design works are performed and related to a new office building. In April, 2014, the Group obtained a building permit. Realization of a designed investment is planned for 2015-2016.

The office building that was purchased by Comarch SAS in Lille is the new office of the company. The storage building will be transformed into the Comarch Data Centre of an approximately total space of 1,700 square metres. The estimated value of this investment amounts to approximately EUR 6 million. Preparation works will last till the end of the second quarter of 2014, and decision on commencing of the investment will depend on the current business condition.

As at the 30th of June, 2014, Comarch Group owns investment real estates which comprise plots developed, placed in Krakow and used for lease to the entities outside the Group and lands located in Krakow, purchased in order to construct buildings dedicated for lease to the entities outside the Group.

2.5. Activities in Special Economic Zone

On the 22nd of March, 1999, Comarch S.A. obtained a permit for conducting activity in the Special Economic Zone in Krakow. According to the regulation of the Council of Ministers of the 14th of October, 1997 on establishment of a Special Economic Zone in Krakow (Journal of Laws No. 135, item 912 and changes to this act), the entities, which invested in the Krakow special economic zone at least 2 million Euro, were granted the following tax allowances:

- a) During the first 6 years of commercial operations in the zone, the income from such activity is free from income tax
- b) After this period of time, but not later than until the date specified in the permit, half of the income obtained is free from income tax.

The allowance was applicable for the income tax from legal entities from the income obtained from the activity specified in the permit.

As a result of Poland joining the European Union, an act was passed on 2nd of 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 1st of January, 2000, cannot exceed 75% of the value of investments incurred in the period from the date of obtaining the permit until 31st of December, 2006, provided that in determining the maximum amount of public aid, the total amount of public aid obtained since 1st of 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 31st of 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 14th of 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 8th of 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 1st of July, 2004, it received a decision from the Minister of the Economy dated 24th of June, 2004 on the topic of changes to the terms and conditions of the permit (those mentioned above and those compliant with the act). At the same time, the period of time for which the permit for Comarch S.A. was issued was extended to the 31st of December, 2017 in the changed permit.

The company holds also another permit for operating in the special economic zone in Krakowski Park Technologiczny, issued in 2007, valid till the 31st of December, 2017. In 2013, the company obtained another permit for operating in the special economic zone in Krakowski Park Technologiczny. This permit does not specify its validity date. At the same time the company emphasises that on the 23rd of July, 2013, the Council of Ministers adopted the regulation lengthening the period for existing of special economic zones in Poland till 2026.

Pursuant to IAS 12, unused tax relief as at 31st of December, 2013, constitutes a deferred income tax asset. The limit of the unused investment relief as at 31st of December, 2013, discounted as at the permit date, is PLN 7.67 million. 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 and due to income tax relief in connection with activities in Special Economic Zone, 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. In relation to the above-mentioned principle, assets are recognised only for one year with the assumption that the basis for their recognition is average income acquired from activities in the special economic zone over three years (including the year for which the financial statement is prepared).

Pursuant to IAS 12, unused tax relief as at 30th of June, 2014, constitutes a deferred income tax asset. The limit of the unused investment relief as at 30th of June, 2014, discounted as at the permit date, is PLN 7.41 million.

In the first half of 2014, the parent company dissolved in part an asset due to activities in the SEZ that was worth PLN 0.895 million and established as at 31st of December, 2012 in proportion to the generation of tax-exempt income in this period.

3. FINANCIAL SITUATION OF THE CAPITAL GROUP IN THE FIRST HALF OF 2014

3.1. Financial Analysis

Balance Sheet

	30 June 2014	%	31 December	%	Change	%
ASSETS						
Non-current assets						
Property, plant and equipment	359,597	32.7%	352,949	30.9%	6,648	1.9%
Investment real estates	14,143	1.3%	7,876	0.7%	6,267	79.6%
Goodwill	44,061	4.0%	44,061	3.9%	-	0.0%
Other intangible assets	76,403	6.9%	79,720	7.0%	-3,317	-4.2%
Non-current prepayments	640	0.1%	904	0.1%	-264	-29.2%
Investments in associates	642	0.1%	49	0.0%	593	1210.2%
Other investments	106	0.0%	106	0.0%	-	0.0%
Deferred income tax assets	26,948	2.4%	28,985	2.5%	-2,037	-7.0%
Other non-current receivables	240	0.0%	1,639	0.1%	-1,399	-85.4%
	522,780	47.5%	516,289	45.2%	6,491	1.3%
Current assets						
Inventories	54,994	5.0%	53,687	4.7%	1,307	2.4%
Trade and other receivables	277,541	25.3%	362,404	31.7%	-84,863	-23.4%
Current income tax receivables	1,313	0.1%	1,527	0.1%	-214	-14.0%
Long-term contracts receivables	48,163	4.4%	32,264	2.8%	15,899	49.3%
Available-for-sale financial assets	6,822	0.6%	6,685	0.6%	137	2.0%
Other financial assets at fair value – derivative financial instruments	1,136	0.1%	1,644	0.1%	-508	-30.9%
Interest and shares	2	0.0%	112	0.0%	-110	-98.2%
Cash and cash equivalents	186,896	17.0%	167,689	14.7%	19,207	11.5%
	576,867	52.5%	626,012	54.8%	-49,145	-7.9%
Assets dedicated for sales	275	0.0%	0	0%	275	100%
TOTAL ASSETS	1,099,922	100.0%	1,142,301	100.0%	-42,379	-3.7%

In the first half of 2014, the value of the Comarch Group's assets decreased by PLN 42.4 million (3.7%) compared to the end of 2013. This is a consequence of a decrease of PLN 49.1 million in current assets while there was an increase of PLN 6.5 million in non-current assets. The decrease of 7.9% in current assets is related to a periodical decline in the level of trade receivables (a decrease of PLN 84.9 million, i.e. 23.4%). In the first half of 2014, value of cash and cash equivalents grew by PLN 19.2 million, i.e. 11.5%. Value of inventories results from execution of current orders from customers and it maintained level similar to those at the end of 2013 (an increase of PLN 1.3 million, i.e. 2.4%). Long-term contracts receivables increased from PLN 32.3 million at the end of 2013 to PLN 48.2 million at the end of the first half of 2014. This is a periodical increase and it is related to contracts execution cycle. The increase of 1.3% in non-current assets results from an increase in value of property, plant and equipment (an increase of PLN 6.6 million, i.e. 1.9%) mostly caused by an increase in value of property, plant and equipment under construction (SEZ6) and by an increase in value of investment real estates (an increase of PLN 6.3 million, i.e. 79.6%).

	30 June 2014	%	31 December 2013	%	Change	%
EQUITY						
Capital and reserves attributable to the company's shareholders						
Share capital	8,125	0.7%	8,051	0.7%	74	0.9%
Other capitals	146,716	13.4%	145,205	12.7%	1,511	1.0%
Exchange differences	3,334	0.3%	2,670	0.2%	664	24.9%
Net profit for the current period	13,353	1.2%	25,077	2.2%	-11,724	-46.8%
Retained earnings	457,146	41.6%	445,340	39.0%	11,806	2.7%
	628,674	57.2%	626,343	54.8%	2,331	0.4%
Minority interest	12,048	1.1%	11,368	1.0%	680	6.0%
Total equity	640,722	58.3%	637,711	55.8%	3,011	0.5%
LIABILITIES						
Non-current liabilities						
Credit and loans	97,209	8.8%	110,751	9.7%	-13,542	-12.2%
Provision for deferred income tax	37,453	3.4%	40,545	3.5%	-3,092	-7.6%
Other financial liabilities	332	0.0%	516	0.0%	-184	-35.7%
Other liabilities	83	0.0%	83	0.0%	-	0.0%
	135,077	12.2%	151,895	13.3%	-16,818	-11.1%
Current liabilities						
Trade and other payables	162,866	14.8%	193,633	17.0%	-30,767	-15.9%
Current income tax liabilities	3,678	0.3%	11,237	1.0%	-7,559	-67.3%
Long-term contracts liabilities	28,888	2.6%	33,416	2.9%	-4,528	-13.6%
Credit and loans	38,685	3.5%	20,700	1.8%	17,985	86.9%
Financial liabilities	13,669	1.3%	409	0.0%	13,260	3242.1%
Provisions for other liabilities and charges	76,337	7.0%	93,300	8.2%	-16,963	-18.2%
	324,123	29.5%	352,695	30.9%	-28,572	-8.1%
Total liabilities	459,200	41.7%	504,590	44.2%	-45,390	-9.0%
TOTAL EQUITY AND LIABILITIES	1,099,922	100.0%	1,142,301	100.0%	-42,379	-3.7%

In the first half of 2014, total equity and liabilities decreased mostly as a result of a decline in current liabilities (a decrease of PLN 28.6 million, i.e. 8.1%). The reasons are as follows: a decrease in trade liabilities (a decrease of PLN 31.2 million, i.e. 16.1%), a decrease in provisions for other liabilities and charges (a decrease of PLN 17 million, i.e. 18.2% as a result of dissolving part of provisions created as at the end of 2013) and a decrease in current income tax liabilities (a decrease of PLN 7.6 million, i.e. 67.3%). Long-term contracts liabilities decreased by PLN 4.5 million, i.e. 13.6%. Financial liabilities amounted to PLN 13.7 million, mostly in relation to payment of dividend for 2013 planned for August 2014 (PLN 12.2 million). Value of current credits and loans grew by PLN 18 million, i.e. 86.9% compared to those at the end of 2013 as a result of the fact that one of credits was recognised to be paid within the next 12 months and as a consequence of acquiring an operating credit for financing and refinancing of deliveries related to a contract. A decrease in non-current liabilities is a consequence of a decrease in credits and loans (PLN 13.5 million, i.e. 12.2%) resulting from the fact that one of credits was recognised to be paid within the next 12 months. Equity grew slightly by PLN 3 million, i.e. 0.5%.

Debt ratios slightly grew as a consequence of an increase in value of credits and loans, and of a slight decrease in assets in relation to debt/equity ratio.

Debt ratio	30 June 2014	31 December 2013
Debt ratio	12.35%	11.51%
Debt/equity ratio	21.62%	20.99%

Income Statement

	6 months ended 30 June 2014	%	6 months ended 30 June 2013	%	Change	%
Revenue	429,677	100.0%	391,701	100.0%	37,976	9.7%
Costs of products, goods and materials sold	-333,000	-77.5%	-309,692	-79.1%	-23,308	7.5%
Gross profit	96,677	22.5%	82,009	20.9%	14,668	17.9%
Other operating income	3,782	0.9%	7,670	2.0%	-3,888	-50.7%
Sales and marketing costs	-47,763	-11.1%	-46,353	-11.8%	-1,410	3.0%
Administrative expenses	-29,197	-6.8%	-30,942	-7.9%	1,745	-5.6%
Other operating expenses	-2,676	-0.6%	-9,456	-2.4%	6,780	-71.7%
Operating profit	20,823	4.8%	2,928	0.7%	17,895	611.2%
Finance revenue/(costs)-net	133	0.0%	-3,041	-0.8%	3,174	-104.4%
Share of profit/(loss) of associates	-856	-0.2%	79	0.0%	-935	-1183.5%
Profit before income tax	20,100	4.7%	-34	0.0%	20,134	-59,217.6%
Income tax expense	-6,067	-1.4%	1,655	0.4%	-7,722	-466.6%
Net profit for the period	14,033	3.3%	1,621	0.4%	12,412	765.7%
Attributable to:						
shareholders of the parent company	13,353	3.1%	2,397	0.6%	10,956	457.1%
<i>Interests not entitled to control</i>	<i>680</i>	<i>0.2%</i>	<i>-776</i>	<i>-0.2%</i>	<i>1,456</i>	<i>-187.6%</i>

In the first half of 2014, the Comarch Group sales revenue climbed by PLN 38 million, i.e. 9.7% to PLN 429.7 million year on year. In the first half of 2014, operating result amounted to PLN 20.8 million and was higher by PLN 17.9 million compared to that achieved in the first half of 2013, net result attributable to the shareholders of the parent company amounted to PLN 13.4 million.

Profitability analysis	6 months ended 30 June 2014	6 months ended 30 June 2013
Margin on sales	22.50%	20.94%
EBIT margin	4.85%	0.75%
Gross margin	4.68%	-0.01%
Net margin	3.11%	0.61%

As a consequence of favourable results achieved in the first half of 2014, the Comarch Group increased its profitability on operating, gross and net sales.

Financial liquidity and turnover ratios

Liquidity analysis	30 June 2014	31 December 2013
Current ratio	1.78	1.77
Quick ratio	1.45	1.52
Cash to current liabilities ratio	0.58	0.48

In the first half of 2014, the Comarch Group had very good financial liquidity and comparable to those in the previous year. In the Management Board's opinion, the Comarch Group has no problems with meeting the contracted financial liabilities on-time. Temporarily free funds are invested by Comarch in safe financial instruments like bank deposits, participation units in money investment funds and treasury bills.

Turnover analysis	6 months ended 30 June 2014	6 months ended 30 June 2013
Current asset turnover ratio	0.74	0.68
Receivable turnover ratio (days)	116	144
Inventories turnover ratio (days)	167	249
Liabilities turnover ratio (days)	188	208
Liabilities turnover excluding liabilities due to investment credit ratio (days)	141	156

Turnover ratios confirm an effective use of the company's funds. In the first half of 2014, receivables and inventories turnover ratios decreased, that is related to an increase in revenue compared to those in the first half of 2013 and to a decrease in receivables in relation to receivables turnover ratio. Lower value of a turnover ratio means shortening the waiting period for payment of receivables. Liabilities turnover ratio decreased slightly as a consequence of a lower level of liabilities in the first half of 2014 compared to those in the first half of the previous year.

Methods of Calculation of Financial Ratios

Debt Ratios

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

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

Profitability Ratios

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

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

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

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

$$\text{Return on Sales (profit attributable to shareholders)} = \frac{\text{Net Profit attributable to Shareholders}}{\text{Revenue}}$$

Liquidity Ratios

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

$$\text{Quick Ratio} = \frac{\text{Trade and Other Receivables} + \text{Cash and Cash Equivalents} + \text{Available-for-Sale Assets}}{\text{Current Liabilities}}$$

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

Turnover Analysis

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

$$\text{Receivables Turnover Ratio} = \frac{(\text{Trade and Other Receivables}) * 180}{\text{Revenue}}$$

$$\text{Inventories Turnover Ratio (days)} = \frac{\text{Inventories} * 180}{\text{Costs of Sold Goods and Materials}}$$

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

$$\begin{aligned} &\text{Liabilities Turnover Ratio} \\ &\text{excluding} \\ &\text{Liabilities due to} \\ &\text{Bonds and Investment Credit (days)} \end{aligned} = \frac{(\text{Liabilities} + \text{Credits and Loans}) * 180}{\text{Sales and Marketing Costs} + \text{Administrative Expenses} + \text{Other Operating Expenses} + \text{Costs of Sold Products, Services, Goods and Materials}}$$

3.2. Commentary on Differences between Financial Results Presented in Annual Report and Results Forecast for the Given Year Published Before

Group has not published the results forecast for the first half of 2014.

3.3. Factors and Events of Unusual Nature that Affect the Issuer Activities and the Achieved Results, as well as Their Appraisal

3.3.1. Deferred Income Tax Assets

In the first half of 2014, the Group settled in part an asset due to activities in the SEZ that was worth PLN 0.895 million and established as at 31st of December, 2013 in proportion to the generation of tax-exempt income in this period.

In 2014, the Group settled in part a deferred tax asset related to temporary differences that was established on 31st of December, 2013 and worth PLN 3.819 million, as well as an asset due to temporary differences was recognised in the amount of PLN 2.241 million. An asset due to tax loss was dissolved in the amount of PLN 0.247 million and recognised in the amount of PLN 0.683 million. The total effect of the above-mentioned operations on the net result of 2014 was minus PLN 2.037 million.

Due to valuation of net assets of CCF FIZ, in 2014, Group dissolved in part a deferred tax provision, which was recognised in the previous years and was worth PLN 3.595 million. At the same time, a deferred tax provision due to temporary differences was recognised in the amount of PLN 4.469 million and dissolved in the amount of PLN 3.712 million. In 2014, Group dissolved a provision due to acquisition of A-MEA Informatik AG and ESAProjekt sp. z o.o. which was worth PLN 0.254 million. The total effect of the all above-mentioned operations on the net result of 2014 was plus PLN 3.092 million.

Total changes in the deferred income tax resulted in an increase in result of PLN 1.055 million.

3.3.2. Valuation of Exchange Differences

Contrary to the first half of 2013, fluctuations of PLN versus EUR, USD and GBP in the first half of 2014 had a slight effect on revenue and results of the Comarch Group. Realised exchange differences and balance sheet valuation of exchange differences on receivables and liabilities as of the 30th of June, 2014, decreased by PLN 0.017 million the revenue and operating result of the Comarch Group (they increased them by PLN 4.774 million in the first half of 2013). Other exchange differences decreased by PLN 0.196 million the Comarch's result (they decreased by PLN 1.346 million in the first half of 2013). Total exchange differences resulted in a decrease of PLN 0.213 million in the Comarch Group's net result (an increase of PLN 3.428 million in the first half of 2013).

3.4. Description of the Main Capital Deposits or the Main Capital Investments Made within the Comarch Group in the Given Year

They were described in points 1.2.3 and 1.2.4 of the report.

3.5. Transactions Concluded by the Issuer or its Subsidiary with Related Parties on Terms Different from Market Conditions

None present.

3.6. Credits, Loans, Suretyships, Guarantees and Other Significant Off-Balance Sheet Items

3.6.1. Long-Term Bank Credits

In the Comarch Group, parent company Comarch S.A. has the following long-term bank credits:

- a) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw in amount of PLN 20 million, acquired in 2004 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. On 5th of January, 2009, the company revaluated the remaining credit to be paid into EUR. A promissory note, the mortgage on land and the building insurance policy are security for this credit. As at 30th of June, 2014, the value of the credit to be repaid amounted to EUR 0.5 million, i.e. PLN 2.08 million.

- b) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office 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 PLN 44 million. The crediting period may last a maximum of 16 years, i.e. until 2024. This credit has a variable interest rate. It was taken out by 30th of September, 2008. A promissory note, the mortgage on land and the building insurance policy are security for this credit. On the 5th of October, 2011, the company revaluated the remaining credit to be paid into euro. As at 30th of June, 2014, the value of the credit to be repaid amounted to EUR 6.35 million, i.e. PLN 26.43 million.
- c) An investment credit from Bank Pekao S.A. with its registered office in Warsaw, for the financing of purchase of land in the Special Economic Zone in Krakow. The credit amounts to PLN 15.1 million. This credit has a variable interest rate. A promissory note and the mortgage on the land are security for this credit. At the beginning, the crediting period was 5 years, till 2012, however on the 29th of May, 2012, an annex was concluded which extended it till 2015. As at 30th of June, 2014, the value of the credit to be repaid amounted to PLN 15.1 million.
- d) An investment credit from Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw, for the refinancing of the investment credit acquired in DnB NORD Bank Polska S.A. on the 28th of April, 2010, for financing of the fourth construction stage of production and office buildings in the Special Economic Zone in Krakow. The credit amounts to EUR 4.13 million. The crediting period may last 8 years at a variable interest rate. The real estate mortgage in the amount of EUR 6.19 million and cession of rights in the building insurance policy are security for this credit. The loan was drawdown on the 1st of October, 2013. As at the 30th of June, 2014, the value of the credit to be repaid amounted to EUR 3.74 million, i.e. PLN 15.56 million.
- e) An investment credit from BNP Paribas Bank Polska S.A. (previously Fortis Bank Polska S.A.) with its registered office in Warsaw, for the financing of the purchase of hardware and software for a project related to data centre services. The credit amounts to EUR 2.4 million. The crediting period may last until 2016. The loan was drawdown on the 7th of August, 2012. This credit has a variable interest rate. Transfer of debts from the contract and the registered pledge on the financed property, plant and equipment in use are security for this credit. As at 30th of June, 2014, the value of the credit to be repaid amounted to EUR 1.2 million, i.e. PLN 4.99 million.
- f) A nonrevolving operating credit from BZ WBK Bank S.A. (previously Kredyt Bank S.A.) with its registered office in Warsaw acquired in the first quarter of 2013, for financing of company's operations. The credit amounts to EUR 7.4 million. The crediting period may last 8 years, and its maturity date is 31st of December, 2020. This credit has a variable interest rate. The real estate mortgage and cession of rights in the insurance policy are security for this credit. As at 30th of June, 2014, the value of the credit to be repaid amounted to EUR 6.21 million, i.e. PLN 25.82 million.
- g) an investment credit agreement with bank Polska Kasa Opieki Spółka Akcyjna with its registered office in Warsaw, for financing and refinancing of not more than 90% of net costs of an investment related to construction of office building SSE6 and data centre in the Special Economic Zone in Krakow. The credit amounts to PLN 56 million, i.e. EUR 13,323,182.34. The crediting period: 10 years, repayment will be made not later than on 4th of December, 2023. Loan was granted in EUR and it has a variable interest rate. Power of attorney to manage Comarch S.A. bank accounts in the Bank, declaration of submission to enforcement, the real estate mortgage in the amount of PLN 84 million (entry dated the 13th of February, 2014, in the Mortgage and Land Register of the District Court for Krakow-Podgórze, the Fourth Division of the Land and Mortgage Register -current report no. 5/2014 dated the 20th of March, 2014), cession of rights in the building insurance policy, cession of rights in the bank guarantee for contract good performance and for warranty obligations and warranty are security for this credit. It should be taken out by 4th of December, 2015. As at 30th of June, 2014, value of the credit taken out amounted to EUR 2.96 million, i.e. PLN 12.33 million.
- h) A nonrevolving operating credit from bank Pekao S.A. with its registered office in Warsaw for financing and refinancing of deliveries related to the contract for delivery and implementation of the system for digital recording of court proceedings in common courts which was concluded between Ministerstwo Sprawiedliwości (Ministry of Justice) and Comarch Polska S.A., a subsidiary of Comarch S.A. (current report no. 6/2014 dated the 21st of March, 2014 The crediting period: till the 30th of November, 2014, at

a variable interest rate. It should be drawdown by 30th of September, 2014. The surety granted by Comarch Polska S.A., a subsidiary of Comarch S.A., declaration of submission to enforcement and authorisation to manage accounts in PEKAO S.A., as well as declaration of submission to enforcement and authorisation to manage Comarch S.A.'s accounts in PEKAO S.A. are security for this credit. As at 30th of June, 2014, value of the credit taken out amounted to PLN 2.98 million (current report no. 9/2014 dated the 9th of April, 2014).

In the third quarter of 2011, iMed24 S.A. acquired investment loan from Bank Pekao S.A. with its registered office in Warsaw for financing of purchase of medical equipment and facilities in relation with NZOZ Centrum Medyczne iMed24 (medical centre) in Krakow. The credit amounts to PLN 15.89 million and as at 31st of December, 2011, it was used in total. The crediting period may last 7 years, i.e. until 2018. This credit has a variable interest rate. The registered pledge on the financed property, plant and equipment in use, cession of rights in the property, plant and equipment in use insurance policy and surety granted by Comarch S.A. are security for this credit. As at the 30th of June, 2014, the value of the credit to be repaid amounted to PLN 10.21 million.

In the second quarter of 2013, Comarch AG acquired investment loan from BNP Paribas Bank Polska S.A. with its registered office in Warsaw for financing of construction of an office and production building, including data centre in Dresden. The credit amounts to EUR 6 million, and its crediting period is until 2018. The loan was drawdown on the 25th of July, 2013. This credit has a variable interest rate. Surety granted by Comarch S.A., a mortgage and cession of rights in the insurance policy are security of this credit. As at the 30th of June, 2014, the value of the credit to be repaid amounted to EUR 4.97 million, i.e. PLN 20.66 million.

3.6.2. Current credit lines (variable interest rate)

In the Comarch Group, Comarch S.A., parent company, has the following credit limits in current account:

a) Credit limit in current account in bank Powszechna Kasa Oszczędności Bank Polski S.A. ("PKO BP S.A.") with its registered office in Warsaw in the amount of PLN 10 million. It can be used by the 13th of December, 2014. An authorisation to manage Comarch S.A.'s accounts in PKO BP S.A. and a promissory note are security for this credit. As at the 30th of June, 2014, the credit was not used.

b) Credit limit in current account in bank BPH S.A. with its registered office in Krakow in the amount of PLN 13.38 million. It can be used by the 28th of September, 2014. A promissory note and a declaration of submission to enforcement are security for this credit. As at the 30th of June, 2014, the credit was not used.

Credit limit in current account in bank Pekao S.A. with its registered office in Warsaw in the amount of PLN 26.34 million. It can be used by the 31st of May, 2016. An authorisation to manage Comarch S.A.'s accounts in bank Pekao S.A., a promissory note and a declaration of submission to enforcement are security for this credit. As at the 30th of June, 2014, the credit was not used.

	30 June 2014	31 December 2013
Current credit lines granted, expiring within one year, including:	56,120	53,778
– used at the balance sheet date	-	-
– available at the balance sheet date	56,120	53,778

3.6.3. Loans Acquired by the Companies in the Comarch Group

On the 27th of December, 2012, Comarch S.A. signed a loan agreement with IBM Polska sp. z o.o. for financing of delivery of IBM hardware in relation to an IT project performed by the Comarch Group. The loan amounts to PLN 0.34 million and drawdown was made in the first quarter of 2013. Loan will reach its maturity date in December, 2015. It has a fixed interest rate. The loan is not secured. As at the 30th of June, 2014, the value of the credit to be repaid amounted to PLN 0.18 million.

In the second quarter of 2013, CA Consulting S.A., a subsidiary of Comarch S.A., signed a loan agreement with IBM Polska sp. z o.o. for financing of delivery of IBM hardware in relation to an IT project performed by the company. The loan amounts to PLN 1.14 million and drawdown was made in the second quarter of 2013. Loan will reach its maturity date in April, 2014. It has a fixed interest rate. The loan is secured with a surety granted by Comarch S.A. The loan was repaid in total in the second quarter of 2014.

3.6.4. Loans within Comarch Group

As at 30th of June, 2014, the following companies of the Capital Group were indebted for loans:

Lender	Borrower	At 30 June 2014	Interests at 30 June 2014
Comarch S.A.	OOO Comarch	457,095	175,155
Comarch S.A.	Comarch SAS	2,704,585	239,758
Comarch S.A.	iMed24 SA	5,120,000	320,206
Comarch S.A.	Comarch Chile	457,095	3,666
Comarch S.A.	Comarch R&D SARL	1,040,225	3,683
Comarch S.A.	ESAProjekt sp. z o.o.	1,750,000	34,739
Comarch S.A.	Bonus Development Sp. z o.o. SK-A	3,858,729	12,401
Bonus Management Sp. z o.o. SK-A	Comarch AG	7,905,710	1,639,428
CA Consulting S.A.	ESAProjekt sp. z o.o.	1,300,000	15,875
CA Consulting S.A.	iMed24 S.A.	500,000	319
Comarch AG	Comarch R&D SARL	977,812	163,976
Comarch AG	Comarch SAS	790,571	124,289
Comarch s.r.o.	Comarch S.A.	366,609	105,030
MKS Cracovia SSA	Comarch S.A.	2,500,000	53,909
MKS Cracovia SSA	ESAProjekt sp. z o.o.	800,000	15,540
MKS Cracovia SSA	iMed24 SA	600,000	11,731
SouthForge sp. z o.o.	ESAProjekt sp. z o.o.	1,600,000	10,309
Total		32,728,431	2,930,013

Their maturity dates will be in 2014-2025.

3.6.5. Loans Granted to Members of the Managing and Supervising Persons

As at 30th of June, 2014, there are no unpaid loans as well as there are no guarantees nor suretyships granted by Comarch S.A. to members of the Management Board or members of the Supervisory Board or their relatives.

As at 30th of June, 2014, there are no unpaid loans as well as there are no guarantees nor suretyships granted by other companies in the Comarch Group to members of the Comarch S.A.'s Management Board or members of the Comarch S.A.'s Supervisory Board or their relatives.

3.6.6. Information about Suretyships, as well as Guarantees and Liabilities due to Leases Provided by the Issuer and Its Subsidiaries

- Due to conclusion in August, 2010, of a contract with a customer, issuer has granted a guarantee for the customer. This guarantee has been provided for the duration of the contract and guarantees the satisfactory fulfilment of any obligations resulting from the contract by Comarch AG, a subsidiary of Comarch S.A. The value of the guarantee equals the value of the contract, i.e. approximately EUR 54,580,752. The financial conditions, that the guarantee was provided on, do not differ from the market conditions.
- Due to conclusion of a contract for implementation, hosting and maintenance of loyalty system, signed by Comarch Inc., a subsidiary of Comarch S.A., on the 28th of April, 2011, Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch Inc. The value of the surety equals a maximum of USD 3 million and is valid till November, 2016.
- Due to conclusion of a contract for sales of licences and implementation of Comarch Network & Service Inventory, Comarch Next Generation Service Assurance and Comarch OSS Mediations, as well as sales of licences for Comarch SLA Management, signed by Comarch AG, a subsidiary of Comarch S.A., on the 11th of August, 2011, Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals value of obligations resulting from the contract (EUR 5.24 million and additionally EUR 0.35 million annually) and was valid until the 31st of March, 2014.

- d) Due to Bank Pekao S.A. granting a loan in the amount of PLN 15,888,666.42 to iMed24 S.A., a Comarch S.A. subsidiary, on the 1st of September, 2011, Comarch S.A. granted a surety in order to guarantee the fulfilment of any obligations resulting from the contract. The value of the surety equals PLN 23,832,999.63 and is valid until the 31st of December, 2021.
- e) Due to conclusion of a lease agreement by Comarch Software und Beratung AG, a subsidiary of Comarch S.A., on the 1st of January, 2012, the parent company granted a surety in order to guarantee the fulfilment of any obligations resulting from the contract. The value of the surety equals EUR 0.15 million and is valid until the 31st of March, 2015.
- f) On the 1st of June, 2013, Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from the above mentioned contracts by iMed24 S.A., Comarch Polska S.A., iReward24 S.A. and CA Consulting S.A. The value of the surety equals PLN 0.2 million (PLN 0.05 million for each company) and is valid until the 31st of May, 2014.
- g) Due to conclusion of a subcontracting agreement by CA Consulting S.A., a subsidiary of Comarch S.A. in relation to a contract with a client, Comarch S.A. granted a surety for obligations of CA Consulting S.A. The surety was granted up to the amount of liabilities of CA Consulting S.A. resulting from subcontracting agreement, i.e. to the maximum amount of PLN 6,698,434.82 and USD 1,356,861.70, and it is valid till the moment when all payments resulting from the agreement will be made.
- h) Due to conclusion of a contract for implementation and maintenance of BSS system by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch UK. The surety was granted up to the amount of liabilities of Comarch UK resulting from the aforementioned agreement, i.e. to the amount of GBP 807,680 and in addition, GBP 86,400 annually for SLA, and it is valid for the whole term of the agreement.
- i) Due to conclusion of a contract for implementation of Next Generation Performance Management Solution, signed by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of a customer in order to guarantee the fulfilment of any obligations resulting from the contract by Comarch AG. The value of the surety equals value of a maximum of EUR 3,692,115 and is valid for the whole term of the contract, i.e. until the March, 2018.
- j) Due to conclusion of a contract for implementation of Planning and Inventory Application (PIA), signed by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. signed a letter of comfort upon which it ensures proper contract performance by Comarch AG. The letter of comfort is valid for 24 months from contract completion, i.e. till March, 2020. Contract's value amounts to EUR 3,504,513.
- k) Due to granting a subsidy to Comarch AG, a subsidiary of Comarch S.A., for construction of an infrastructure in Dresden through Sachsische AufbauBank, Comarch S.A. took on a debt in the event of a liability of Comarch AG to return the granted means. Maximum liability of Comarch S.A. in relation to taking the debt shall not exceed EUR 0.26 million increased by interest for the period from the granting of the subsidy to its return. Taking the debt is valid till the 30th of August, 2018.
- l) Due to conclusion of an investment credit agreement between Comarch AG, a subsidiary of Comarch S.A., with BNP Paribas Bank Polska S.A., resulting in granting the financing in the amount of EUR 6 million, on the 15th of May, 2013 Comarch S.A. granted a surety for obligations of Comarch AG resulting from the agreement. The surety was granted up to the amount of EUR 9 million and is valid till the 15th of May, 2020.
- m) Due to conclusion of a contract for implementation of Comarch Loyalty Management, signed by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the benefit of a customer for obligations of Comarch UK. The surety was granted up to the maximum amount of GBP 2,051,238 and is valid for the whole term of the contract, i.e. till the October, 2016.
- n) Due to conclusion of a loan agreement by CA Consulting S.A., a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations resulting from this agreement. The surety was granted up to the amount of PLN 1,416,662.70 and is valid till all payment obligations related to the loan agreement are completed, i.e. the 30th of April, 2014.

- o) Due to conclusion of a contract for implementation and licence of Comarch Loyalty Management, as well as services related to data centre and Support & Maintenance, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch SAS resulting from this project. The surety was granted up to the maximum amount of the signed agreements, i.e. EUR 300,000 and EUR 2,337,879, and is valid till the end of this project, i.e. till the March, 2019.
- p) Due to conclusion of a contract for services related to data centre, signed by Comarch AG, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for obligations of Comarch AG resulting from this project. The surety was granted up to the maximum amount of the signed agreement, i.e. EUR 183,961.08, and is valid till the end of this project, i.e. till the October, 2016.
- q) Due to granting a trade credit to CA Consulting S.A., a subsidiary of Comarch S.A., for sales of products and services in the amount of PLN 2 million, Comarch S.A. granted a surety for future obligations of CA Consulting S.A. resulting from using the trade credit. The surety was granted up to the amount of PLN 2 million and was valid till the 28th of February, 2014.
- r) Due to conclusion of a contract for purchase of licences, maintenance and support, signed by Comarch UK, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for future obligations of Comarch UK resulting from this project. The surety was granted up to the amount of GBP 11,243,479.50 and is valid till the 31st of May, 2028.
- s) Due to conclusion of a contract for fuel cards service signed by ESAPROJEKT sp. z o.o., a subsidiary of Comarch S.A., on the 20th of December, 2013, Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of any obligations resulting from this contract by ESAPROJEKT sp. z o.o. The surety was granted up to the amount of PLN 30,000 and is valid till the 20th of December, 2016.
- t) Due to conclusion of a contract for SLA services of Comarch ECM, signed by branch of Comarch S.A. in Albany, Comarch S.A. granted a surety for the liabilities of the branch resulting from the project. The surety was granted up to the amount of the signed agreement, i.e. EUR 211,524 and is valid till the termination of the contract, i.e. till the end of 2014.
- u) Due to conclusion of a contract for implementation of Comarch ECM, maintenance and SaaS, signed by Comarch SAS, a subsidiary of Comarch S.A., Comarch S.A. granted a surety for the liabilities of Comarch SAS, resulting from the project. The surety was granted up to the amount of EUR 838,425 and is valid till the termination of the contract, i.e. till the end of July, 2019.
- v) On the 1st of June, 2014, Comarch S.A. granted a surety for the benefit of an operator of fuel cards in order to guarantee the fulfilment of obligations by subsidiaries: iMed24 S.A. and CA Consulting S.A. resulting from this contracts signed with this entity. The total value of the sureties equals PLN 100 (PLN 50 for each company) and they are valid till the 31st of May, 2015.

As at 30th of June, 2014, the Comarch Group had contractual obligations due to operational leasing agreements (means of transport and electronic equipment) in the amount of PLN 2.74 million.

3.6.7. Bank Guarantees and Significant Off-Balance Sheet Items

On 30th of June, 2014, the value of bank guarantees and letters of credit issued by banks on order from Comarch S.A. in reference to executed agreements and participation in tender proceedings was PLN 59.12 million, whereas it was PLN 70.77 million on 31st of December, 2013.

On 30th of June, 2014, the value of bank guarantees issued by banks on order from Comarch Polska S.A. in reference to executed agreements and participation in tender proceedings was PLN 0.57 million, whereas it was PLN 0.64 million on 31st of December, 2013.

On 30th of June, 2014, the value of bank guarantees issued by banks on order from Comarch Software und Beratung Group in reference to executed agreements and participation in tender proceedings was EUR 0.47 million, i.e. PLN 1.96 million, whereas it was EUR 0.29 million, i.e. PLN 1.2 million on 31st of December, 2013.

Comarch S.A. granted letters of comfort for its subsidiaries: MKS Cracovia SSA and ESAProjekt sp. z o.o. (they are both valid till 30th of June, 2015) and iMed24 S.A. (valid till 31st of December, 2018).

3.7. Significant Legal, Arbitration or Administrative Proceedings**3.7.1. Proceedings Related to Liabilities or Receivables of the Issuer or a Subsidiary, which Value Constitutes at least 10% of Equities**

None present.

3.7.2. Two or more Proceedings related to Liabilities or Receivables of Issuer's or a Subsidiary, which Total Value Constitutes at least 10% of Equities and the Issuer's Opinion on the Matter

None present.

4. PERSPECTIVES OF DEVELOPMENT

4.1. Factors Essential for Development of the Comarch Group

4.1.1. Internal Factors

- a) Increase in export sales and significance of foreign sales,
- b) Position and reputation of the company affecting the nature of clients acquired;
- c) Commercial operations of Comarch S.A. in the special economic zone in Krakow;
- d) Significant share of standard (repetitive) products offered for sale, which means:
 - lower costs, especially variable costs related to a single contract,
 - the possibility of significant increase in profitability of a single contract with simultaneous reduction in charges for clients (license fees),
 - broader and more diversified circle of clients, which means a broader scale of activities;
- e) Attractive training policy;
- f) Attractive work conditions offered for employees of the company;
- g) Increasing awareness of the Comarch brand among prospective clients by promotion managed through MKS Cracovia SSA;
- h) Necessity of continuous investment in human resources to maintain the company's competitive edge in future years;
- i) High levels of investment expenditure designated for research and development activity, and development of new products and IT services;
- j) High level of investment expenditure designated for the development of production sources in Poland (material investment) and for expansion on foreign markets (capital investment).

4.1.2. External Factors:

- a) Enhanced requirements from clients for IT systems. There is an increase in demand for large, complex IT systems dedicated for specific users. This gives advantage to large IT companies such as Comarch S.A., which offer a number of different technologies and products and which are able to provide technologically advanced solutions;
- b) Increased significance of mobile technologies broadly used in IT solutions for all groups of customers;
- c) Change in business models in many branches as well as change in business strategies of many companies related to technological progress and economic growth, which shape the demand for new IT systems, broadening software sales in the *cloud computing* model means an increase in capital and resources requirements for IT companies;
- d) An access of Polish companies to resources from structural funds related to Polish membership in European Union that will be dedicated in part to develop IT systems and finance research and development works;
- e) Growing competition, causing decrease in achieved margins; competition between IT companies;
- f) Pressure on increase in remuneration in IT sector; number of graduates from technical universities having IT skills decreases;
- g) The international economic situation, taking into particular consideration the situation on financial markets that effects levels of demand for products and IT services;
- h) Exchange rate levels fluctuations, especially EUR/PLN, USD/PLN and GBP/PLN, and which affect the profitability of export sales.

4.2. Other Significant Factors, including Risks and Threats

4.2.1. Credit Risk

The parent 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 Comarch's sales to a significant number of customers in different branch of economy, in different world's regions.

4.2.2. Risk of Change in Interest Rates

The Comarch Group is exposed to the risk of changes in interest rates related to cash and cash equivalents, as well as 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 and EURIBOR index. The group 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.

4.2.3. Risk of Fluctuation in the Exchange Rates

The Comarch Group 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 parent company's costs are also expressed in, or related to, exchange rates for foreign currencies. In individual cases, the parent company hedges future payments with forward contracts, as well as tries to use natural hedging through adjusting structures of assets, liabilities and equity denominated in foreign currencies (for example through a change of credit's currency). 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, liabilities due to investment credits as well as cash as at the balance sheet date.

4.2.4. Financial Liquidity Risk

The Comarch 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 Comarch Group are fixed, while revenue from sales, as is typical for a services company, fluctuates. The Comarch 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 analysing the maturity profiles of financial assets and liabilities.

4.3. Perspectives of Development in the Group and Anticipated Financial Situation in 2014

In the first half of 2014, the Comarch Group observed an increase in demand for IT products and services. Thus, its backlog grew. The Group expects full use of its productive capacity in the following periods and an increase in number of employed as well as commencing new infrastructural investment. Economic and political situation in Poland and abroad will still have a detrimental impact on situation on the IT market and the financial results achieved by the Comarch Group in 2014. The consistently executed strategy of positioning itself on the market as a technological and product-based company reaps results in the form of a very well diversified offer and a very wide client base; most of these being international companies. It allows for the limitation of activities' risk during a period of economic slowdown. Dynamically developing activity of Comarch in international markets should additionally increase sales volume and enhance the image of Comarch among international corporations, thus strengthening the competitive position of Comarch. Execution of Comarch strategy largely depends on macroeconomic conditions, beyond the Group, especially on the level of IT investments in medium-size and large companies in Poland and abroad and on the fact that competition in the IT sector becomes more and more fierce. At the same time, effective management of operational risks is the necessary condition for execution of the strategy. Growth in demand for delivery of IT solutions in services model, that is cloud computing, is a chance for company, as Comarch holds wide suits of own products, own infrastructure, as well as human and capital resources and it may flexibly fit to business models required by customers. The Group still plans to develop its products and IT services for the medical sector. It also plans to commence R&D activities related to production of hardware, that is to say internet of things.

The most important risks related to the Group's operations are:

- a) risks related to R&D work (developing proprietary software products);
- b) risks related to assessment of time requirements for long-term contracts;
- c) risks related to failure to observe contract terms and conditions and contractors taking advantage of the provided performance guarantees;
- d) risk of foreign legal and political environment related to execution of export contracts;
- e) risk of decreased possibility (difficulty) of controlling and monitoring financial standing of foreign contractors;
- f) risk of employees rotation, and risk of a lack of possibility to hire the appropriate number of qualified employees.

The Group does not expect of significant changes in its financial situation.

4.4. Characteristic of Policy of the Development Direction in the Comarch Group

The strategic development directions in the Comarch Group are:

- development of international sales, especially focusing on mature markets in Western Europe (in particular in the DACH region) and both Americas,
- constant development of its own technologically advanced products, high expenses for R&D,
- development of sales of IT products and services as cloud computing,
- diversification of an offer through sales of products and services to customers in many economic sectors,
- continuation of development works within IT solutions for e-Health sector which should become one of the main sources of customers for the Comarch Group in the future,
- strict cooperation with global customers in international markets,
- constant investment in human resources,
- development of a modern production base in Poland and abroad.

4.5. Achievements within Research and Development

Globalisation of world economy, as well as liberalisation of trade, result in disappearance of barriers for companies and their products. The IT market becomes an open and global market where prices and quality of available products are continuously compared against each other. Along with increase in the presence of foreign capital in Poland, even IT companies conducting operations solely in the Polish market must offer competitive products from the point of view of the global market. Comarch, since the very beginning of its operations, has had reputation of a technological company developing and successfully selling products competitive internationally. Therefore, the main strategic objectives of the company are still development of new competitive products to enable further development of Comarch and, as a result, increasing its value. Maintaining dynamics of sales requires expenditures for development of products as well as their proper promotion and marketing. This applies to both modifications of already existing products and technologies as well as developing new products.

The present policy of Comarch assumes running research and development work related to implementation of new products and standardisation of products from the very beginning of their preparation for the client. Thus, even in cases when a product was developed for the needs of a particular client, a part or whole of software / code may be then used for preparation of a standard product. This results in higher profitability of particular contracts and expansion of the client base.

Comarch S.A.

In the first half of 2014, Comarch S.A. continued contract for financing of the project: "Effective, Efficient and Safe System for Viewing and Transmitting Medical Images" within the Operational Programme Innovative Economy 1.4.



**INNOWACYJNA
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NARODOWA STRATEGIA SPÓJNOŚCI

COMARCH

UNIA EUROPEJSKA
EUROPEJSKI FUNDUSZ
ROZWOJU REGIONALNEGO



European Funds for development of an innovative economy

Comarch continued the project: "Innovative Platform for Market Research Analysis" funded through the IniTech initiative. The project is implemented on the basis of the agreement for financing with the National Centre for Research and Development (NCBiR).

It also continued „Social Business Intelligence Module” project within the DEMONSTRATOR+ “Supporting Scientific Research and Development Works in Demonstration Scale” pilot project according to the agreement for financing concluded in the second half of 2013.

Within the 7th Framework Programme of the European Union, Comarch S.A. continued as a partner, agreement for financing of the “Shaping the Future of Electronic Identity” (FutureID) project and the „Situation AWARE Security Operations Centre” (SAWSOC) project.

iMed24 S.A.

Within the Operational Programme Innovative Economy 1.4 iMed24 S.A. continued work on the “Comprehensive e-Medicine Platform” project.

ESAProjekt sp. z o.o.

In the second half of 2013 ESAProjekt sp. z o.o. signed the grant agreement for the SAWSOC (Situation AWARE Security Operations Centre) project funded through the 7 Framework Programme.

5. COMARCH IN THE STOCK EXCHANGE

5.1. Resolutions of the AGM and the Board of Supervisors

5.1.1. Resolutions of the Board of Supervisors

a) "Corporate Governance Principles"

Pursuant to the rule number 3) included in the third part, point 1 of the "Corporate Governance Principles", Comarch S.A.'s Management Board reported that on the 26th of May, 2013, Supervisory Board of Comarch S.A. passed the resolution no. 10/5/2014 in which projects of the resolutions at the AGM, to be held on the 26th of June, 2014, are given positive opinions.

Pursuant to the rule number 1) included in the third part, point 1 of the "Corporate Governance Principles", in current report no. EBI 1/2014, Comarch S.A.'s Management Board presented 2013 activities' report of Comarch S.A.'s Supervisory Board and assessment of the company's situation in 2013 including assessment of the company's internal system control and risk management of the company.

5.1.2. Annual General Meeting – 26.06.2014

a) Convention of the AGM, Agenda of the Meeting and Information on Participation in the Company's General Meeting

On the 26th of May, 2014, pursuant to article 395, 399 § 1, article 402¹ and 402² of the Code of Commercial Companies and Partnerships, and pursuant to article 14 of the company's Articles of Association, the Management Board of Comarch S.A. convened the Annual General Shareholders' Meeting of Comarch S.A., to be held at 11:00 o'clock on the 26th of June, 2014, at ul. prof. Michała Życzkowskiego 23 (formerly Aleja Jana Pawła II 41e) in Krakow, Poland. Agenda of the meeting and projects of resolutions to be presented on AGM, and their grounds, were also published on that day. Pursuant to art. 402² of the Code of Commercial Companies and Partnerships, the company's Management Board has presented information on participation in the company's General Meeting, including:

- Shareholder's right to demand the inclusion of specific issues in the agenda of the nearest General Meeting,
- A shareholder's right to introduce projects of resolutions,
- Method of exercising the right to vote by proxy,
- The possibility and the method of participating in the General Meeting using means of electronic communication,
- The method of giving one's opinion during the General Meeting using means of electronic communication,
- The method of exercising a voting right in by correspondence or by using means of electronic communication,
- Date of registration for participation in the General Meeting: 10th of June, 2014,
- Information about the right to participate in the General Meeting,
- List of shareholders,
- Access to documentation,
- The company's website and e-mail address.

The company announced details in current reports no. 16/2014 dated the 25th of May, 2014, 16/2014_K dated the 26th of May, 2014, 17/2014 dated the 6th of June, 2014 and 18/2014 dated the 25th of June, 2014.

b) Content of the Resolutions Passed at the AGM

c)

On the 26th of June, 2014, the AGM passed the resolutions related to:

- election of Chairman of the General Meeting;
- removing from the agenda of the meeting the point regarding the election of the Returns Committee;
- passing the agenda of the meeting;
- approving the company's financial statement for the fiscal year 1.01.2013 - 31.12.2013;
- approving the report of the Management Board regarding the activities of the company in 2013;
- approving the financial statement of the Capital Group for the fiscal year 1.01.2013 - 31.12.2013;
- approving the report of the Management Board of Comarch S.A. regarding the activities of the Capital Group in 2013;
- approving the activity report of the company's Board of Supervisors for the fiscal year 2013, including assessment of the company's situation;
- distribution of the company's net profit for the fiscal year 1.01.2013 - 31.12.2013;
- distribution of the retained earnings from the previous years;

- acknowledging the fulfilment of duties by the members of the Management Board and the Supervisory Board in the fiscal year 1.01.2013 - 31.12.2013;
- annulling in part and changes in the resolution no. 36 of the annual general meeting of the 26th of June, 2013 regarding to managerial option program;
- granting additional bonuses to the Management Board;
- dismissal of a member of the Supervisory Board;
- election of a member of the Supervisory Board;
- changes in remuneration of the Supervisory Board members.

The full content of the resolutions was published on 26th of June, 2014, in the current report no. 19/2014 and on 30th of June, 2014, in the current report no 19/2014_K.

d) Resolution of the AGM Regarding Dividend for 2013

The General Shareholder's Meeting decided that the earned in the fiscal year 1 January 2013-31 December 2013 net profit in the amount of PLN 45,584,120.35 will be divided as follows:

1. PLN 12,188,385.00 will be paid as dividend. Persons who were the company's shareholders on the 18th of August, 2014 (dividend's day), got the dividend in the amount of PLN 1.50 per one share. The dividend was allocated to 8,125,590 shares and was paid out on the 18th of August, 2014.

2. The remaining part of the net profit in the amount of PLN 33,395,735.35 was passed in total to supplementary capital.

Company announced details in current report no. 20/2014 dated the 26th of June, 2014.

e) The List of Shareholders Participating the Annual General Shareholders Meeting

Accordingly to the list of shareholders participating the Annual General Shareholders Meeting of Comarch S.A. on the 26th of June, 2014, Elżbieta Filipiak and Janusz Filipiak held at least 5% of the total number of votes represented at this Meeting:

1. Janusz Filipiak – 1,099,640 registered preference shares which gave 4,671,640 votes at the AGM, which constituted 41.75% of the all votes at this AGM and which constituted 30.9% of the total number of votes;

2. Elżbieta Filipiak - 846,000 registered preference shares which gave 4,230,000 votes at the AGM, which constituted 37.81% of the all votes at this AGM and which constituted 27.98% of the total number of votes;

3. AMPLICO OFE – 640,000 shares which gave 640,000 votes at the AGM, which constituted 5.72% of the all votes at this AGM and which constituted 4.23% of the total number of votes.

The total number of votes from all emitted Comarch S.A. shares is 15,119,190. Shareholders participating the Annual General Shareholders Meeting of Comarch S.A. on the 26th of June, 2014 held shares giving 11,188,286 votes. Company announced details in current reports no. 22/2014 and 22/2014_K dated the 27th of June, 2014.

f) Appointment of a New Member of the Board of Supervisors

On the 26th of June 2014, at the Ordinary Annual General Meeting, Mr. Robert Bednarski was appointed a member of the Board of Supervisors. According to his declaration, Mr. Bednarski does not perform any competitive activities beyond the issuer's company and does not participate in any competitive company as a partner in a private partnership, a partnership or as a member of the company governing bodies, and does not participate in any other competitive legal person as a member of its governing body. Mr. Bednarski is not listed in the Register of Insolvent Debtors maintained pursuant to the Act on the National Court Register. Company announced details in current report no. 21/2014 dated the 26th of June, 2014.

5.2. Operations on Comarch S.A Shares**5.2.1. Sales/Purchase Transactions on Parent Company's Shares**

None present.

AFTER THE BALANCE SHEET DATE

There was a change in number of shares held by a member of the Management Board from 32,249 to 32,436 shares.

5.2.2. Managerial Option Program for Members of the Management Board and Other Key Employees**a) for 2011-2013**

On 28th of June, 2010, the Annual General Meeting of Shareholders passed Resolution no. 23 on the managerial options programme for company's Key Employees for 2011-2013. 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 was executed through offers of newly-issued shares in the company in 2012, 2013 and 2014 to 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 of each year of the execution of the programme (beginning with 2011) and the issue price of shares offered to Key Employees. The basis for the calculation of the value of the Option were increases in company capitalisation, calculated as follows:

- for 2011 – as the difference between the average capitalisation of the company in 2011 and the average capitalisation of the company in 2010,
- for 2012 – as the difference between the average capitalisation of the company in 2012 and the average capitalisation of the company in 2011,
- for 2013 – as the difference between the average capitalisation of the company in 2013 and the average capitalisation of the company in 2012,

where the average capitalisation of the company in the given year is the arithmetical average of the daily capitalisations of the company in the given year, and the daily capitalisation is the number of shares of the company multiplied by the stock exchange closing rate for shares of the company in the given day.

In the fourth quarter of the year that precedes the year of the Programme execution, the Board of Supervisors shall establish a list of Key Employees and Individual Option Ratios. The list of Key Employees and Individual Option's Ratios will be established independently for each year of the Programme. Total value of Individual Option Ratios for all Key Employees in the given year will amount to 3.6% (three and six tenths per cent) of the increase in the company's capitalization.

The difference between the average capitalisation 2011 and the average capitalisation in 2010 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 were not issued in 2012.

The difference between the average capitalisation 2012 and the average capitalisation in 2011 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 2013.

The determined Option's value amounts to PLN 2.87 million and it was recognised as cost in the income statement.

The difference between the average capitalisation in 2013 and the average capitalisation in 2012 is positive, as a result, shares for members of the Management Board and Key Employees will be issued in 2014.

In execution of the Resolution no. 23 of the Annual General Meeting dated 28th of June, 2010, regarding the managerial option program for key employees, on the 13th of January, 2014, the Supervisory Board of Comarch S.A. passed the Resolution no. 2/01/2014 on execution of the managerial option program for 2013, by way of issuance of 73,953 ordinary bearer series K3 shares, of nominal value of PLN 1 and issue price of PLN 1 each, excluding a stock right of the current company's shareholders (current report no. 2/2014 dated the 13th of January, 2014). As a consequence, the Management Board of Comarch S.A. passed the resolution no. 1 dated the 20th of January, 2014, regarding an increase in the share capital by way of emission of 73,953 ordinary bearer series K3 shares (current report no. 3/2014 dated the 20th of January, 2014).

On the 31st of March, 2014, the District Court for Kraków-Śródmieście, the Eleventh Economic Division of the National Court Register registered increase in the company's share capital to the amount of PLN 8,125,590.00. After this increase the company's share capital is divided into 8,125,590 shares. It corresponds to 15,119,190 votes at the company's AGM (current report no. 7/2014 dated the 3rd of March, 2014).

On the 25th of April, 2014, the Management Board of the National Deposit for Securities passed a resolution no. 424/14 on the conditional registration of series K3 shares. The Management Board of the National Deposit for Securities decided to register 73,953 ordinary bearer series K3 Comarch S.A. shares of a nominal value of PLN 1 each and mark them with the code PLCOMAR00012, providing that the company managing the regulated market decides that these shares will be introduced to trading on the regulated market where other Comarch S.A. shares were introduced, providing that the above-mentioned bearer series K3 shares will be registered in the National Deposit for Securities three days from the reception by the National Deposit of documents that confirm that decision mentioned above was made by the company managing the regulated market, but not earlier than on the day of introduction to trading that was pointed out in the decision. The company announced details in current report no. 10/2014 dated the 25th of April, 2014.

With the resolution no. 540/2014 dated the 6th of May, 2014, the Management Board of the Warsaw Stock Exchange decided that 73,953 ordinary bearer series K3 Comarch S.A. shares of nominal value of 1 PLN each are admitted to trading. The Management Board of the Warsaw Stock Exchange decided that the shares mentioned above will be introduced to trading on the 8th of May, 2014, providing that on the 8th of May, 2014, they will be registered by the National Deposit for Securities and marked with the code "PLCOMAR00012". The company announced details in current report no. 12/2014 dated the 6th of May, 2014.

On the 6th of May, 2014, the Operating Department of the National Deposit for Securities announced that on the 8th of May, 2014, 73,953 Comarch S.A. shares will be registered in the National Deposit for Securities (ISIN code: PLCOMAR00012, resolution no. 424/14 dated the 25th of April, 2014 of the KDPW S.A. Management Board). The company announced details in current report no. 13/2014 dated the 6th of May, 2014.

b) for 2014-2016

On 26th of June, 2013, the Annual General Meeting of Shareholders passed Resolution no. 36 on the managerial options programme for members of the company's Management Board managing company and Capital Group for 2014-2016. The objective of the programme is to additionally motivate members of the company's Management Board 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 2015, 2016 and 2017 to company's Management Board. After changes introduced by the resolution no. 25 of the Annual General Meeting of the 26th of June, 2014, period of execution of the programme was limited for 2014.

The basis for the calculation of the value of the Option shall be increases in company capitalisation, calculated as the difference between the average capitalisation of the company in 2014 and the average capitalisation of the company in 2013, where the average capitalisation of the company in the given year is the arithmetical average of the daily capitalisations of the company in the given year, and the daily capitalisation is the number of shares of the company multiplied by the stock exchange closing rate for shares of the company in the given day.

In the fourth quarter of 2013, the Board of Supervisors established a list of members of the company's Management Board participating the Programme and Individual Option Ratios. Total value of Individual Option Ratios for all members of the company's Management Board amounts to 3.6% (three and six tenths per cent) of the increase in the company's capitalization.

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 members of the Management Board 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 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).

The determined Option's value amounts to PLN 3.02 million, including PLN 1.51 million in the first half of 2014, and it was recognised as cost in the income statement.

5.3. Transactions on Shares of Subsidiaries and Associates of Comarch S.A.

They were described in points 1.2.3 and 1.2.4 of the report.

5.4. Other Information Related to Stock Exchange

5.4.1. Recommendation of Comarch S.A.'s Management Board Regarding Dividend

On the 22nd of May, 2014 with the current report no. 15/2014, the Management Board of Comarch S.A. announced that they would recommend to the company's General Shareholders' Meeting passing the net profit achieved by Comarch S.A. in financial year from 1st of January, 2013 to 31st of December, 2013 in the amount of PLN 45,584,120.35 in total to supplementary capital.

5.4.2. Dates of Periodical Financial Reports in 2014

Pursuant to § 103 sec. 1 of the Regulation issued by the Minister of Finance on the 19th of February, 2009, concerning current and periodical information pertaining to companies listed on the stock exchange, as well as conditions for recognizing the equivalence of information required by legal regulations binding in a country which is not a member state, with current report no. 1/2014 dated the 13th of January, 2014, Comarch S.A.'s Management Board presented terms of periodical financial reports in 2014.

5.4.3. Accounting Note from Agency for Restructuring and Modernisation of Agriculture

In the current report no. 14/2014 dated the 19th of May, 2014, the Management Board of Comarch S.A. announced about receiving on 16th of May, 2014 the accounting note issued by Agency for Restructuring and Modernisation of Agriculture (ARMA), which amounts to PLN 32,455,497.28. The subjective accounting note in accordance with its contents, was issued by ARMA by way of contractual penalties for delay-default SLA level in one month (August 2013) the provision of services under the contract of 29 April 2013 (concluded as a result of the conducted public tender for the maintenance, modification and improvement of application systems OFSA, OFSA - RDP, OFSA - RDP - DD, RG - RDP).

The amount of contractual penalty charged for one month is completely incommensurable with the monthly remuneration payable to Comarch S.A. due to the performance of the services under the contract, exceeding the remuneration more than 100 times. Under the provisions of the contract, the amount of the penalty exhausted the contractual limitation of liability of Comarch S.A. in terms of claims for contractual penalties and damages caused to ARMA. The amount of the charged penalty does not correspond in any way to the degree of damages sustained by ARMA, what ARMA confirms, among others, in message to the PAP, which stated that throughout the period of performing the services by Comarch S.A., except for two - three cases of delays of the reporting weeks, no errors significant for the functioning of ARMA occurred. The method of calculating the penalty used by the ARMA is not clear to Comarch S.A. and it has not been agreed during the meetings of the parties.

In the opinion of Comarch S.A. calculation of these penalties has neither justification nor grounds in the provisions of the contract. Comarch S.A. announces that has taken the necessary legal steps to establish that there is no obligation to pay the penalties resulting from the accounting note issued by ARMA. Comarch S.A. announces also that, despite the dispute concerning the charged contractual penalties, Comarch S.A. still providing services under the contract with ARMA in accordance with the requirements of the SLA. In opinion of the Management Board of Comarch S.A. the reserves already created for potential claims resulting from contractual penalties in connection with the performance of the contract, in the amount of total gross salary for the providing services in the period July - December 2013 year (i.e. in the amount of PLN 2,277 thousand) fully cover the risk of financial burden of Comarch S.A. with the above-mentioned title.

5.4.4. Declaration Regarding the Acceptance of the Corporate Governance Principles

Pursuant to §29 section 5 of the Rules for Warsaw Stock Exchange, the Management Board of Comarch S.A. presented declaration of the Management Board regarding the acceptance of the corporate governance principles in the company as attachment to the annual statement published on 30th of April, 2014.

AFTER THE BALANCE SHEET DATE

None present.

Krakow, 29th of August, 2014

SIGNATURES OF MANAGEMENT BOARD MEMBERS

NAME AND SURNAME	POSITION	SIGNATURE
Janusz Filipiak	President of the Management Board	
Piotr Piątosza	Vice-president of the Management Board	
Paweł Prokop	Vice-president of the Management Board	
Piotr Reichert	Vice-president of the Management Board	
Zbigniew Rymarczyk	Vice-president of the Management Board	
Konrad Tarański	Vice-president of the Management Board	
Marcin Warwas	Vice-president of the Management Board	

The Management Board's statement regarding the independent auditor

The Management Board of Comarch S.A. states that the entity entitled to audit financial statements, that reviewed the condensed interim consolidated financial statement and the condensed interim financial statement for the six months ended 30th of June, 2014 was selected compliant with the law and that the entity and expert auditors who reviewed these statements perform under conditions to provide an unbiased and independent opinion on the reviewed financial statements, compliant with the binding law and the standards for performance of the expert auditor profession.

Krakow, 29th of August, 2014

Janusz Filipiak

President of the Management Board

Piotr Piątosza

Vice-President of the Management Board

Paweł Prokop

Vice-President of the Management Board

Piotr Reichert

Vice-President of the Management Board

Zbigniew Rymarczyk

Vice-President of the Management Board

Konrad Tarański

Vice-President of the Management Board

Marcin Warwas

Vice-President of the Management Board

The Management Board's statement regarding the reliability of the condensed financial statements

The Management Board of Comarch S.A. states that to the best of our knowledge, the condensed interim consolidated financial statement and the condensed interim financial statement for the six months ended 30th of June, 2014 and comparable data are prepared compliant with binding accounting principles and present the true, fair and clear financial standing of the Capital Group and the company, and the financial results. Furthermore, the report regarding the Capital Group's activities truly describes the development image and achievements as well as the Capital Group's situation including basic threats and risk.

Krakow, 29th of August, 2014

Janusz Filipiak

President of the Management Board

Piotr Piątosza

Vice-President of the Management Board

Paweł Prokop

Vice-President of the Management Board

Piotr Reichert

Vice-President of the Management Board

Zbigniew Rymarczyk

Vice-President of the Management Board

Konrad Tarański

Vice-President of the Management Board