

# COMARCH

## Financial Results Q1 2011

**Konrad Tarański – CFO**

**20th of May, 2011, Krakow**

## Agenda

- Financial results
- Sales structure
- Human resources
- Backlog
- Summary

## Agenda

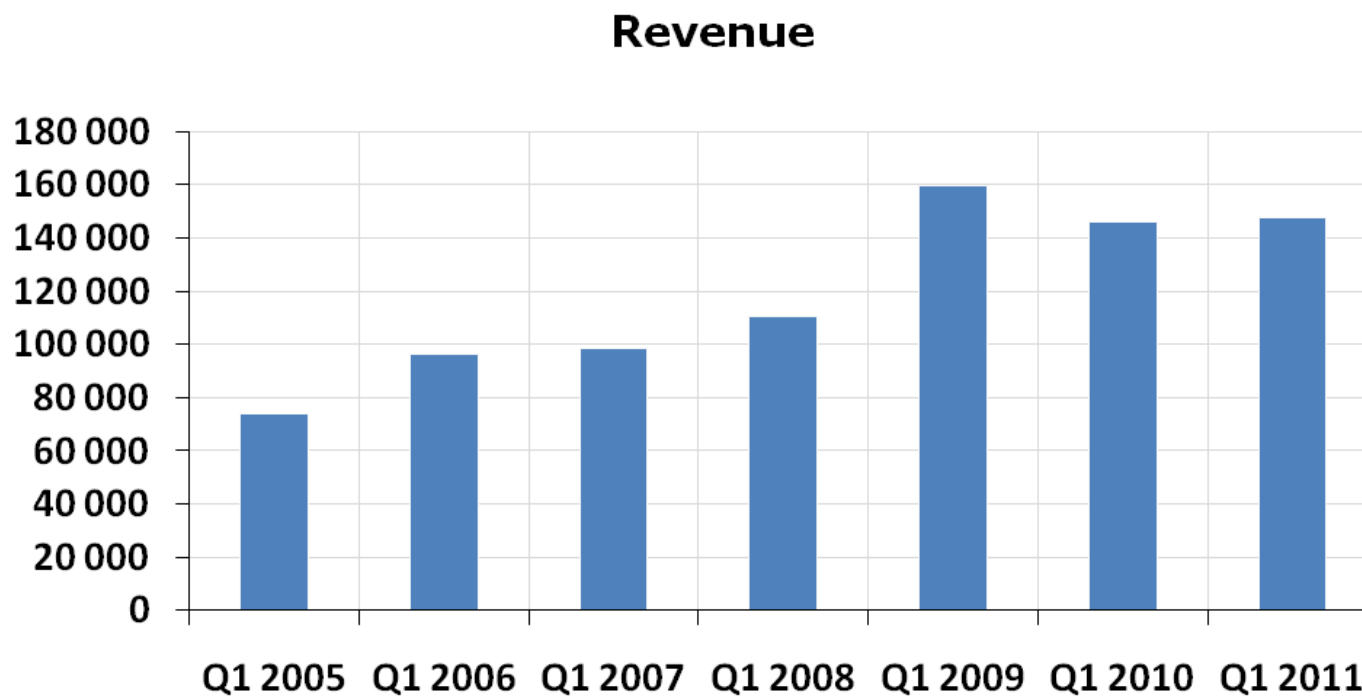
- **Financial Results**
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## Financial Results Q1 2011

	Q1 2011	Q1 2010
Revenue	147,466	145,714
Operating result	-7,429	-3,142
Net result attributable to the Comarch shareholders	-862	-121

*In thousands of PLN*

# Revenue Q1 2011



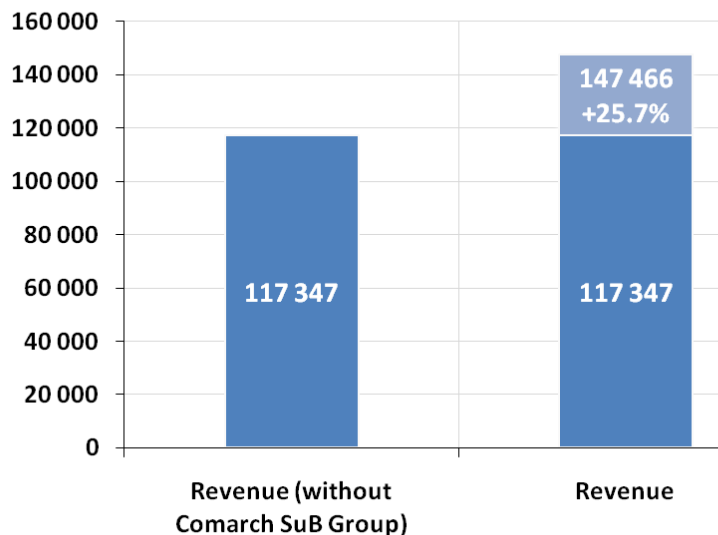
*In thousands of PLN*

## Comparison of the Financial Results for Q1 2011 and Q1 2010 after Eliminating One-Off Events

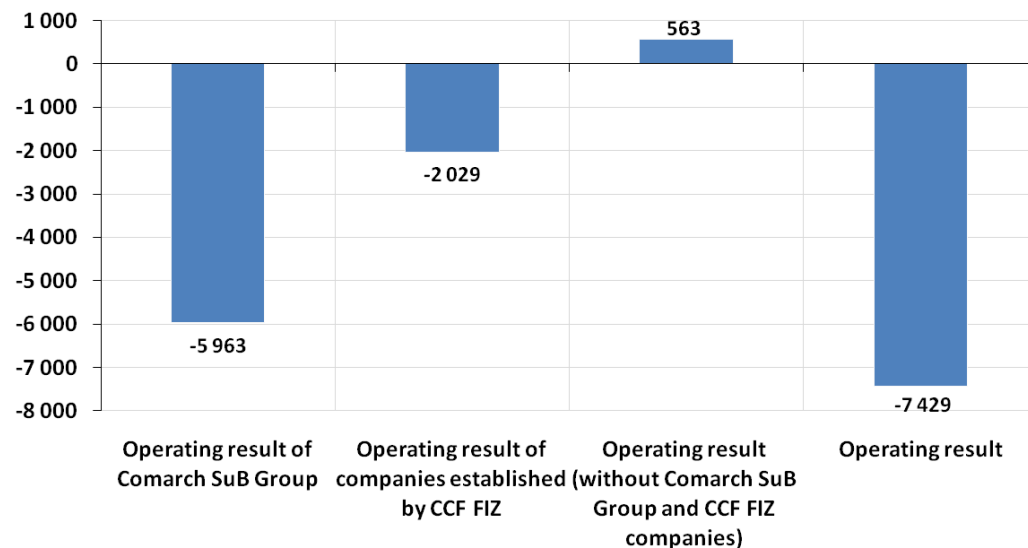
Comarch Group	Q1 2011	Q1 2010	Change
Nominal operating result (according to the IFRS)	-7,429	-3,142	-136.4%
Earnings impact of the costs of the managerial option	-684	-660	
Impact on earnings of the CCF FIZ and companies where CCF FIZ is a shareholder	-2,029	-2,885	
Comarch SuB Group's operating result	-5,963	-6,770	
<b>Adjusted operating result</b>	<b>1,247</b>	<b>7,173</b>	<b>-82.6%</b>
Adjusted EBIT margin	1.1%	6.5%	
<b>Adjusted EBITDA (operating result + depreciation)</b>	<b>6,678</b>	<b>13,177</b>	<b>-49.3%</b>
Adjusted EBITDA margin	5.7%	11.9%	

## Impact of Comarch SuB Group and Companies Established by CCF FIZ on Comarch Group's Revenue and Operating Result

Q1 2011



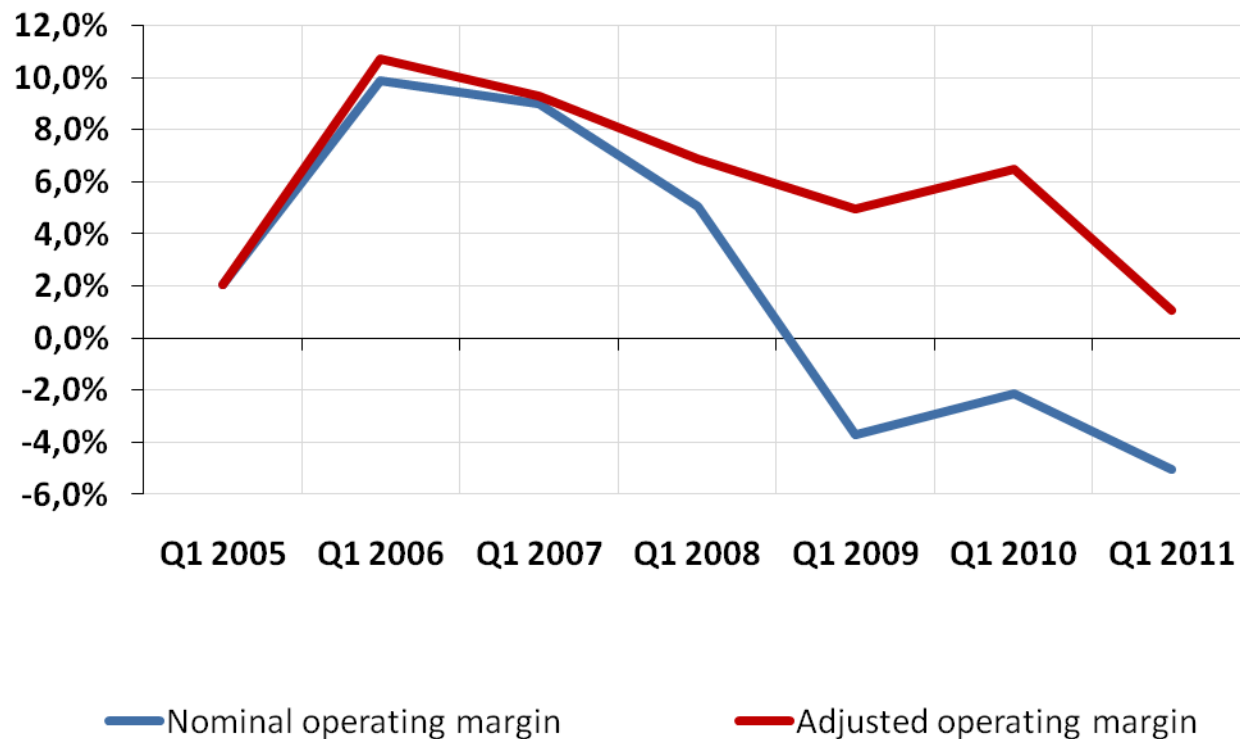
Q1 2011



*In thousands of PLN*

# EBIT Margin Q1 2005 – Q1 2011

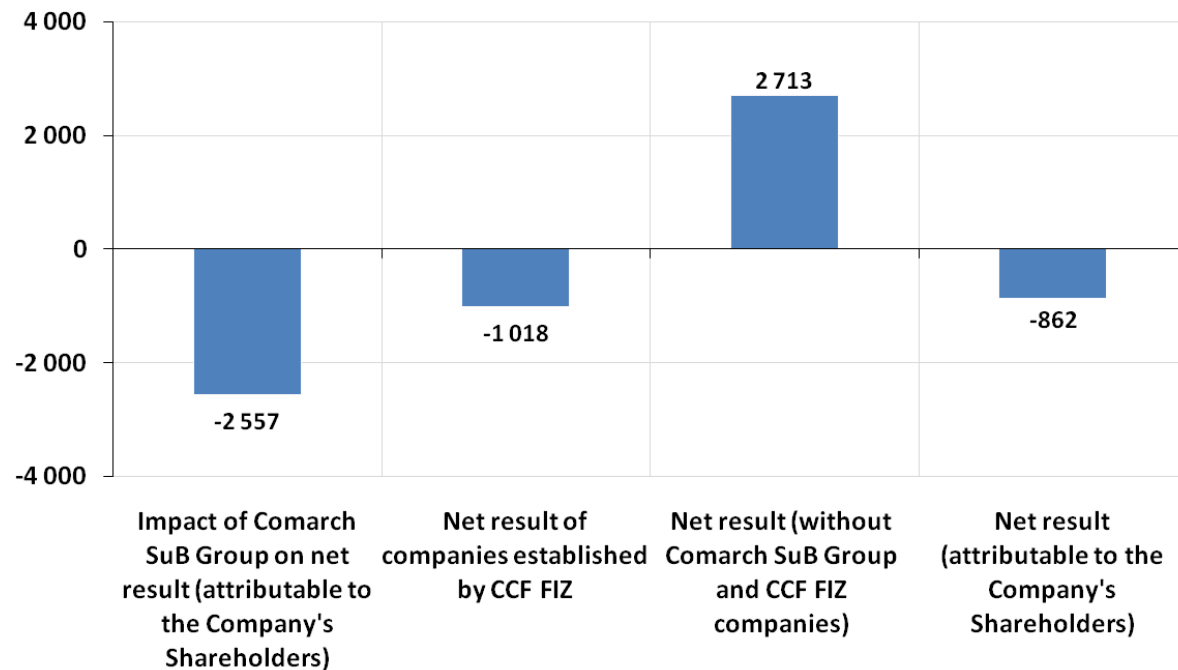
## Operating margin - nominal vs adjusted





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

Q1 2011



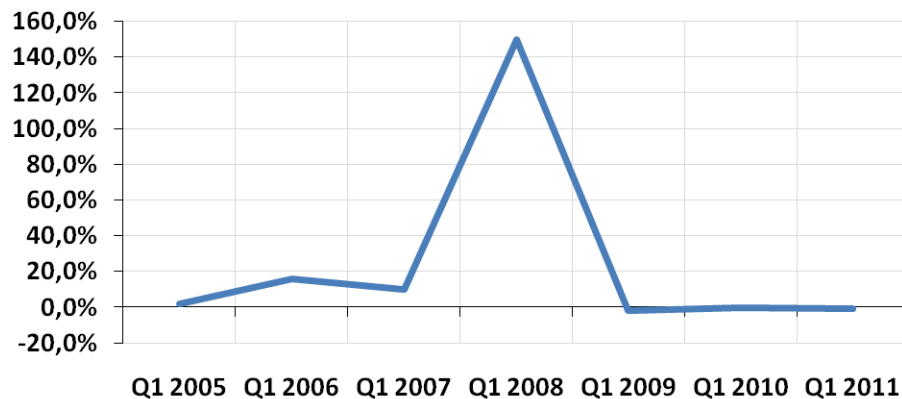
*In thousands of PLN*

## Comparison of the Net Results for Q1 2011 and Q1 2010 after Eliminating One-Off Events

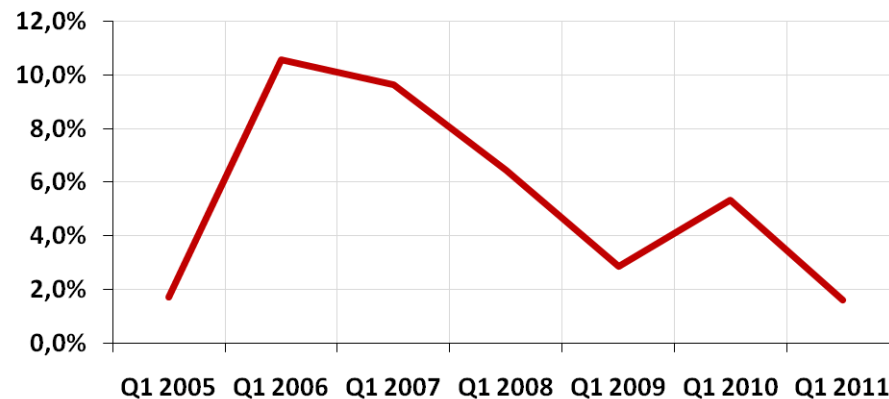
Comarch Group	Q1 2011	Q1 2010	Change
<b>Nominal net result (according to IFRS)</b>	<b>-862</b>	<b>-121</b>	<b>-612.4%</b>
Earnings impact of the costs of the managerial option	-684	-660	
Impact on earnings of the CCF FIZ and companies where CCF FIZ is a shareholder	-1,018	-1,423	
Impact of asset on earnings due to deferred tax (due to activities in Special Economic Zone)	-424	-407	
Impact of provision on earnings due to deferred tax	851	1,211	
Impact of asset on earnings due to tax loss in subsidiaries and temporary differences	1,116	171	
Impact of SoftM Group on net result	-2,557	-4,921	
<b>Adjusted net result</b>	<b>1,854</b>	<b>5,908</b>	<b>-68.6%</b>
Adjusted net margin	1.6%	5.3%	

# Net Margin Q1 2005 – Q1 2011

Net margin



Adjusted net margin



## **Comparison of Net Result and Net Result attributable to Comarch Shareholders**

### **Net result: -4,539 thousand of PLN**

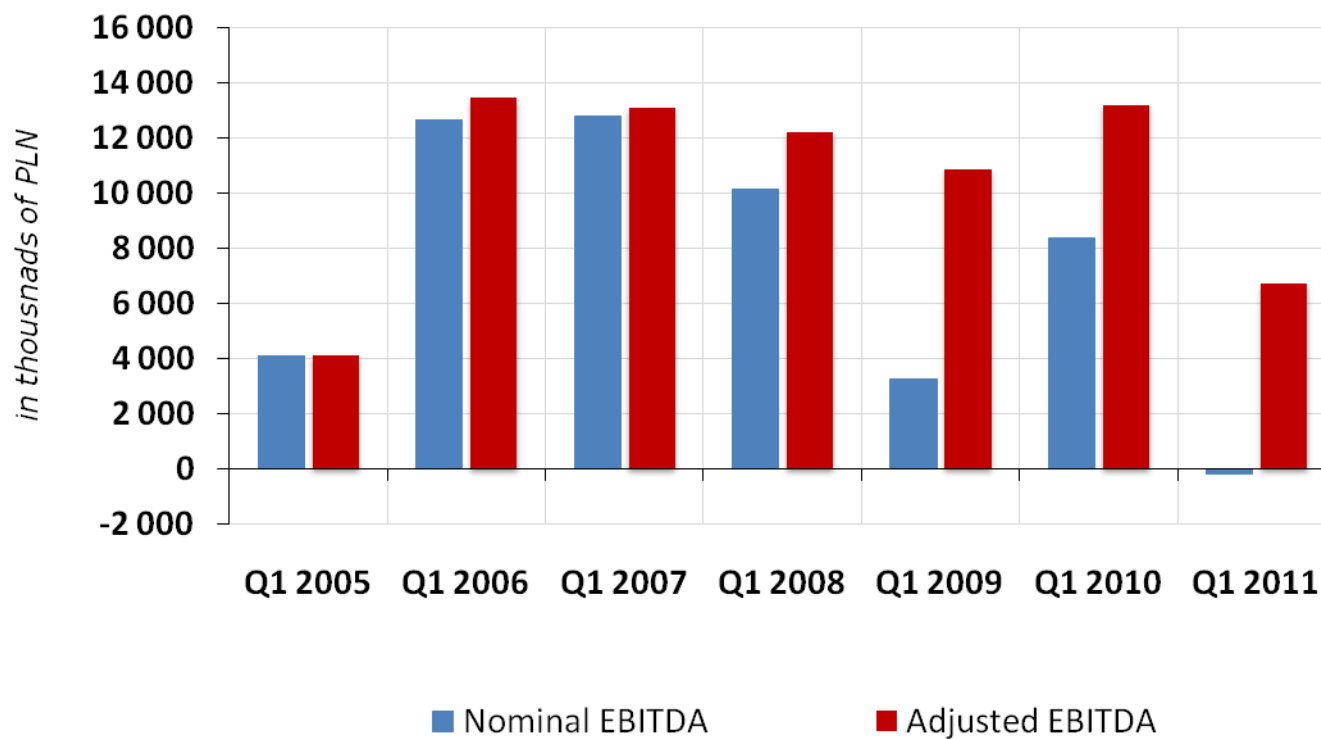
Loss in Comarch SuB Group for Q1 2011, attributable to minority shareholders: : -2 711 thousand of PLN

Loss in other subsidiaries for Q1 2011, attributable to minority shareholders: : -966 thousand of PLN

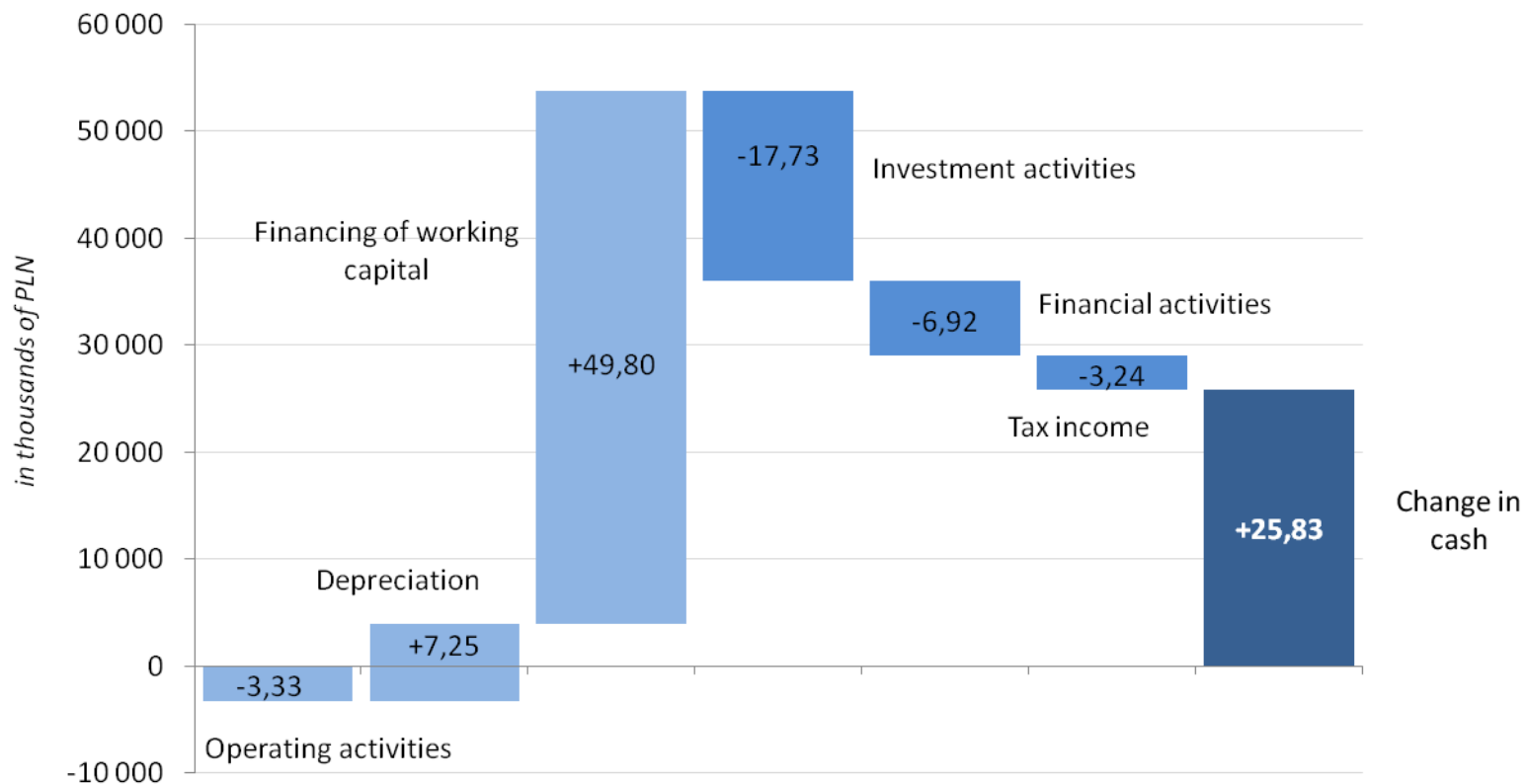
### **Net profit attributable to Comarch shareholders : -862 thousand of PLN**

# EBITDA Q1 2005 – Q1 2011

## EBITDA - nominal vs adjusted



# Cash Flow Q1 2011

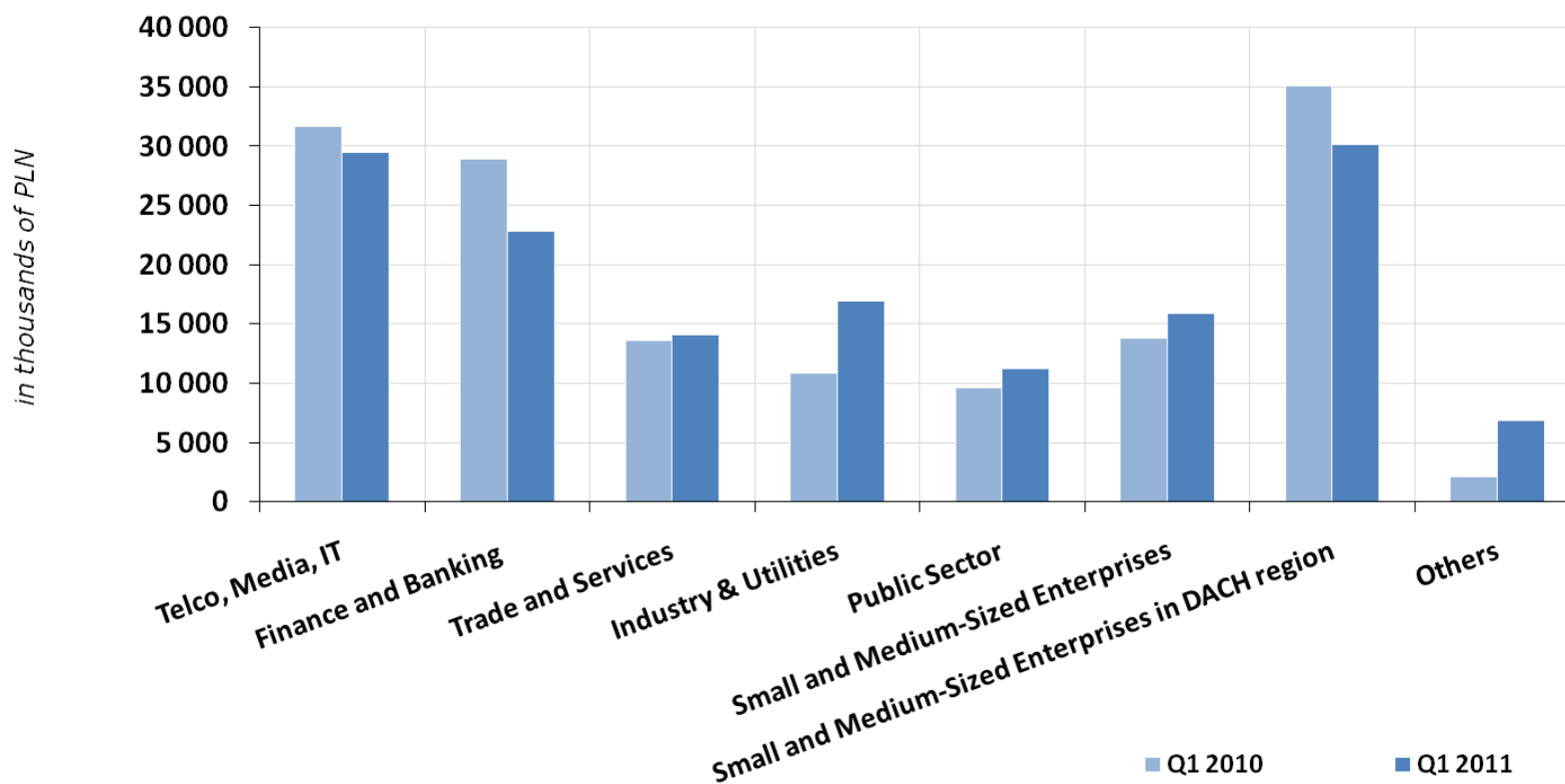


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## Market Sales Structure Q1 2011 and Q1 2010

Revenue from Sectors Q1 2010 and Q1 2011



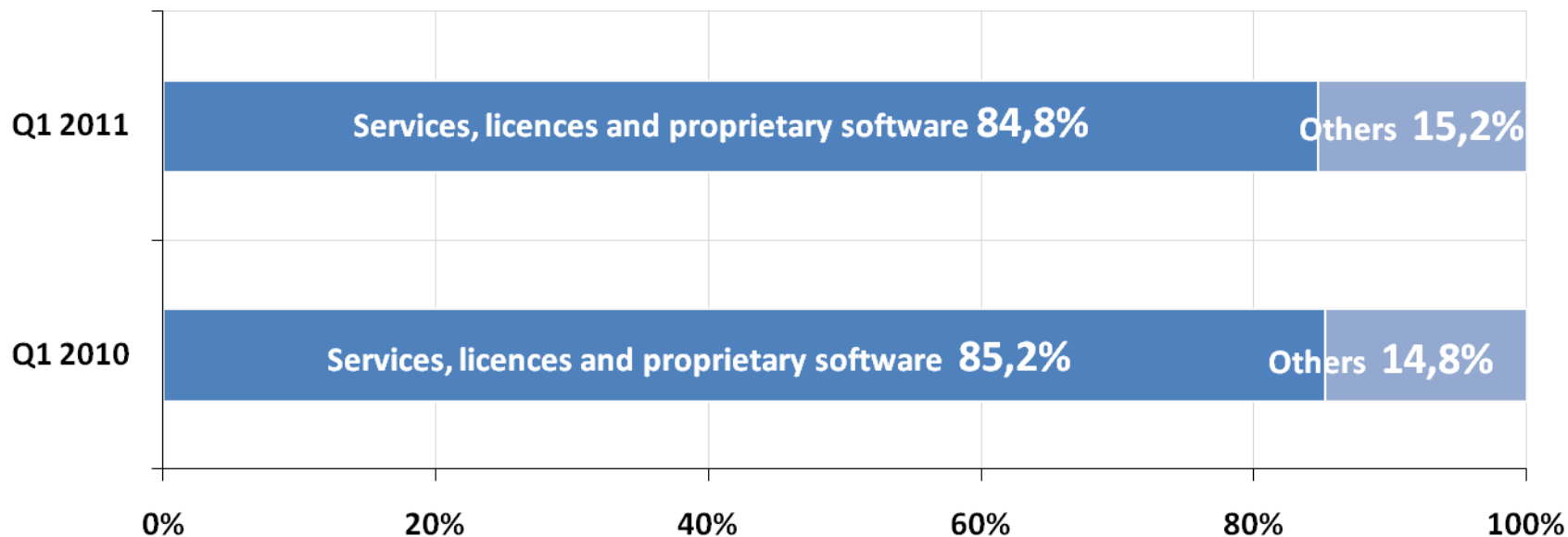


## Market Sales Structure Q1 2011 and Q1 2010

Comarch Group	Q1 2011	%	Q1 2010	%
Telecommunications, Media, IT	29,459	20.0%	31,660	21.7%
Finance and Banking	22,871	15.5%	28,938	19.9%
Trade and Services	14,081	9.5%	13,599	9.3%
Industry & Utilities	16,964	11.5%	10,858	7.5%
Public Sector	11,206	7.6%	9,666	6.6%
Small and Medium- Sized Enterprises – Poland	15,888	10.8%	13,833	9.5%
Small and Medium- Sized Enterprises – DACH	30,119	20.4%	35,049	24.1%
Others	6,878	4.7%	2,111	1.4%
<b>TOTAL</b>	<b>147,466</b>	<b>100.0%</b>	<b>145,714</b>	<b>100.0%</b>

# Products Sales Structure Q1 2011 and Q1 2010

Sales Structure  
Q1 2010 vs Q1 2011

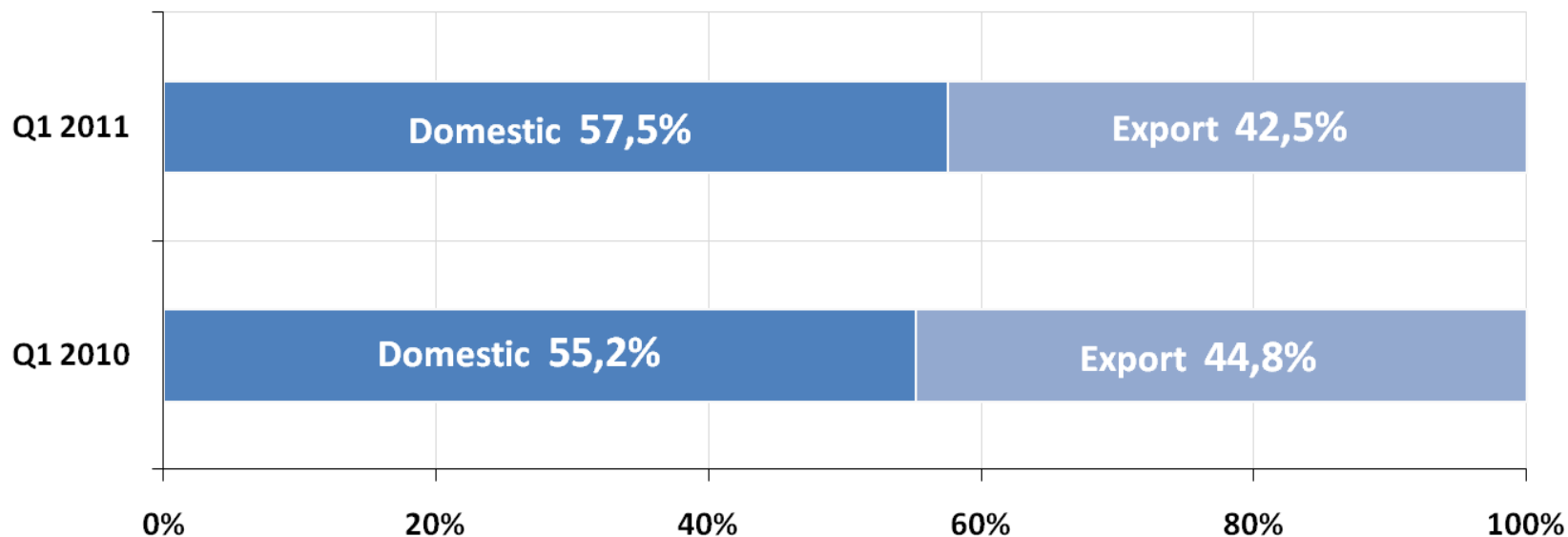


## Products Sales Structure Q1 2011 and Q1 2010

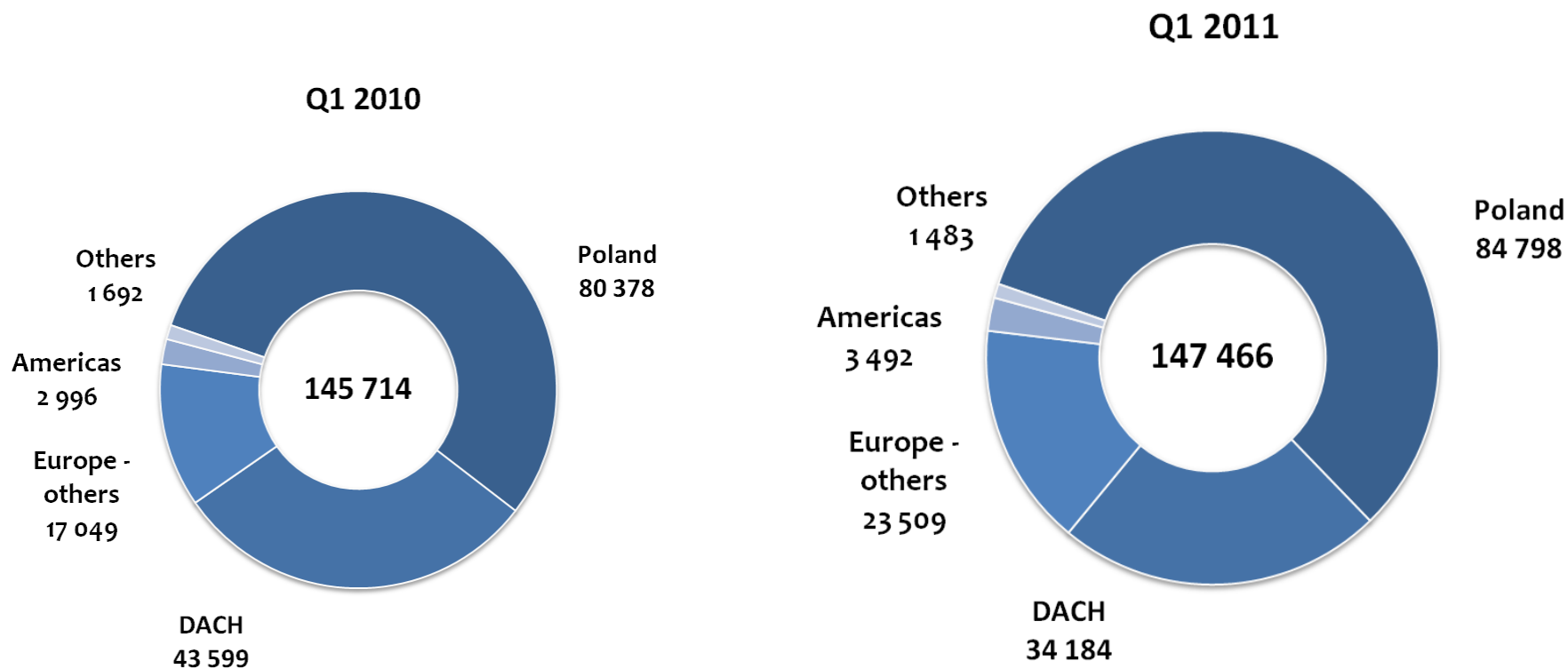
Comarch Group	Q1 2011	%	Q1 2010	%
Services	107,758	73.1%	104,468	71.7%
Proprietary Software	17,190	11.7%	19,681	13.5%
Third-party Software	7,997	5.4%	11,728	8.0%
Hardware	6,921	4.7%	7,140	4.9%
Others	7,600	5.1%	2,697	1.9%
<b>TOTAL</b>	<b>147,466</b>	<b>100.0%</b>	<b>145,714</b>	<b>100.0%</b>

# Geographical Sales Structure Q1 2011 and Q1 2010

Sales Structure  
Q1 2010 vs Q1 2011



# Geographical Sales Structure Q1 2010 and Q1 2011

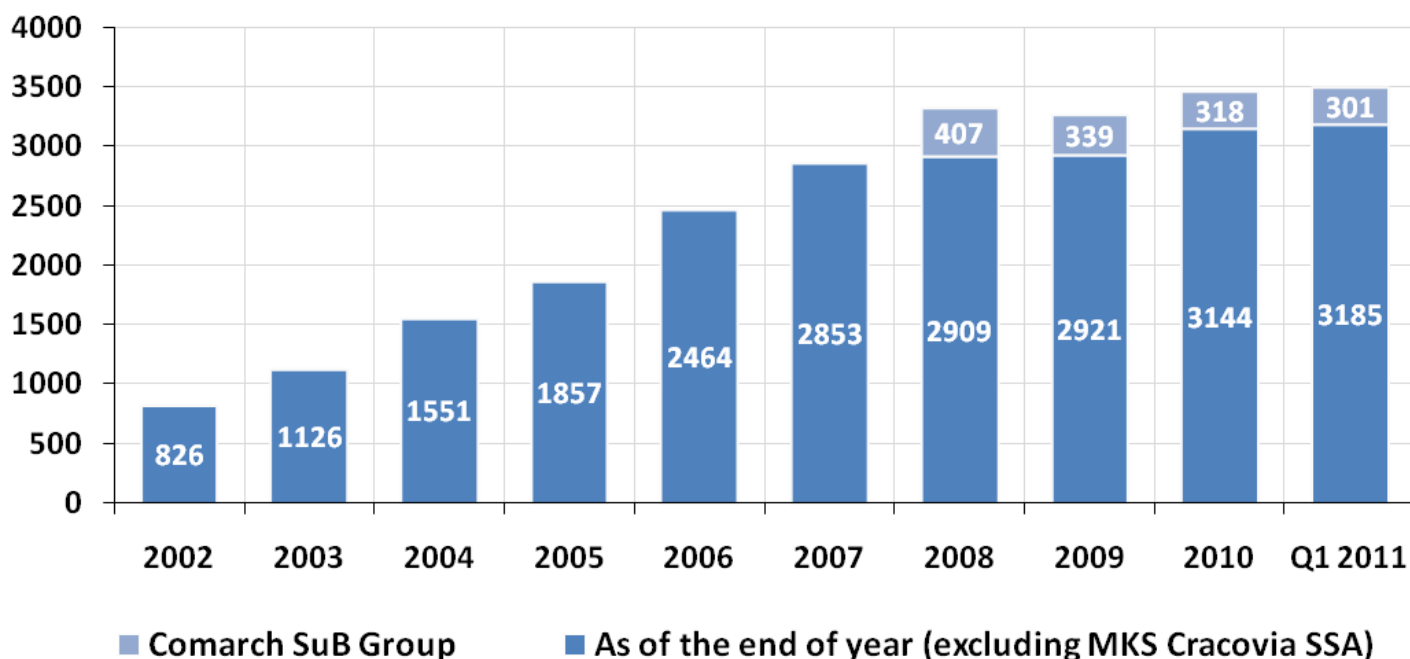


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## Employment in Comarch Group (excluding employees in MKS Cracovia SSA)

### Human Resources



## Employment Level

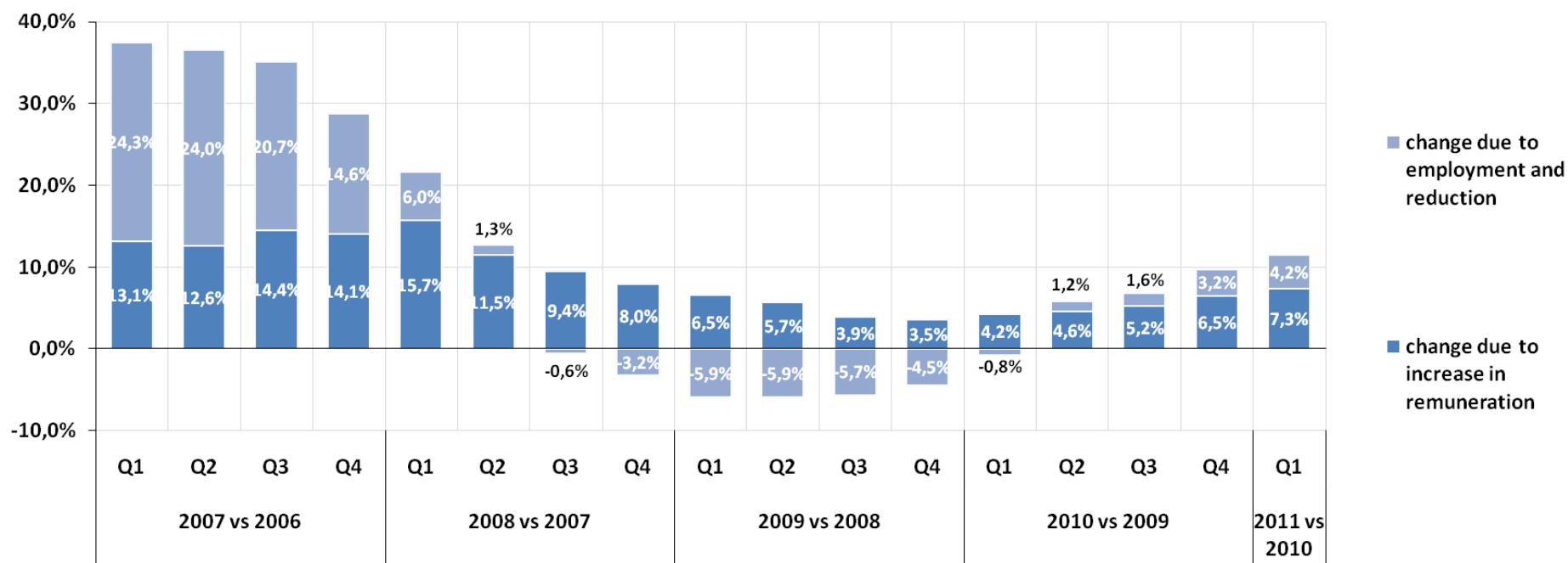
- As of **31st of March 2011**, Comarch Group had **3,185** employees (excluding employees in MKS Cracovia SSA and Comarch Software und Beratung Group), i.e. 41 more than at the end of 2010 (an increase of 1.3%) and over 220 more than at the end of March 2010.
- As of **31st of March, 2011**, Comarch Software und Beratung Group had **301** employees, i.e. 17 less than at the end of 2010.

**Recently, we have observed increased pressure on remuneration growth and intensified competition on the labor market. At the same time, the Comarch Group increases its employment level due to execution of concluded contracts.**



# Employment Costs 2007-2010 (excluding Comarch SuB Group)

Change in Remuneration

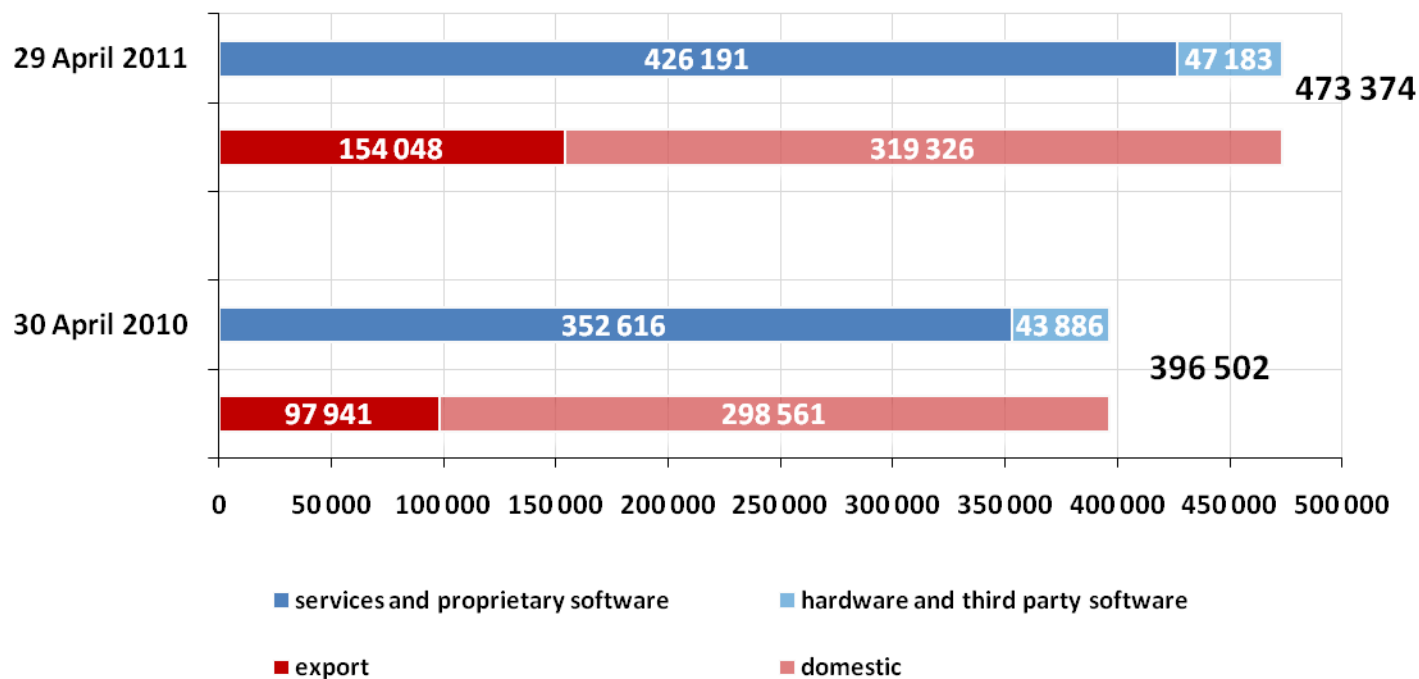


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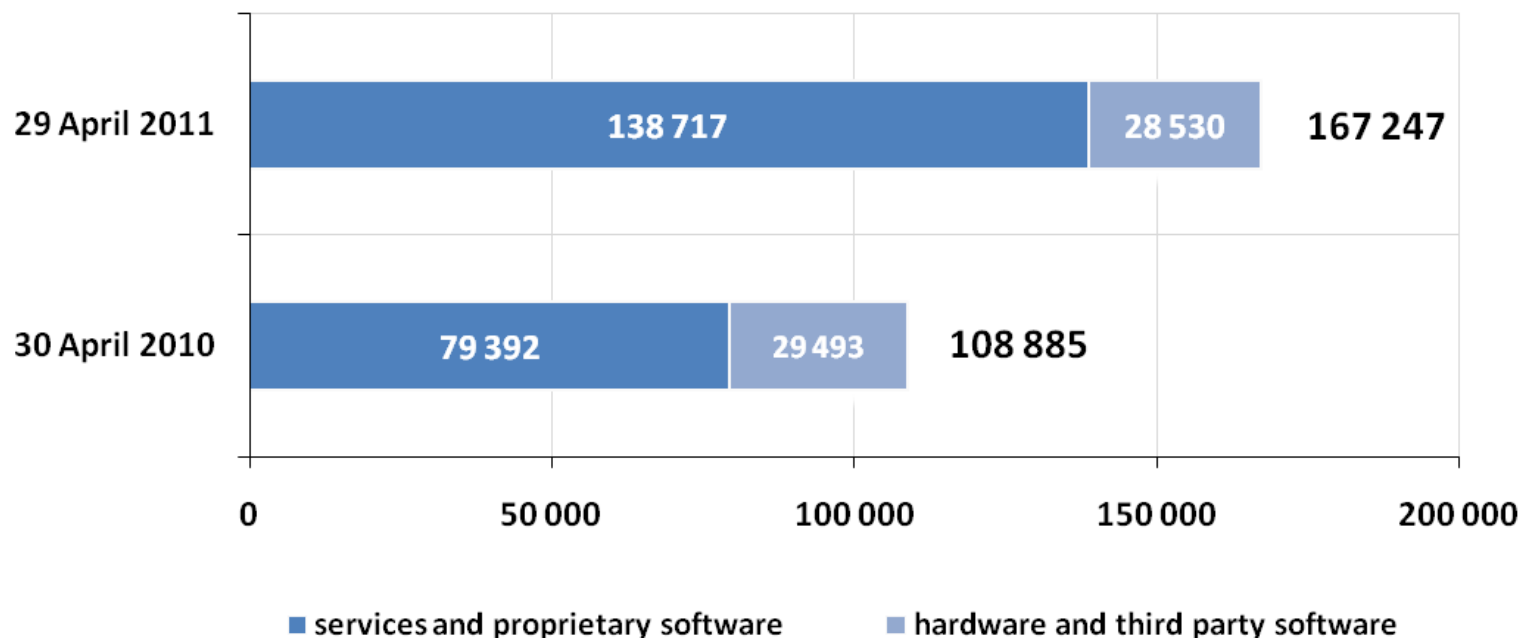
# Backlog for the Current Year (excluding Comarch SuB Group)

Backlog for the current year



## Backlog for the Following Year (excluding Comarch SuB Group)

Backlog for the following year



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## Q1 2011 Situation Summary

- Slight growth in revenue
- Increased costs due to a high number of executed contracts, and in consequence, decreases in operating and net profits compared to 2010
- Positive financial results on core activity, positive level of consolidated EBITDA
- Increase in employment, increased competition on the labor market
- Further investment in Poland and Western Europe

# COMARCH

**Thank you.**