

COMARCH

Financial Results Q1 2014

Konrad Tarański – Vice-President of the Management Board, CFO

19th of May, 2014, Krakow

Agenda

- Financial Results
- Sales Structure
- Human Resources
- Backlog
- Investment
- Debt
- Summary

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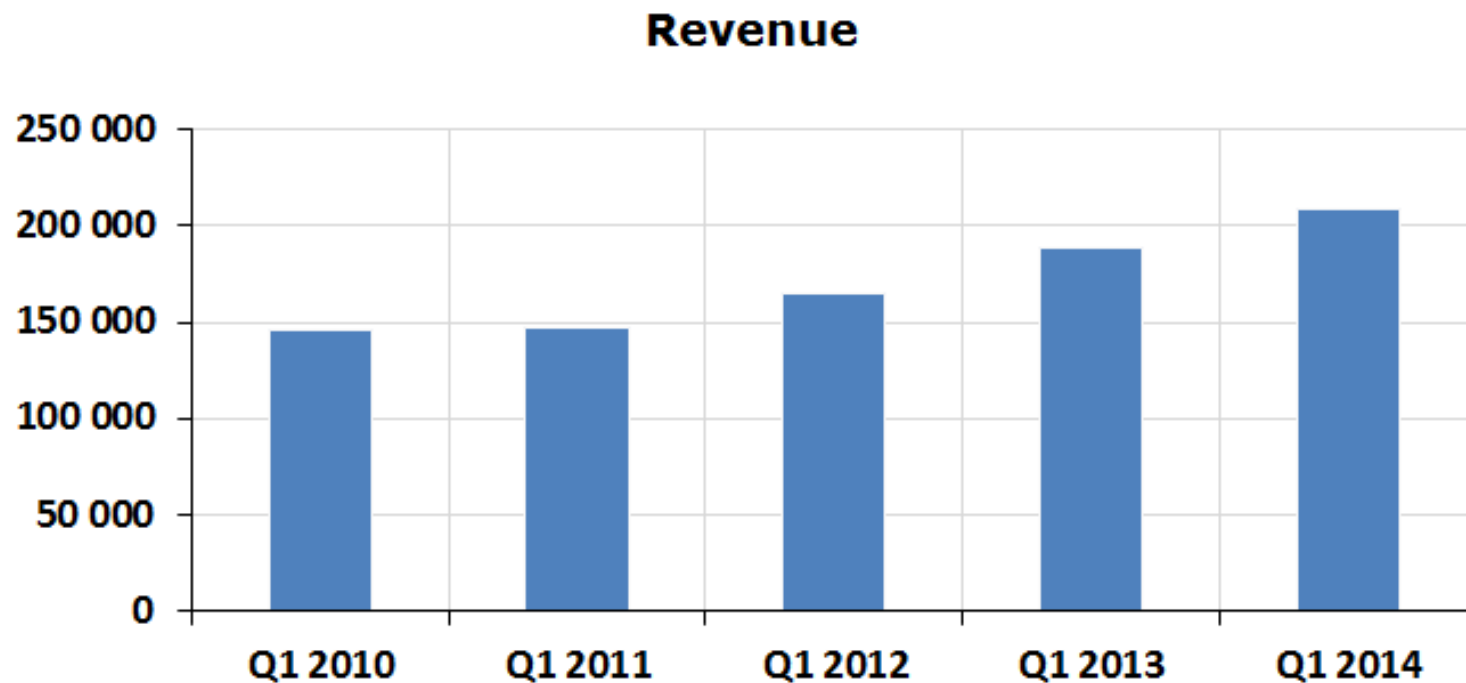
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Financial Results Q1 2014

	Q1 2014	Q1 2013
Revenue	208 714	188 145
Operating profit	7 762	1 445
Net profit attributable to the company's shareholders	5 430	1 399

In thousands of PLN

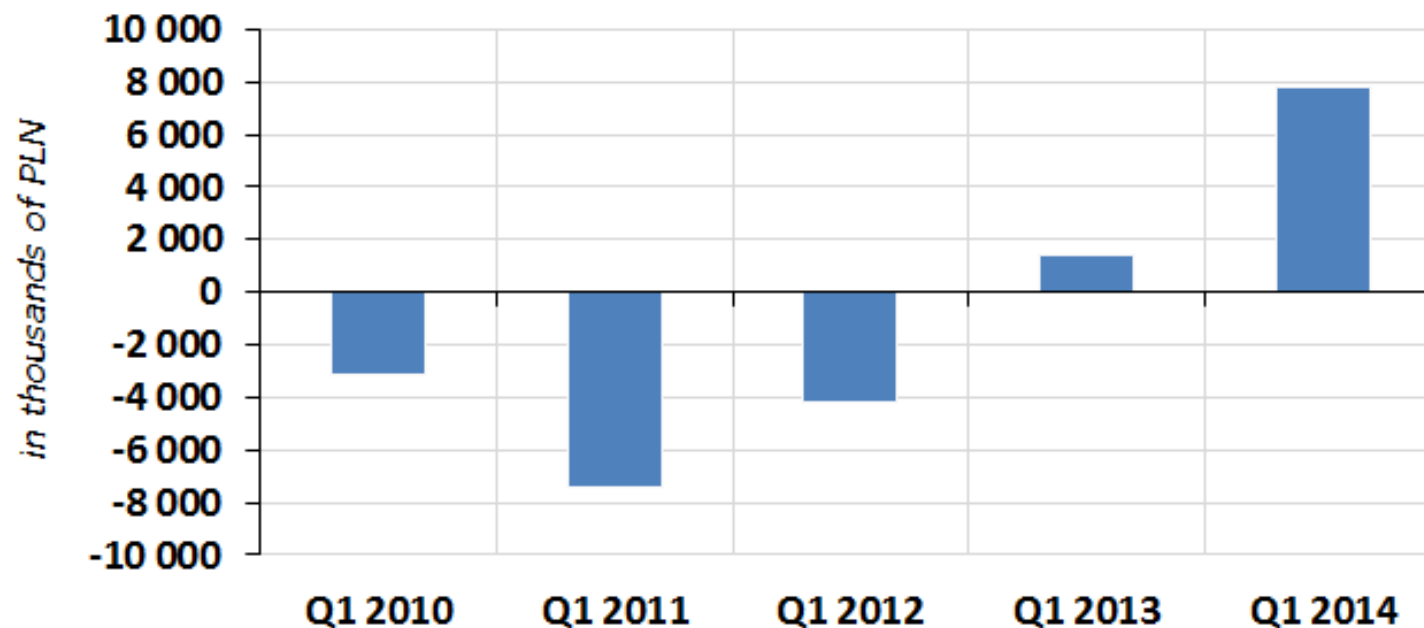
Revenue Q1 2014



In thousands of PLN

Operating Result Q1 2014

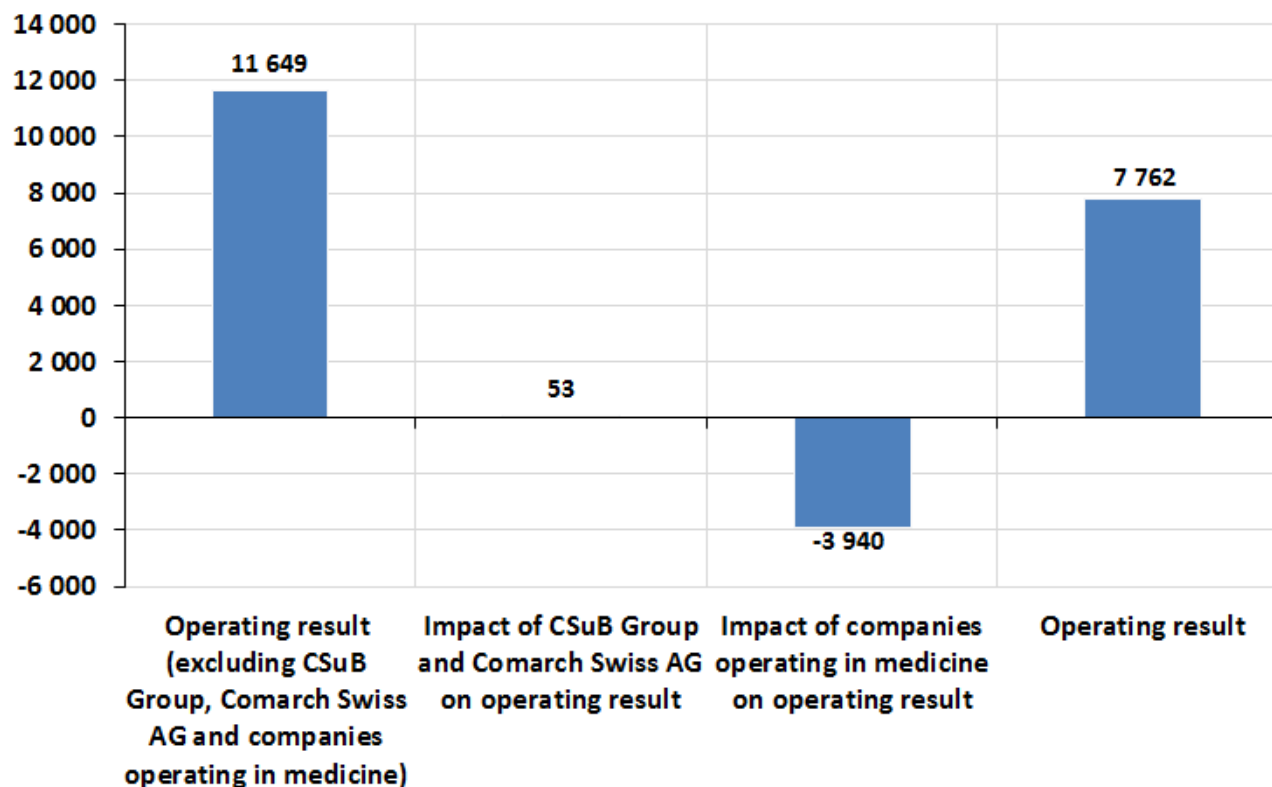
Operating profit



In thousands of PLN

Operating Results within Activities of Comarch Group

Q1 2014



Events Having Significant Effects on Results

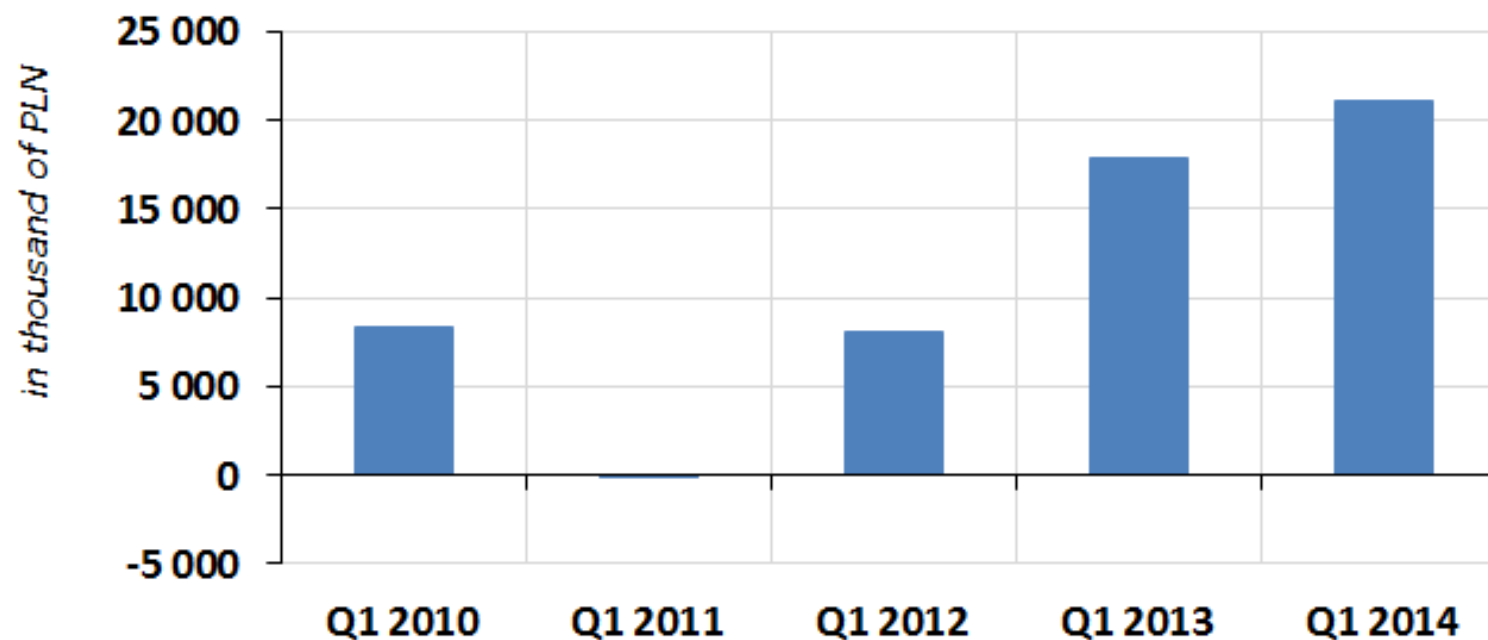
Q1 2014 vs Q1 2013

Comarch Group	Q1 2014	Q1 2013
CSuB and Comarch Swiss AG's revenue	23 005	24 645
Companies operating in medicine (iMed24 S.A. and ESA Projekt Sp. z o.o.) revenue*	2 747	1 452
CSuB and Comarch Swiss AG's operating result (including depreciation of intangible assets acquired as a result of acquisition in 2008)	53	-3 480
CSuB and Comarch Swiss AG's net result attributable to Comarch's shareholders	-20	-2 753
Companies operating in medicine (iMed24 S.A. and ESA Projekt Sp. z o.o.) operating result	-3 940	-3 415
Companies operating in medicine (iMed24 S.A. and ESA Projekt Sp. z o.o.) net result	-3 670	-3 701
Impact on operating earnings of realised exchange differences and balance sheet valuation	-114	2 717
Impact on net earnings of realised exchange differences and balance sheet valuation	-507	1 879
Impact of assets on earnings due to deferred tax due to activity in the Special Economic Zone in Krakow	-	-
Impact of assets and provisions on earnings due to deferred tax in relation to temporary differences and of an asset due to tax loss in subsidiaries	633	1 199
Impact of valuation of managerial option	-755	-718

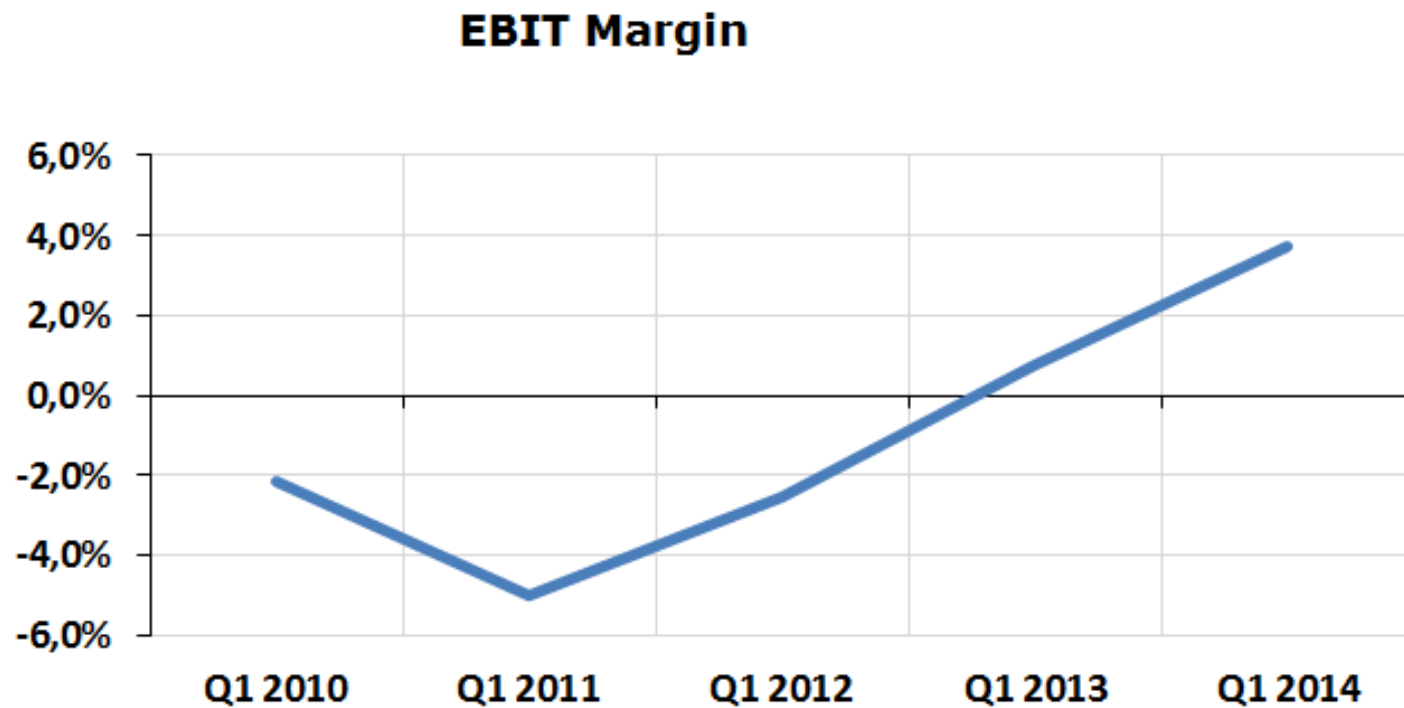
*Sales to customers in the medical sector also carry out other Comarch Group's companies. It is not included in the above table

EBITDA Q1 2014

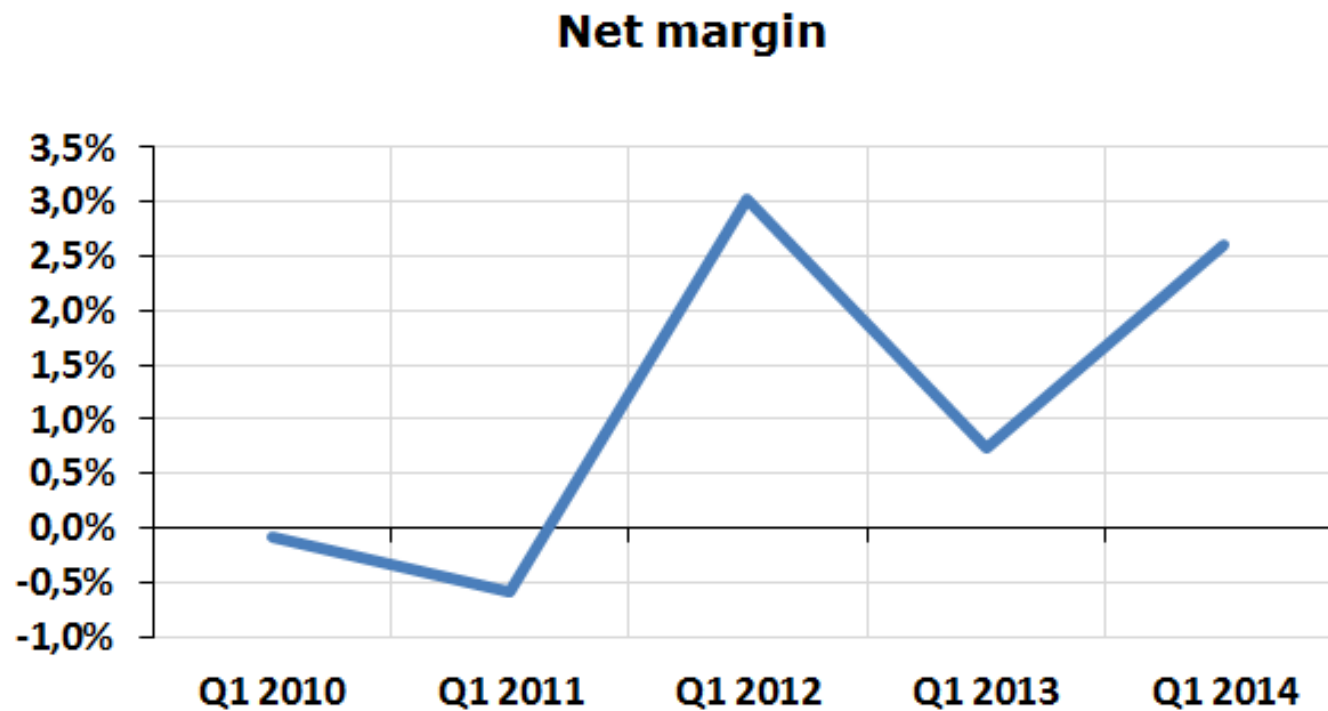
EBITDA



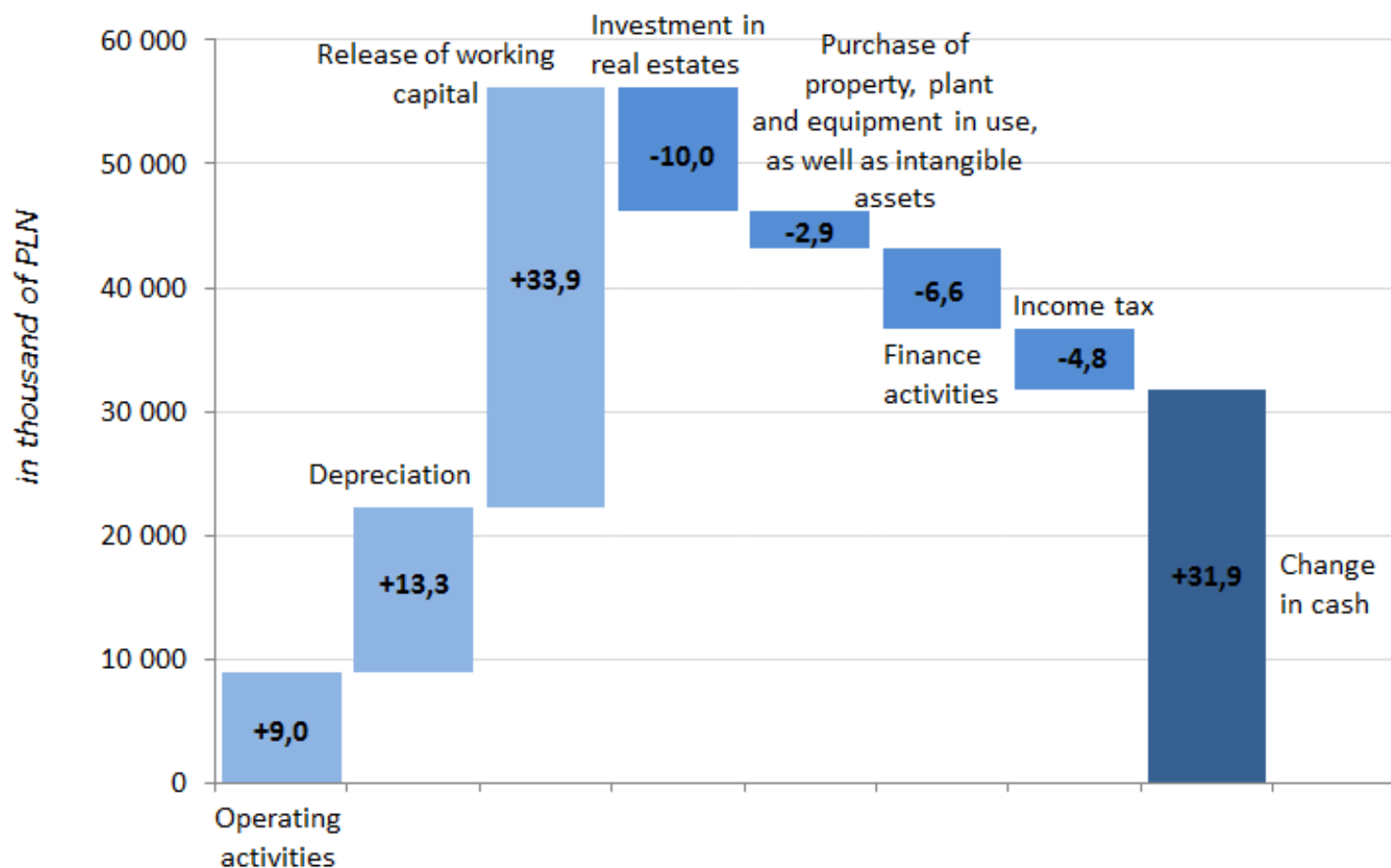
EBIT Margin Q1 2014



Net Margin Q1 2014



Cash Flow Q1 2014

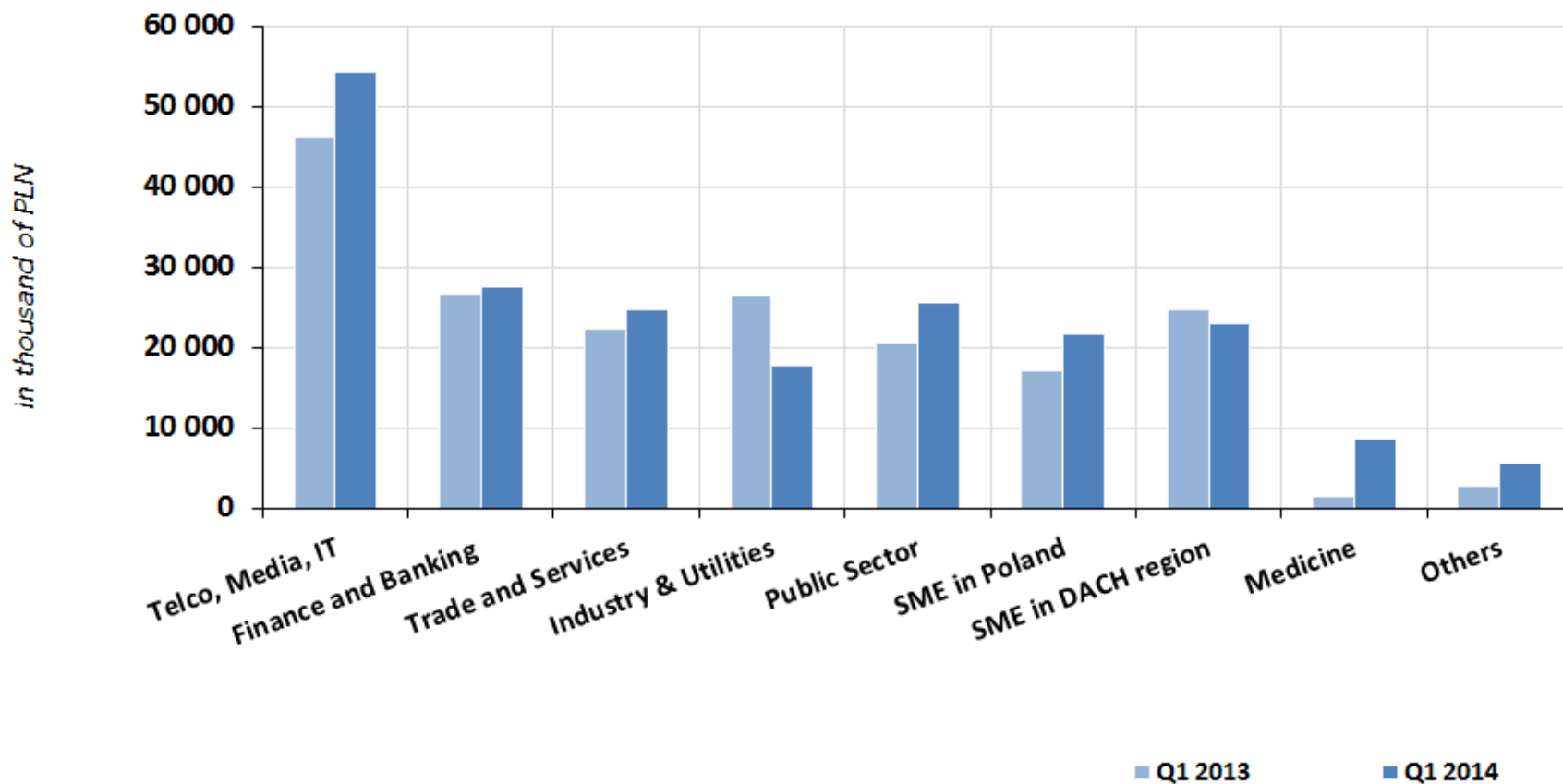


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Market Sales Structure Q1 2014 and Q1 2013

Revenue from Sectors Q1 2013 and Q1 2014



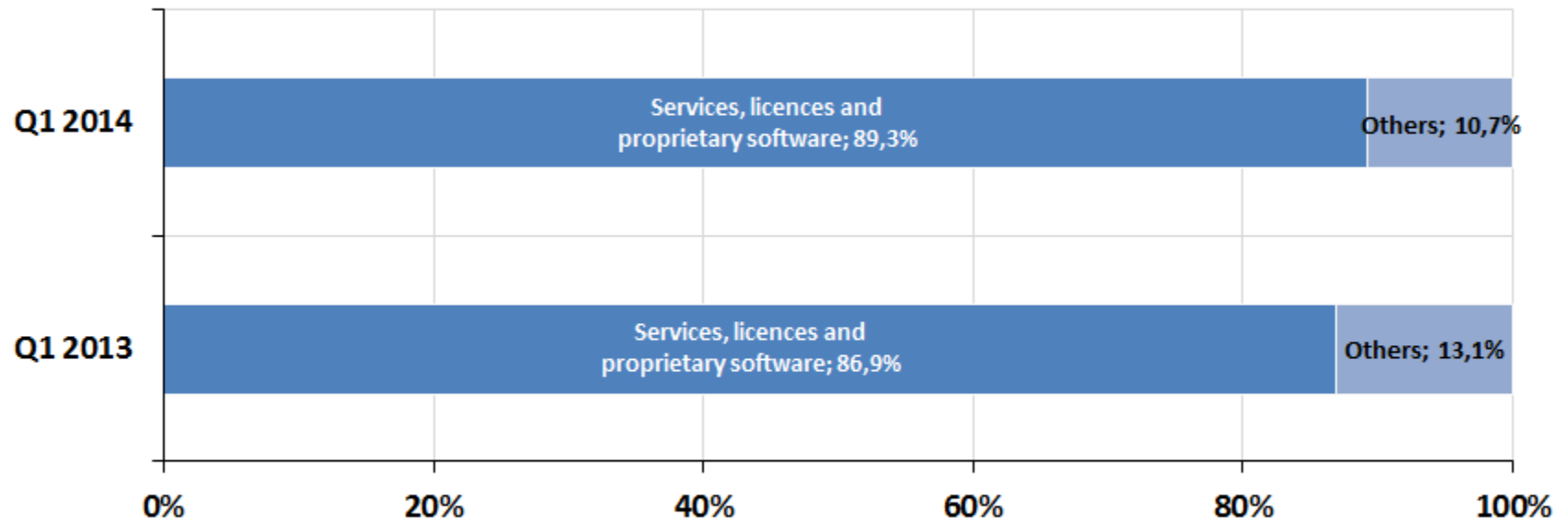
Market Sales Structure Q1 2014 and Q1 2013

Comarch Group	Q1 2014	%	Q1 2013	%
Telecommunication, Media, IT	54 325	26,0%	46 326	24,6%
Finance and Banking	27 469	13,2%	26 560	14,1%
Trade and Services	24 745	11,9%	22 266	11,8%
Industry & Utilities	17 803	8,5%	26 548	14,1%
Public Sector	25 522	12,2%	20 593	11,0%
Small and Medium Enterprises - Poland	21 616	10,4%	17 100	9,1%
Small and Medium Enterprises - DACH	23 005	11,0%	24 645	13,1%
Medicine	8 570	4,1%	1 452	0,8%
Other	5 659	2,7%	2 655	1,4%
Total	208 714	100,0%	188 145	100,0%

In thousands of PLN

Products Sales Structure Q1 2014 and Q1 2013

Sales Structure
Q1 2013 vs Q1 2014



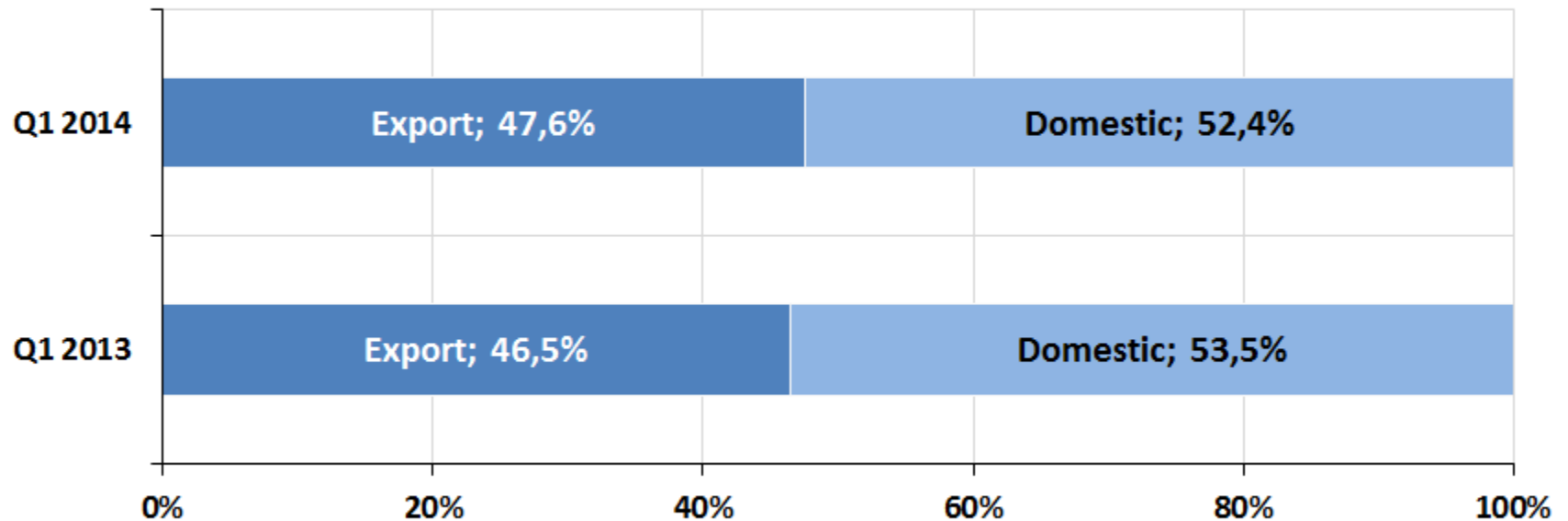
Products Sales Structure Q1 2014 and Q1 2013

Comarch Group	Q1 2014	%	Q1 2013	%
Services	165 557	79,3%	142 560	75,8%
Proprietary software	20 722	10,0%	20 915	11,1%
Third party software	7 976	3,8%	14 455	7,7%
Hardware	6 061	2,9%	4 122	2,2%
Other	8 398	4,0%	6 093	3,2%
Total	208 714	100,0%	188 145	100,0%

In thousands of PLN

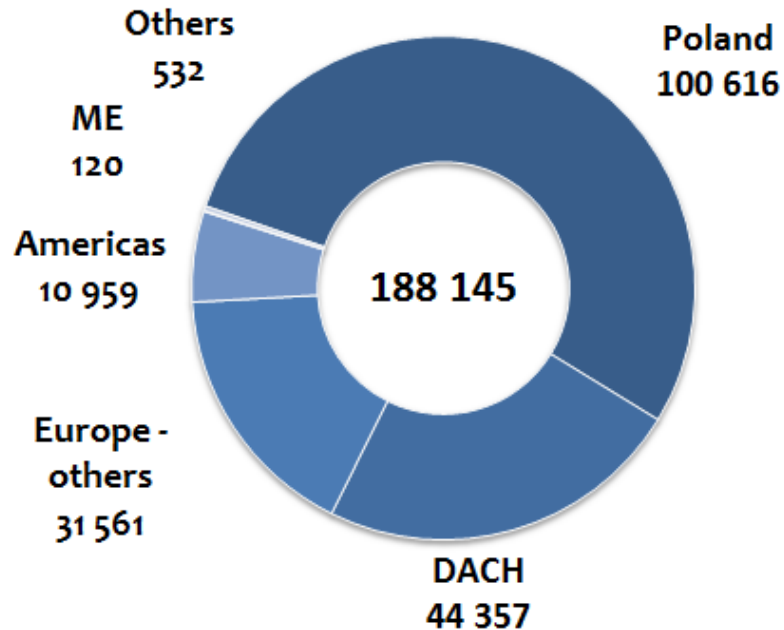
Geographical Sales Structure Q1 2014 and Q1 2013

Sales Structure Q1 2014 vs Q1 2013

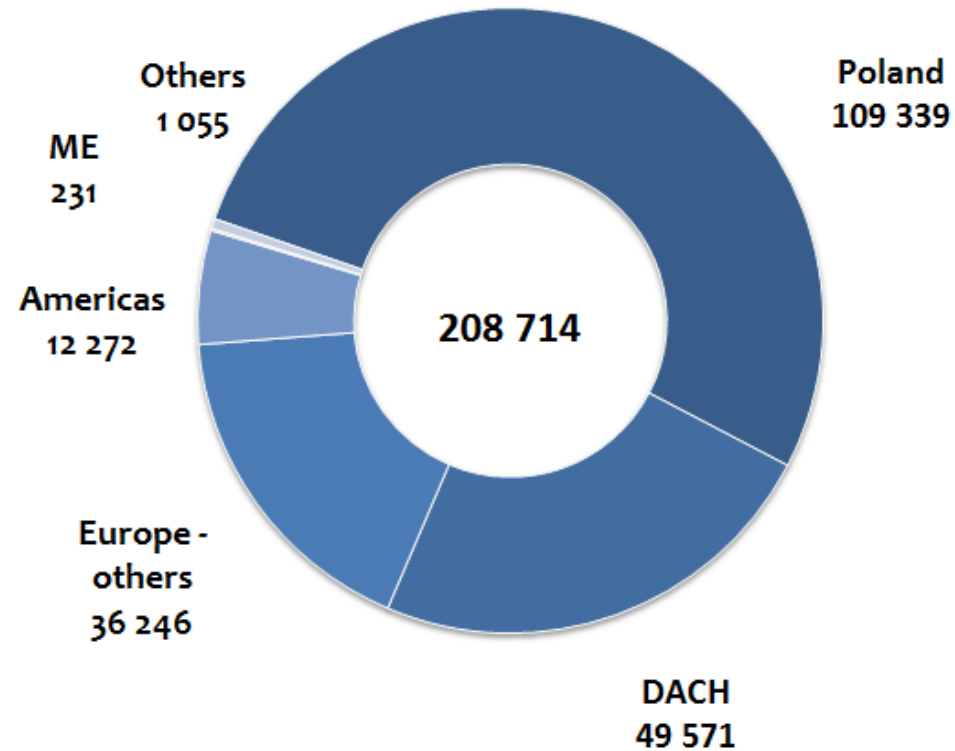


Geographical Sales Structure Q1 2014 and Q1 2013

Q1 2013



Q1 2014

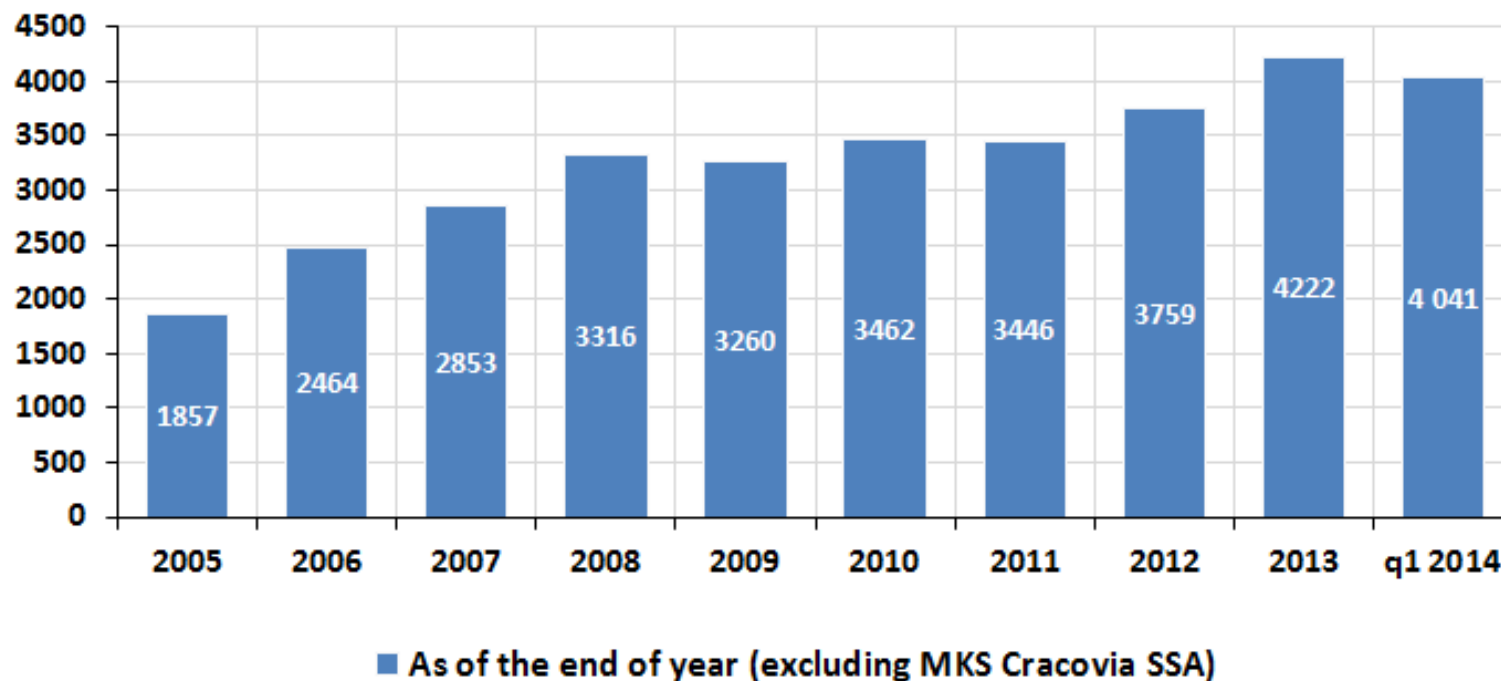


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Employment in Comarch Group (excluding employees in MKS Cracovia SSA)

Human Resources

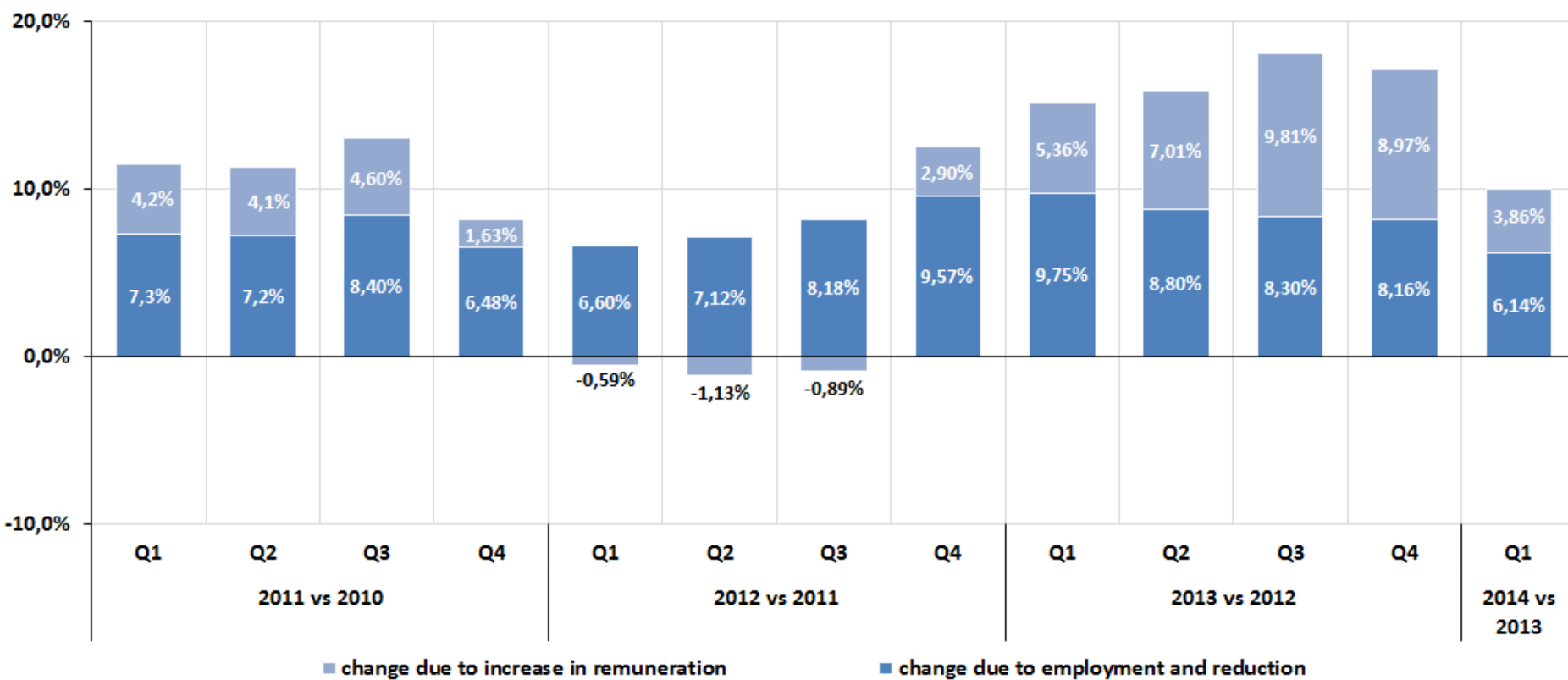


Employment Level

- As of **31st of March, 2014**, Comarch Group had 4,041 employees (excluding employees in MKS Cracovia SSA), i.e. 181 persons less than at the end of 2013 (a decrease of 4.3%).
- Comarch Group expects to increase the number of employees due to the planned conduct an annual program of summer internships for students.
- Current employment level is sufficient to execute contracts already concluded or planned by the Group.
- Continuous pressure on an increase in remuneration in IT sector.

Employment Costs 2011 – Q1 2014

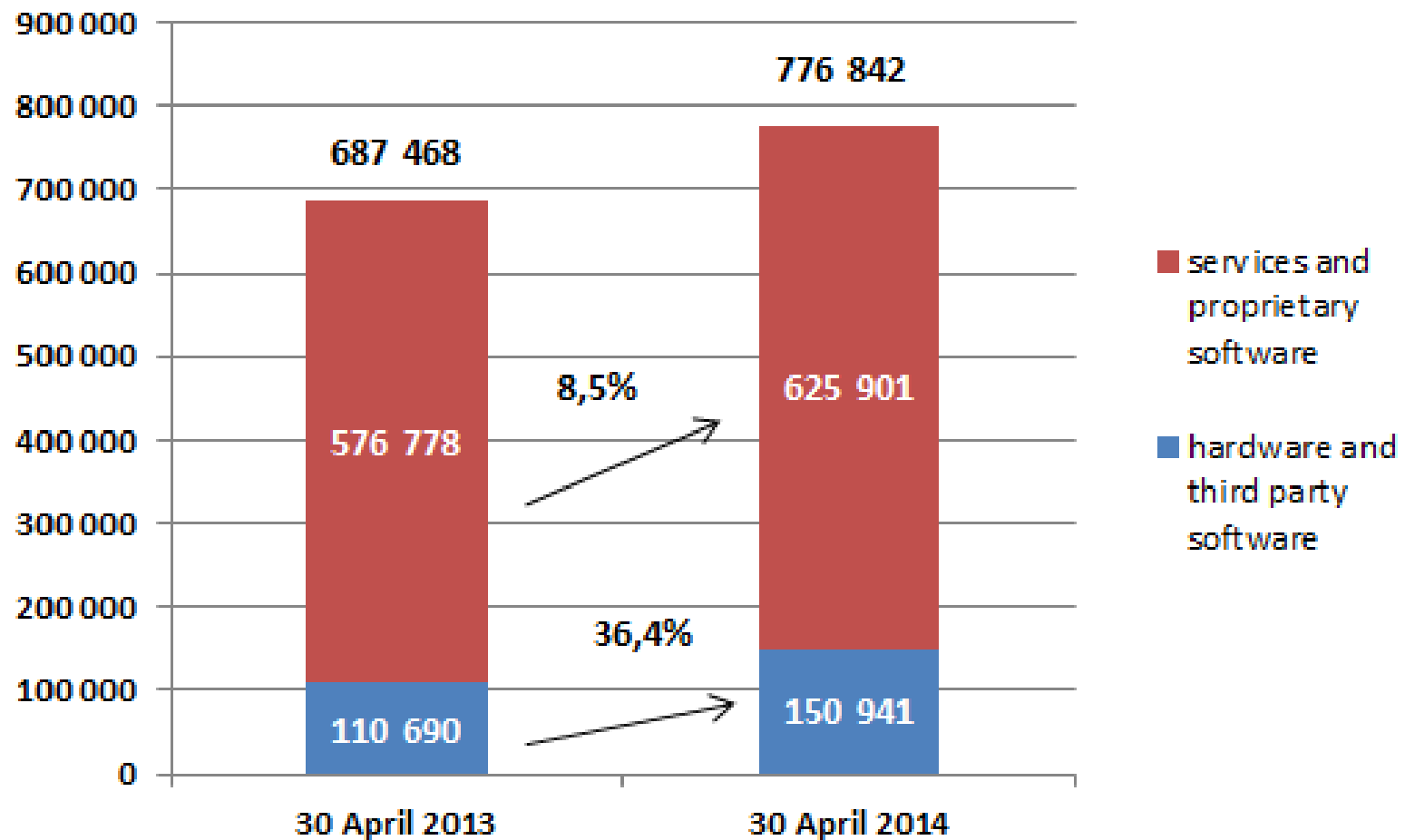
Change in Remuneration



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Backlog for the Current Year



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Investment in Q1 2014

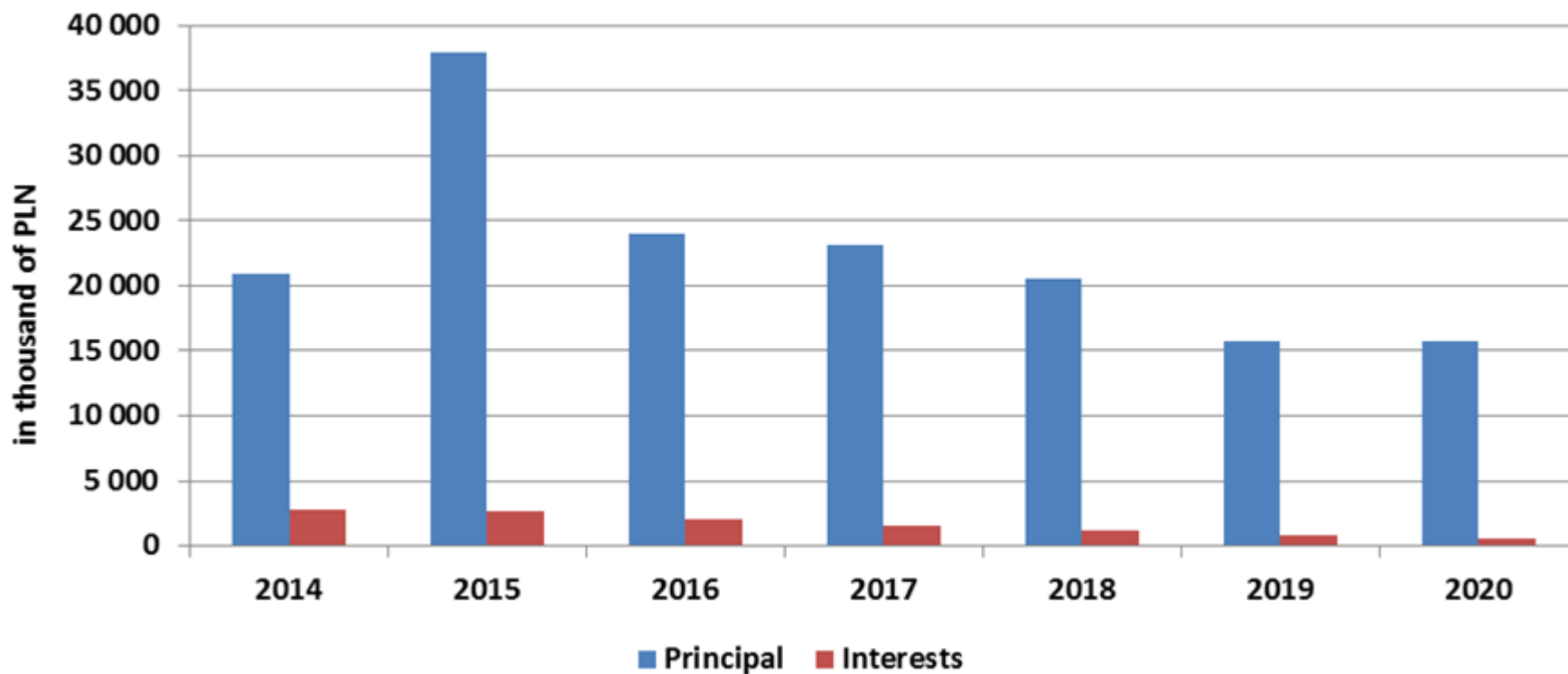
- Continuous high expenditures for R&D, especially within the frame of e-Health
- Continuation of SSE6 investment in Krakow
 - Capital expenditures of 60 million PLN
 - Completion of investment in Q2 2015
 - Workplaces for 350 employees
 - New Comarch Data Center



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Repayment of Loans and Interest in Subsequent Years



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Q1 2014 Situation Summary

- Growth in sales on domestic market (of 8.7%) and in export sales (of 13.5%)
- Reducing the size of the workforce by 188 people after a significant increase in 2013
- Stabilization of operating costs, reduce the level of depreciation
- Improving the profitability of the core activity, EBITDA growth
- Further dynamic growth in sales in the Medicine Sector

Plans for 2014

- Backlog's value is higher by 13% than in the previous year; in 2014, a slight increase in sales is possible
- Costs still under strict control, possible increase in the number of employees
- Continuous development of foreign activity, increased significance level of Medicine sector
- Continuation of SSE6 investment in Krakow
- There are no talks going on right now about acquisitions
- Political situation in Russia and Ukraine has inconsiderable impact on the Comarch Group (approximately 2% of Comarch Group sales)
- Case of ARMA

COMARCH

Thank you