



**SOFTM**  
comarch group

2009

2ND QUARTER GROUP REPORT  
JUNE 30, 2009

**SoftM reacts to the decline in sales and result  
with savings and an efficiency program**

- Group revenues of 19.8 million euro (previous year 26.5)
- Group result at -5.4 million euro (previous year -0.3) due to extraordinary expenses
- Operating cash flow at 8.0 million euro (previous year 10.7)
- Comprehensive program to save costs and increase efficiency

# SoftM Software und Beratung AG

GROUP INTERIM REPORT AS OF JUNE 30, 2009 IN ACCORDANCE WITH IFRS/IAS 34 (NOT AUDITED)

The impact of the economic crisis was clearly noticeable for SoftM during the first half year. Revenues stood at 19.8 million euro at the end of the six month period and were therefore considerably below the previous year's value (26.5). Business development has varied in individual business units: The consulting and IT infrastructure business unit was particularly affected by the decline in economic activity; in the software business unit, only third-party software saw a drop in revenues, while revenues for self-developed software remained stable. Revenues from the ERP II product SoftM Semiramis even rose.

Operating result declined due to the fall in revenues. There were also extraordinary expenses as a result of the restructuring costs and goodwill depreciation totaling 3.2 million euro. This led to a Group result of -5.4 million compared with -0.3 million the previous year. Operating cash flow stood at 8.0 million euro in the first six months of 2009 (previous year 10.7).

SoftM decided comprehensive measures in the second quarter to combat the effects of the economic crisis and increase long-term competitiveness. The "DASD" program was therefore set up that, on the one hand, includes a package of cost saving measures and streamlining of management structures as well as strengthening of the customer-focused approach and an expansion of software development, on the other. Positive effects of more than 6 million euro are expected from the savings program by the end of 2010.

The half-year report has neither been audited nor has it undergone audit verification.

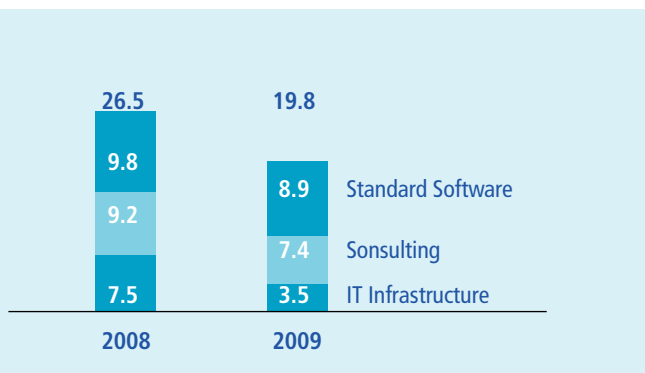
## STANDARD SOFTWARE

The standard software business unit – incorporating licensing and service fees – was able to achieve revenues of 8.9 million euro (previous year 9.8) in the first half year 2009. As in the previous quarter, revenues from self-developed software products remained stable, while revenues from third-party software products fell back sharply. The ERP II product SoftM Semiramis was even able to increase revenue by more than 10 percent. The innovative software solution was therefore able to differentiate itself from the current general downward trend in the software market. Revenues for software were 4.6 million in the second quarter (Q2 2008: 4.9).

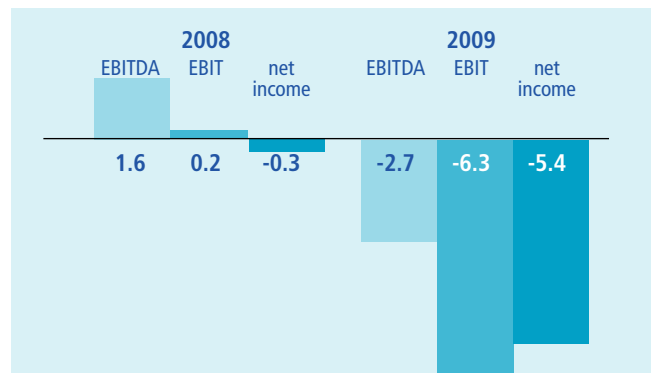
## CONSULTING

Revenues for the consulting business unit, that includes consulting and programming services for introducing and servicing standard software, recorded 7.4 million euro, compared with 9.2 the previous year. The clear market restraint toward IT expenditure has taken its toll here. Many customers are currently very reluctant to place service contracts in light of the economic situation. Consulting revenues stood at 3.3 million in the second quarter (Q2 2008: 4.4).

Sales by business units SoftM Group  
(in € million January, 1 – June, 30)



Income development SoftM Group  
(in € million January, 1 – June 30)



## IT INFRASTRUCTURE

The IT infrastructure unit, including hardware and services for IT infrastructure, is most affected by the economic development. Market analysts recorded a global collapse in the server market during the second quarter of 2009. Revenues in IT infrastructure fell to 3.5 million euro compared with 7.5 the previous year. During the second quarter revenues in this segment stood at 2.0 million euro (Q2: 5.0).

## RESULT

SoftM decided a comprehensive package of structural and cost saving measures during the second quarter. The program called "DASD" (Decentralization of organization, lean Administration, Sales driven organization, Development increase) includes, on the one hand, a package of cost saving measures and streamlining the management structures; on the other, the company is being given an even greater market focus together with further expansion in software development. This program together with goodwill depreciation, burdened the result for the previous quarter by approx. 3.2 million euro.

Due to declining revenues and the extraordinary charges, SoftM recorded earnings before taxes, interest and depreciation (EBITDA) of -2.7 million euro in the first half year 2009 (previous year 1.6). The operating result (EBIT) was -6.3 million euro (previous year 0.2). The result for ordinary business activities (EBT) also stood at -6.3 million euro (previous year 0.1) in the first six months. The result after taxation amounted to -5.4 million euro (previous year -0.3). SoftM reported an operating cash flow from current business activity in the first six months 2009 of 8.0 million euro (previous year 10.7). Corporate funds on June 30, 2008 stood at 6.0 million euro (previous year 3.3).

## GROUP CONSOLIDATION

There has been no change to Group consolidation compared with the previous year.

## ACCOUNTING AND VALUATION

In the report at hand the same accounting and valuation methods have been employed as in the Group Report for the year 2008.

Results from equity shares within the fiscal year will not be accounted for in the income statement.

## INCOMING ORDERS FOR STANDARD SOFTWARE

In the first half of 2009 new orders for software licenses amounted to 1.9 million euro (previous year 2.3). Just as with software revenues, the decline can also essentially be traced back to third-party software products, while orders received for self-developed products remained largely stable. The ERP II product SoftM Semiramis even saw a significant increase in orders received.

## RESEARCH AND DEVELOPMENT

Further development of the product lines, SoftM Semiramis and SoftM Sharknex remained the focus of activity in the research and development business unit. SoftM invests heavily in software development; this is also highlighted in the DASD program. Together with the parent company Comarch, an additional team of developers was set up in Poland for SoftM Semiramis as part of a nearshoring concept.

After the release 4.5 of SoftM Semiramis was completed in the first quarter and new solutions were approved for release, including for point of sale integration, quick order input, stock-taking, internationalization (Polish version) and business intelligence (BI), work was started with the development of release 5.0. The improvements in the area of Semiramis' system engine are a particular area of focus for this release that is due out in the first quarter 2010. Extensive upgrades for implementing the "Semiramis Inside" strategy were realized with the add-on infrastructure in release 5.0. The new infrastructure allows partners, on the one hand, to use Semiramis more easily as a platform for industry solutions. On the other hand, they are also able to realize extensions to the standard across different business sectors. The add-on infrastructure and the adaptable cockpits, which are extended in the new release, also make customizing the user interface easier.

The development of release 8.4 was completed for the accounting software SoftM Sharknex with function extensions in all business units and new local versions (for Switzerland and Czech Republic), and work started with the development of the coming release.

The focus of further developing SoftM Suite based on the IBM system i platform lies in the functions for the target sectors of food and retail. The current release, which came out in March

2009, offers new functions for food manufacturers and extensions for planning and material planning. In the next release, additional options for intra-plants billing will be created and new SoftM-BI functions integrated that could previously only be used in conjunction with Semiramis.

Work on the financial accounting package DKS included a new graphics user interface that should be available as from the first quarter 2010.

Changes as a result of the German financial support package II have been implemented in the software for payroll and HR management TOPAS. The requirements of the technical specification for social insurance, including changes to Flexi-II legislation, form a new area of focus for work. Approval for release is planned for the third quarter 2009.

The development of new client modules formed the focus for further development of the document management system, InfoStore during the first six months.

#### INVESTMENTS

The investments amounted to 0.9 million euro (previous year 1.6) in the first half year. This is made up of 0.7 million euro (previous year 1.3) of capitalized development costs and 0.2 million euro (previous year 0.3) of investments in other assets.

#### EMPLOYEES

As of the reporting date of June 30, 2009, the SoftM Group employed 405 staff compared with 418 the previous year and 407 at the end of year 2008.

#### ADDITIONAL INFORMATION

Prof. Dr. Hans Zangl stood down as member of the Supervisory Board of SoftM AG in mid-May, effective from June 12, 2009.

The Supervisory Board of SoftM AG appointed Mr. Piotr Piatosa as the new CEO at the start of June 2009.

As successors to the departing Supervisory Board members, Prof. Dr. Hans Zangl and Piotr Piatosa, Prof. Janusz Filipiak and Konrad Taranski were voted as new Supervisory Board members by the AGM of SoftM AG on June 25, 2009 – in addition to the acting chairman Dr. Hannes Merten.

In July SoftM Polska Sp. z o.o. has been sold to the parent company Comarch S.A..

The Austrian SoftM companies have been merged into one. SoftM Schweiz AG has been merged with Solitas Informatik AG. SoftM Software und Beratung GmbH, Münster, has been merged with SoftM Solutions GmbH.

#### SHARE DEVELOPMENT

As of June 30, 2009 SoftM shares were quoted at 2.00 euro compared with 2.19 euro as of March 31, 2009 and 3.40 euro at the end of the year in 2008.

#### RISK REPORT

Opportunity and risks are displayed in detail in the Group Annual Report 2008 and have not changed.

#### OUTLOOK

The management board is expecting to see a turnaround in result development in the second half of 2009. Positive effects of more than 6 million euro are expected from the DASD program by the end of 2010. In light of the measures undertaken, the management board anticipates a positive EBIT for the second half year. However, an EBIT under the previous year's value is now forecasted for the whole of 2009.

#### AFFIRMATION OF LEGAL REPRESENTATIVES

We affirm to the best of our belief and knowledge, that in accordance with the applied accounting principles, the interim finance statements are a true and fair reflection of the assets, finances and profitability of the Group for the six month report, the six month report provides a true and fair picture of the Group result and situation and the fundamental risks and opportunities of the projected development of the Group have been highlighted for the remainder of the fiscal year.

SoftM Software und Beratung AG  
Munich, August 2009

Piotr Piatosa, CEO  
Ludwig Ametsbichler, CFO  
Ralf Gärtner, Marketing Director

# Group Balance Sheet

| <b>Assets</b>  | <b>Half Year Report<br/>January 01, 2009<br/>– June 30, 2009<br/>€</b> | <b>Half Year Report<br/>January 01, 2008<br/>– June 30, 2008<br/>€</b> |
|--|--|--|
| <b>Short-term assets</b>   |  |  |
| Cash and cash equivalents  | 6,008,122.58   | 2,753,202.38   |
| Accounts receivable from sales and services                      | 6,176,789.41   | 12,252,156.08  |
| Inventories  | 290,388.90   | 175,669.98   |
| Accounts receivable from affiliated companies                    | 3,041.76   | 607,237.95   |
| Other receivables and assets                                     | 744,099.66   | 812,997.17   |
| Accrued and deferred items                                       | 422,245.26   | 227,559.62   |
| <b>Total short-term assets</b>                                   | <b>13,644,687.57</b>   | <b>16,828,823.18</b>   |
| <b>Long-term assets</b>  |  |  |
| Intangible assets acquired through payment                       | 2,859,164.11   | 3,601,174.27   |
| Capital development costs  | 3,639,600.00   | 3,351,400.00   |
| Goodwill   | 8,480,687.08   | 10,535,687.08  |
| Fixed assets   | 623,518.11   | 863,603.02   |
| Shares in associated companies                                   | 54,371.33  | 54,371.33  |
| Other investment   | 27,000.00  | 27,000.00  |
| Other accounts receivable and assets                             | 153,901.51   | 153,901.51   |
| Deferred taxes   | 1,367,142.00   | 167,568.00   |
| <b>Total long-term assets</b>                                    | <b>17,205,384.14</b>   | <b>18,754,705.21</b>   |
| <b>Total assets</b>  | <b>30,850,071.71</b>   | <b>35,583,528.39</b>   |
| <b>Liabilities</b>   |  |  |
| <b>Short-term liabilities</b>                                    |  |  |
| Short-term loans and short-term participation of long-term loans | 235,453.15   | 4,576,664.17   |
| Liabilities from sales and services                              | 2,001,669.19   | 2,313,736.00   |
| Received advanced payment  | 37,486.55  | 51,100.00  |
| Provisions for taxes   | 45,625.69  | 350,541.66   |
| Other provisions   | 5,946,587.03   | 6,785,183.91   |
| Liabilities from affiliated companies                            | 172,908.22   | 0.00   |
| Other short-term liabilities                                     | 989,292.52   | 1,181,505.92   |
| Accrued and deferred items                                       | 6,267,401.57   | 7,310.51   |
| <b>Total short-term liabilities</b>                              | <b>15,696,423.92</b>   | <b>15,266,042.17</b>   |
| <b>Long-term liabilities</b>                                     |  |  |
| Long-term participation of bank liabilities                      | 1,250,000.00   | 1,250,000.00   |
| Deferred tax liability   | 1,819,350.01   | 1,584,769.00   |
| Pension accrual  | 0.00   | 20,451.67  |
| <b>Total long-term liabilities</b>                               | <b>3,069,350.01</b>  | <b>2,855,220.67</b>  |
| Minority interest  | 0.00   | 0.00   |
| <b>Equity capital</b>  |  |  |
| Subscribed capital   | 6,480,000.00   | 6,480,000.00   |
| Capital surplus  | 13,567,019.88  | 13,567,019.88  |
| Earned surplus   | -7,991,730.77  | -2,618,667.81  |
| Reserve for foreign exchange difference                          | 29,008.67  | 33,913.48  |
| Own shares not designated for redemption                         | 0.00   | 0.00   |
| <b>Total equity capital</b>                                      | <b>12,084,297.78</b>   | <b>17,462,265.55</b>   |
| <b>Total liabilities</b>   | <b>30,850,071.71</b>   | <b>35,583,528.39</b>   |

# Income Statement

|  | Quarterly report<br>II/2009<br>April 01, 2009<br>– June 30, 2009<br>€ | Quarterly report<br>II/2008<br>April 01, 2008<br>– June 30, 2008<br>€ | Half Year Report<br>January 01, 2009<br>– June 30, 2009<br>€ | Half Year Report<br>January 01, 2008<br>– June 30, 2008<br>€ |
|--|---|---|--|--|
| Revenues   | 9,880,644.45  | 14,242,679.98   | 19,845,103.40  | 26,458,261.54  |
| Other revenues   | 222,192.13  | 297,665.43  | 538,112.01   | 790,422.41   |
| Changes in work in progress                                      | 18,482.81   | -22,939.71  | 37,596.97  | 21,092.40  |
| Capitalized costs of self-constructed assets (development costs) | 315,000.00  | 604,000.00  | 680,000.00   | 1,280,000.00   |
| Costs of purchased materials                                     | -1,737,957.57   | -4,247,310.89   | -3,070,636.64  | -6,993,821.16  |
| Cost for purchased services                                      | -1,337,347.06   | -654,050.99   | -2,264,088.22  | -1,372,652.30  |
| Personnel expenses   | -7,094,417.44   | -6,826,388.57   | -13,747,997.31   | -13,765,163.23   |
| Depreciation of fixed assets and intangible assets               | -2,725,422.00   | -739,968.81   | -3,587,332.46  | -1,437,223.18  |
| Other operating expenses   | -2,273,509.10   | -2,449,470.18   | -4,752,901.86  | -4,801,892.54  |
| <b>Operating result (EBIT)</b>                                   | <b>-4,732,333.78</b>  | <b>204,216.26</b>   | <b>-6,322,144.11</b>   | <b>179,023.94</b>  |
| Net interest income  | 5,861.68  | -34,367.26  | -540.49  | -103,914.59  |
| Interest and income from equity participation                    | 0.00  | 0.00  | 0.00   | 0.00   |
| <b>Result before tax on earnings (EBT)</b>                       | <b>-4,726,472.10</b>  | <b>169,849.00</b>   | <b>-6,322,684.60</b>   | <b>75,109.35</b>   |
| Tax on earnings  | 658,510.83  | -177,920.38   | 949,621.64   | -309,321.82  |
| Extraordinary income, expense                                    | 0.00  | 0.00  | 0.00   | 0.00   |
| Result after taxes   | -4,067,961.27   | -8,071.38   | -5,373,062.96  | -234,212.47  |
| Profit attributable to other shareholders                        | 0.00  | -6,683.77   | 0.00   | -20,508.10   |
| <b>Group result</b>  | <b>-4,067,961.27</b>  | <b>-14,755.15</b>   | <b>-5,373,062.96</b>   | <b>-254,720.57</b>   |
| Result per share*  | -0.63   | 0.00  | -0.83  | -0.04  |
| Shares currently in circulation                                  | 6,480,000   | 4,803,989   | 6,480,000  | 4,803,989  |

\*Net income per share is calculated on the basis of shares currently in circulation. For 2008 it has been adjusted according to IAS 33.64.

# Cash Flow

|   | Half Year Report<br>January 01, 2009<br>– June 30, 2009<br>K€ | Half Year Report<br>January 01, 2008<br>– June 30, 2008<br>K€ |
|---|---|---|
| Group net income/loss   | -5,373  | -255  |
| Minority interest   | 0   | 21  |
| <b>Consolidated net income/loss incl. minority interest</b>   | <b>-5,373</b>   | <b>-234</b>   |
| Depreciations (+) /Value adjustments (-) on fixed assets  | 3,587   | 1,437   |
| Additions(+) / subtractions(-) of provisions  | -909  | -1,496  |
| Profit (-) / loss (+) from disposal of long term assets   | 36  | 22  |
| Addition (-) / subtraction (+) of inventories, accounts receivable as well as other assets,<br>which are not attributable to investment or financing      | 4,632   | 4,256   |
| Addition (-) / subtraction (+) of inventories, accounts receivable as well as other liabilities,<br>which are not attributable to investment or financing | 5,995   | 6,709   |
| Other expenditures not affecting payments   | -5  | 40  |
| <b>Net cash provided by operating activities (operating cash flow)</b>  | <b>7,963</b>  | <b>10,734</b>   |
| Payments (+) from divestiture of tangible fixed assets  | 40  | 0   |
| Payments (-) for investment in tangible fixed assets  | -92   | -262  |
| Payments (-) for investment in intangible fixed assets  | -822  | -1,384  |
| Payments (-) for investments in financial assets  | 0   | 0   |
| Payments (+) from disposal of financial assets  | 0   | 0   |
| Payments (-) from acquisition of consolidated companies and other business units  | -100  | 0   |
| <b>Cash flow due to investment activities</b>   | <b>-974</b>   | <b>-1,646</b>   |
| Receipts(+) from new equity allocation ( increase of share capital, sale of own shares)   | 607   | 0   |
| Payments (-) in-company and minority shareholders<br>(dividends, acquisition of own shares, redemption of own shares, other pay outs)                     | 0   | -12   |
| Payments(+) from loan acceptance  | 0   | 0   |
| Payments (-) for loan redemption  | -4,341  | -6,333  |
| <b>Cash flow from investment activities</b>   | <b>-3,734</b>   | <b>-6,345</b>   |
| <b>Payments affecting changes in value funds</b>  | <b>3,255</b>  | <b>2,743</b>  |
| Exchange rate-, consolidated companies- and valuation changes of funds  | 0   | -1  |
| Funds at the beginning of period  | 2,753   | 607   |
| <b>Cash and cash equivalent at the end of period</b>  | <b>6,008</b>  | <b>3,349</b>  |

# Capital and Reserves Development

|  | Half Year Report<br>January 01, 2009<br>– June 30, 2009<br>K€ | Half Year Report<br>January 01, 2008<br>– June 30, 2008<br>K€ |
|--|---|---|
| <b>Share capital</b>                                     |   |   |
| Balance at the beginning of period                       | 6,480,000.00  | 4,980,000.00  |
| Increase   | 0.00  | 0.00  |
| Decrease   | 0.00  | 0.00  |
| <b>Share capital, total</b>                              | <b>6,480,000.00</b>   | <b>4,980,000.00</b>   |
| <b>Capital reserves</b>                                  |   |   |
| Balance at the beginning of period                       | 13,567,019.88   | 11,068,684.25   |
| Increase   | 0.00  | 0.00  |
| Decrease   | 0.00  | 0.00  |
| <b>Capital reserves, total</b>                           | <b>13,567,019.88</b>  | <b>11,068,684.25</b>  |
| <b>Earned Group equity</b>                               |   |   |
| Balance at the beginning of period                       | -2,618,667.81   | 2,020,753.66  |
| Exchange rate deviations                                 | 0.00  | 0.00  |
| Current result   | -5,373,062.96   | -254,720.57   |
| Profit distribution                                      | 0.00  | 0.00  |
| Other changes  | 0.00  | 0.00  |
| <b>Group earned own equity, total</b>                    | <b>-7,991,730.77</b>  | <b>1,778,419.14</b>   |
| <b>Adjustment for foreign currency conversion</b>        |   |   |
| Balance at the beginning of period                       | 33,913.48   | -25,484.91  |
| Increase   | 0.00  | 15,253.77   |
| Decrease   | -4,904.81   | 0.00  |
| <b>Adjustment for foreign currency conversion, total</b> | <b>29,008.67</b>  | <b>-10,231.14</b>   |
| <b>Own shares not designated for redemption</b>          |   |   |
| Balance at the beginning of period                       | 0.00  | -1,520,402.32   |
| Increase   | 0.00  | 0.00  |
| Decrease   | 0.00  | 0.00  |
| <b>Own shares not designated for redemption, total</b>   | <b>0.00</b>   | <b>-1,520,402.32</b>  |
| <b>Capital and reserves, total</b>                       | <b>12,084,297.78</b>  | <b>16,296,469.93</b>  |

## *SoftM in figures*

| SoftM Group (in million €)  | January 01, 2009 –<br>June 30, 2009 | January 01, 2008 –<br>June 30, 2008 |
|---|-------------------------------------|-------------------------------------|
| Sales   | 19.8                                | 26.5                                |
| Sales by business unit  |                                     |                                     |
| Standard Software   | 8.9                                 | 9.8                                 |
| Consulting  | 7.4                                 | 9.2                                 |
| IT-Infrastructure   | 3.5                                 | 7.5                                 |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) | -2.7                                | 1.6                                 |
| Earnings before interest and taxes (EBIT)                               | -6.3                                | 0.2                                 |
| Result from common activities (EBT)                                     | -6.3                                | 0.1                                 |
| Net income  | -5.4                                | -0.3                                |
| Result per share (in €)   | -0.83                               | -0.04                               |
| Employees (End of period)   | 405                                 | 418                                 |



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