



**SOFTM**  
comarch group

2009

THIRD QUARTER GROUP REPORT  
SEPTEMBER 30, 2009

**DASD program is effective – quarterly loss significantly reduced**

- Nine month revenues of 28,0 million euro (previous year 39,7)
- Q3-Group result at -0,6 million euro (previous year 0,1)
- ERP-II-System Comarch Semiramis revenues increase
- Clearly improved EBIT expected in fourth quarter

# SoftM Software und Beratung AG

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

In the third quarter SoftM implemented to a large extent the previously agreed upon "DASD" program, which is intended to counteract the effects of the economic crisis and increase long-term competitiveness. Due to these measures, the quarterly result compared to the preceding quarters could be significantly improved. Total revenues after nine months were 28.0 million euro (previous year 39.7). Group result in the third quarter came to -0.6 million euro and was -6.0 million euro (previous year -0.1) after nine months. Significant improvement is expected for the fourth quarter.

Development in the individual business units varied. In the software business unit revenues of self-developed software products remained relatively stable and even increased regarding the ERP-II-product Semiramis, while sales of third-party products clearly sank. In the consulting business unit revenues decreased compared to the previous year. Sales in the IT-infrastructure business unit showed a dramatic reduction.

The DASD program incorporates, on the one hand, cost-saving measures and an optimization of management structures and an expansion of software development, on the other. The program is expected to result in savings of approximately 6 million euro by the end of 2010.

The nine month report has been neither audited nor has it undergone audit verification.

## STANDARD SOFTWARE

The standard software business unit – incorporating licensing and service fees – recorded revenues after nine months of 12.8 million euro (previous year 14.9). As in the previous two quarters, sales of self-developed software products remained, for the most part, relatively stable. Opposed to this, however, sales of third-party-products clearly sank. Sales of the ERP-II product Comarch Semiramis even increased, thereby separating this innovative software solution from the general downward trend of the software market. Software revenues in the third quarter were 3.9 million euro (Q3/2008: 5.1).

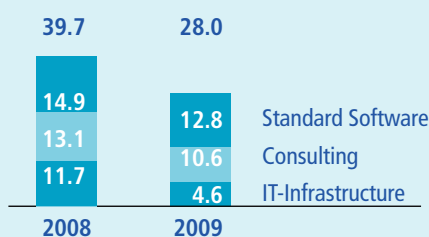
## CONSULTING

In the consulting business unit – service and consulting for the implementation and support of standard software – revenues reached 10.6 million euro (previous year 13.1) in the first nine months of 2009. In the third quarter sales of 3.2 million euro (Q3/2008: 3.9) were booked. Thereby, revenues which are usually seasonally weak for the service industry in this quarter due to vacations, nearly matched those of the preceding quarter (Q2/2009: 3.3 million euro). This points to a stabilization in the consulting business.

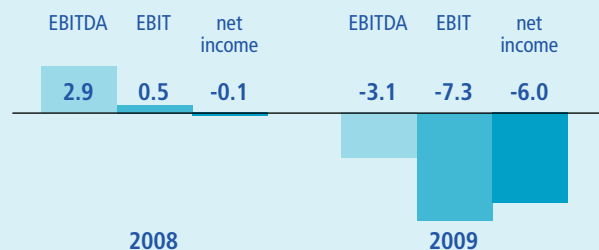
## SYSTEM INTEGRATION

As in the first six months of 2009, the business unit most affected by the economic crisis was the IT infrastructure business unit – hardware and services for IT infrastructure. The global collapse of the server market had a major impact in this sector. Revenues in the IT infrastructure business unit fell to 4.6 million euro (previous year 11.7) in the first nine months. In the third quarter sales of 1.1 million euro (Q3/2008: 4.2) were booked in this business unit.

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



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



## RESULT AND INVESTMENT

In June 2009 SoftM resolved to undertake a series of structural and cost-saving measures. The DASD program (decentralization of organization, lean administration, sales driven organization, development increase) encompasses, on the one hand, cost-saving measures and the optimization of management structures; and on the other the company is being given an even greater market focus with further expansion in software development. This program along with depreciation of goodwill results in a 3.4 million euro charge.

Due to declining revenues and the above mentioned extraordinary charges, SoftM realized an operating result before taxes, interest and depreciations (EBITDA) of -3.1 million euro (previous year 2.9) in the first nine months of 2009. EBIT was -7.3 million euro (previous year 0.5). The result of normal business activities (EBT) was -7.3 million euro (previous year -0.4). Net income came to -6.0 million euro (previous year -0.1). SoftM showed an operating cash flow from normal business activities in the first nine months of 4.9 million euro (previous year 9.6). Corporate funds on Sept. 30, 2009 were at 1.3 million euro (previous year 1.7).

## GROUP CONSOLIDATION

The subsidiary SoftM Polska Sp. Zo.o left the consolidated Group as of July 1.

Softm Czech Republic left the consolidated group as of Sept. 1.

## ACCOUNTING AND VALUATION

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

Results from equity shares will not be accounted for in the quarterly profit and loss statements during the fiscal year. Shares in d.velop Schweiz AG were sold in September; the results of the sale were posted in the third quarter report.

## INCOMING ORDERS FOR STANDARD SOFTWARE

In the first nine months of 2009 new orders for software licenses amounted to 2.6 million euro (previous year 3.2). This decline can be attributed to the System-i product line, as well as third-party-products. ERP II product Comarch Semiramis however was able to significantly increase new orders.

## RESEARCH AND DEVELOPMENT

A major focus of activity in the research and development sector was the continuing development of the new ERP and finance product lines. SoftM considerably strengthened investment in software development, as was emphasized in the DASD program. In the course of the year an additional development team was put together with the parent company Comarch in Poland in the framework of a nearshoring concept for the ERP II product line.

The activities regarding Comarch Semiramis in the reporting period concentrated on the development of Release 5.0. A special focus of activity for this release, that is due out in the first quarter of 2010, will be the improvements in the area of the system engine. 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 Comarch 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 focus of further developing Comarch SoftM Suite based on the IBM system i platform lies in the functions for the target sectors of food and commerce. 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 Comarch Semiramis.

At the accounting system Comarch DKS fundamental improvements to the DKS Info system as well as a new graphical user interface are currently being worked on. The new release will be available in the first half of 2010.

Work is being conducted on the software for payroll and HR management Comarch TOPAS which includes, among other things, comprehensive changes for the turn of the year release 2009/2010. It is especially important to mention here the ELENA function – the electronic proof of payment – as well as the optional work-factor method.

Focus of the improvements to the document management system Infostore in the reporting period is the development of new client modules. Infostore will receive a new software architecture with newly developed client applications and a user-interface in accordance with the newest ergonomic findings.

## INVESTMENTS

Investment in the first nine months of 2009 came to 1.3 million euro (previous year 2.4), of which 1.0 million euro (previous year 1.8) were booked in capitalized development, as well as 0.3 million euro (previous year 0.6) as investment in other assets.

## PERSONNEL

The number of staff as of Sept 30, 2009 was 380 as compared to 408 on the day of record of the previous year and 407 at the end of 2008.

## ADDITIONAL INFORMATION

The following additional events have taken place since the publishing of the last quarterly report (earlier events are depicted in the reports of the previous quarters).

SoftM AG has sold 100% of its shares in SoftM Czech Republic s.r.o., Prague as of August 31, 2009. SoftM Czech republic will continue to be an external sales partner and work together with SoftM AG.

In September SoftM AG sold its 49% stake in d.velop Schweiz AG to the 51% partner d.velop AG, Gescher. The SoftM subsidiary Solitas Informatik AG will remain a sales partner of d.velop.

SoftM has completed another step in the internationalization process with the setting up of a sales partnership network for Comarch Semiramis in China in September. Contracts were signed with four software and systems companies which are well established in the Chinese IT market. License revenues are expected as early as this year.

In the course of a unified market strategy, SoftM subsidiaries SoftM Solutions GmbH in Germany and Austria as well as SoftM Systemintegration GmbH were renamed to Comarch Solutions GmbH, and respectively Comarch Systemintegration GmbH in September.

Schilling Software GmbH was renamed Comarch Schilling GmbH in September.

At the beginning of October SoftM Semiramis & Co. KG was merged with SoftM Software und Beratung AG.

Within the framework of the aforementioned market strategy, numerous SoftM products have been renamed. The effected products are now called: Comarch Semiramis, Comarch SoftM Suite, Comarch Altum, Comarch Sharknex, Comarch DKS, Comarch Schilling and Comarch TOPAS.

The Management Board plans to propose at the next Annual General Meeting in June 2010 to rename SoftM Software und Beratung AG to Comarch Software und Beratung AG.

## SHARE DEVELOPMENT

As of Sept. 30, 2009 SoftM shares were quoted at 3.00 euro compared to 1.91 euro on June 30, 2008 and 3.40 euro at the end of the year 2008.

## RISK REPORT

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

## OUTLOOK

Due to the implementation of measures from the DASD program, a significantly improved result is expected for the fourth quarter as compared to the third.

SoftM Software und Beratung AG  
Munich, November 2009

Piotr Piatosa, CEO

Ludwig Ametsbichler, CFO

Ralf Gärtner, Marketing Director

# Group Balance Sheet

	9-month report January 01, 2009 – September 30, 2009 €	Annual statement January 01, 2008 – December 31, 2008 €
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	1.256.396,42	2.753.202,38
Receivables from sales and services	4.715.026,23	12.252.156,08
Inventory	386.071,08	175.669,98
Receivables from affiliated companies	20.472,59	607.237,95
Other receivables and assets	929.664,01	812.997,17
Accrued and deferred items	280.701,50	227.559,62
<b>Total current assets</b>	<b>7.588.331,83</b>	<b>16.828.823,18</b>
<b>Long-term assets</b>		
Intangible assets acquired through payment	2.561.468,80	3.601.174,27
Capitalized development costs	3.794.200,00	3.351.400,00
Goodwill	8.480.687,08	10.535.687,08
Fixed assets	516.300,39	863.603,02
Shares in associated companies	54.371,33	54.371,33
Other investment	27.000,00	27.000,00
Other receivables and other assets	153.901,51	153.901,51
Deferred taxes	1.519.228,22	167.568,00
<b>Total long-term assets</b>	<b>17.107.157,33</b>	<b>18.754.705,21</b>
<b>Total assets</b>	<b>24.695.489,16</b>	<b>35.583.528,39</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Short-term loans and short-term participation of long-term loans	173.262,79	4.576.664,17
Liabilities from sales and services	1.263.973,53	2.313.736,00
Received advanced payments	178.937,90	51.100,00
Income tax provisions	2.083,73	350.541,66
Other provisions	5.137.141,39	6.785.183,91
Liabilities to affiliated companies	480.472,94	0,00
Short-term participation of other liabilities	924.096,84	1.181.505,92
Accruals and deferrals	3.442.094,51	7.310,51
<b>Total current liabilities</b>	<b>11.602.063,63</b>	<b>15.266.042,17</b>
<b>Long-term liabilities</b>		
Long-term loan participation	0,00	1.250.000,00
Provisions for deferred taxes	1.594.292,46	1.584.769,00
Long-term loan participation of other liabilities	0,00	20.451,67
<b>Total long-term liabilities</b>	<b>1.594.292,46</b>	<b>2.855.220,67</b>
Minority interests	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 capital	-8.584.776,65	-2.618.667,81
Reserve for foreign currency conversion	36.889,84	33.913,48
On shares not designated for redemption	0,00	0,00
<b>Total equity capital</b>	<b>11.499.133,07</b>	<b>17.462.265,55</b>
<b>Total liabilities</b>	<b>24.695.489,16</b>	<b>35.583.528,39</b>

# Income Statement

	Quarterly report III/2009 July 01, 2009 – September 30, 2009 €	Quarterly report III/2008 July 01, 2008 – September 30, 2008 €	9-month report January 01, 2009 – September 30, 2009 €	9-month report January 01, 2008 – September 30, 2008 €
Sales revenue	8.142.730,76	13.222.881,36	27.987.834,16	39.681.142,90
Other revenue	176.376,35	256.941,94	714.488,36	1.047.364,35
Changes in work-in-progress	8.014,10	27.422,66	45.611,07	48.515,06
Capitalized costs of self-constructed assets	350.000,00	565.000,00	1.030.000,00	1.845.000,00
Cost of purchased materials	-966.710,52	-3.822.528,36	-4.037.347,16	-10.816.349,52
Cost of purchased services	-1.246.473,45	-640.987,80	-3.510.561,67	-2.013.640,10
Personnel costs	-4.914.482,10	-6.162.785,78	-18.662.479,41	-19.927.949,01
Depreciation of fixed and intangible assets	-603.476,32	-884.117,18	-4.190.808,78	-2.321.340,36
Other operating costs	-1.892.428,40	-2.196.616,24	-6.645.330,26	-6.998.508,78
<b>Operating result</b>	<b>-946.449,58</b>	<b>365.210,60</b>	<b>-7.268.593,69</b>	<b>544.234,54</b>
Net interest income/loss	-20.285,28	-63.180,62	-20.825,77	-167.095,21
Interest and income from equity participation	0,00	0,00	0,00	0,00
<b>Result before taxes on earnings</b>	<b>-966.734,86</b>	<b>302.029,98</b>	<b>-7.289.419,46</b>	<b>377.139,33</b>
Tax on earnings	373.688,98	-159.003,63	1.323.310,62	-468.325,45
Extraordinary income/costs	0,00	0,00	0,00	0,00
<b>Result after taxes</b>	<b>-593.045,88</b>	<b>143.026,35</b>	<b>-5.966.108,84</b>	<b>-91.186,12</b>
Profit attributable to other shareholders	0,00	-20.233,08	0,00	-40.741,18
<b>Group Result</b>	<b>-593.045,88</b>	<b>122.793,27</b>	<b>-5.966.108,84</b>	<b>-131.927,30</b>
Result per share*	-0,09	0,02	-0,92	-0,02
Average of shares 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

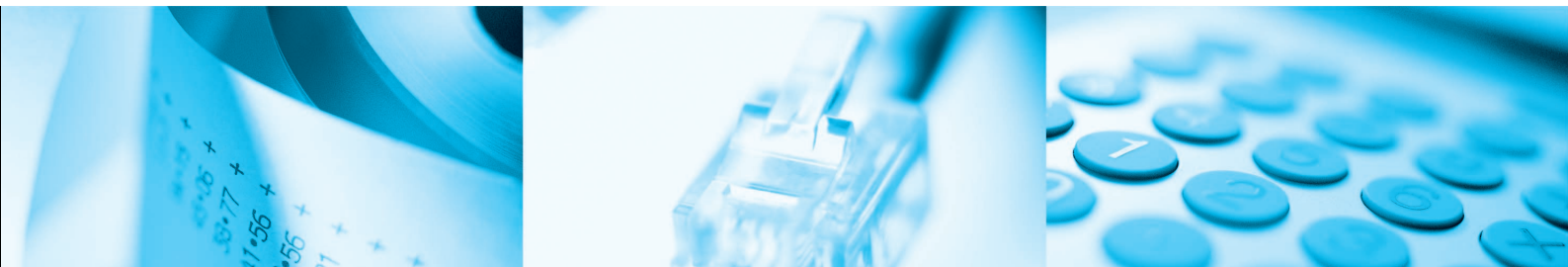
	9-month report January 01, 2009 – September 30, 2009 k€	9-month report January 01, 2008 – September 31, 2008 k€
Group interest in net income	-5,966	-132
Minority interest in net income of subsidiaries	0	41
<b>Group result in net income / loss (including minority interest)</b>	<b>-5,966</b>	<b>-91</b>
Depreciation (+) / revaluation (-) of fixed assets	4,191	2,321
Increase (+) / decrease (-) in provisions	10	23
Profit (-) / loss (+) from fixed asset disposal	35	0
?????Zunahme (+) / Abnahme (-) der Rückstellungen	-1,948	-1,736
Increase (-) / decrease (+) in inventories, receivables from goods and services, as well as other assets which are not attributable to investment or financing	5,734	6,238
<Increase (+) / decrease (-) in liabilities claims for other goods and services as well as other liabilities not attributable to investment or financing	2,890	2,824
Other expenditures and revenues not effecting payments / income	2	17
<b>Operating cash flow</b>	<b>4,948</b>	<b>9,596</b>
Income from disposal of fixed assets	70	0
Expenditure (-) for fixed asset development	-153	-432
Expenditure (-) for intangible asset development	-1,173	-1,949
Expenditure (-) for financial assets	69	0
Income (+) from disposal of financial assets	-100	0
Payments (-) due to acquisition of Group companies and other business units	20	0
<b>Cash-Flow from investment activity</b>	<b>-1,267</b>	<b>-2,381</b>
Income (+) from own equity injection (equity increase, sale of own shares)	607	0
Payment (-) to shareholders and minority shareholders (dividends, acquisition of own shares, own equity replacement, other payments)	0	-12
Income (+) from loans	0	0
Expenditure (-) due to loan liquidation	-5,653	-6,086
<b>Cashflow from investment activity</b>	<b>-5,046</b>	<b>-6,098</b>
<b>Changes in capital funds effecting payment</b>	<b>-1,365</b>	<b>1,117</b>
Currency, consolidated Group or valuation changes in funds	-132	7
Funds at the beginning of period	2,753	607
<b>Funds at end of period</b>	<b>1,256</b>	<b>1,731</b>

# Own Equity Development

	9-month report January 01, 2009 – September 30, 2009 €	9-month report January 01, 2008 – December 31, 2008 €
<b>Subscribed capital</b>		
Balance at the beginning of the period	6.480.000,00	4.980.000,00
Increase	0,00	0,00
Decrease	0,00	0,00
<b>Total subscribed capital</b>	<b>6.480.000,00</b>	<b>4.980.000,00</b>
<b>Capital reserves</b>		
Balance at the beginning of the period	13.567.019,88	11.068.684,25
Increase	0,00	0,00
Decrease	0,00	0,00
<b>Total capital reserves</b>	<b>13.567.019,88</b>	<b>11.068.684,25</b>
<b>Earned Group equity</b>		
Balance at the beginning of the period	-2.618.667,81	2.020.753,66
Exchange rate deviations	0,00	0,00
Current result	-5.966.108,84	-131.927,30
Profit distribution	0,00	-12.386,05
Other changes	0,00	0,00
<b>Total Group earned equity</b>	<b>-8.584.776,65</b>	<b>1.876.440,31</b>
<b>Adjustment for foreign currency conversion</b>		
Balance at the beginning of the period	33.913,48	-25.484,91
Increase	2.976,36	17.112,00
Decrease	0,00	0,00
<b>Total adjustment for foreign currency conversion</b>	<b>36.889,84</b>	<b>-8.372,91</b>
<b>Own shares not designated for redemption</b>		
Balance at the beginning of the period	0,00	-1.520.402,32
Increase	0,00	0,00
Decrease	0,00	0,00
<b>Total own shares not designated for redemption</b>	<b>0,00</b>	<b>-1.520.402,32</b>
<b>Own equity total</b>	<b>11.499.133,07</b>	<b>16.396.349,33</b>

# SoftM in Figures

SoftM Group (in Mio. €)	January 01, 2009 – September 30, 2009	January 01, 2008 – September 30, 2008
Sales	28.0	39.7
Sales by business unit		
Standard Software	12.8	14.9
Consulting	10.6	13.1
System Integration	4.6	11.7
Earnings before interest, taxes, depreciation and amortization (EBITDA)	-3.1	2.9
EBIT	-7.3	0.5
Result from common activities (EBT)	-7.3	0.4
Net income	-6.0	-0.1
Result per share acc. to DVFA/SG (in €)	-0.92	-0.02
Employees (End of period)	380	408



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