POLISH SECURITIES AND EXCHANGE COMMISSION

Consolidated Quarterly Report QSr 3 / 2006

quarter / year

(pursuant to §86 sec.2 and §87 sec. 1 of the Regulation issued by the Minister of Finance on 19 Oct. 2005 - Journal of Laws No. 209 Item 1744)
for issuers of securities managing production, construction, trade or services activities

for 3 quarter of financial year 2006	from 2006-01-01 to 2006-09-30
including consolidated financial statement according to	International Financial Reporting Standards (IFRS)
in currency	PLN
and summary of financial statement according to	Act on Accounting (Journal of Laws 02.76.694)
in currency	PLN
date of publication	2006-11-14

COMARCH SA
(full name of an issuer)

COMARCH (abbreviated name of issuer)	**Information Technology (IT)** (sector according to WSE classification)
31-864 (postal code)	**Kraków** (city)
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SELECTED FINANCIAL DATA	thousands of PLN		thousands of EURO	
	Q1-Q3 2006	Q1-Q3 2005	Q1-Q3 2006	Q1-Q3 2005
data related to the consolidated financial statement				
I. Net revenues from sales	308,881	249,000	78,855	61,356
II. Operating profit (loss)	28,096	12,421	7,173	3,061
III. Profit before income tax	36,903	10,142	9,421	2,499
IV. Net profit attributable to shareholders	29,933	15,269	7,642	3,762
V. Cash flows from operating activities	-15,621	5,160	-3,988	1,271
VI. Cash flows from investing activities	-17,967	-31,028	-4,587	-7,646
VII. Cash flows from financing activities	7,839	9,951	2,001	2,452
VIII. Total net cash flows	-25,749	-15,917	-6,573	-3,922
IX. Equity attributable to shareholders	218,277	133,601	54,795	34,111
X. Number of shares	7,518,770	6,955,095	7,518,770	6,955,095
XI. Earnings per single share (PLN/EURO)	4.07	2.21	1.04	0.54
data related to the financial statement				
XII. Net revenues from sales of products, goods and materials	290,145	235,334	74,071	57,988
XIII. Profit (loss) on operating activities	27,891	19,057	7,120	4,696
XIV. Gross profit (loss)	32,967	15,753	8,416	3,882
XV. Net profit (loss)	31,326	15,753	7,997	3,882
XVI. Cash flows from operating activities	-13,814	4,964	-3,527	1,223
XVII. Cash flows from investing activities	-17,713	-29,547	-4,522	-7,281
XVIII. Cash flows from financing activities	8,141	10,563	2,078	2,603
XIX. Total net cash flow	-23,386	-14,020	-5,970	-3,455
XX. Equity	221,066	144,439	55,495	36,879
XXI. Number of shares	7,518,770	6,955,095	7,518,770	6,955,095
XXII. Earnings (losses) per single share (PLN/EURO)	6.16	2.81	1.57	0.69

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 01.01.2006 to 30.09.2006 – 3.9171; - arithmetical average of NBP average exchange rates as of the end of each month for the period 01.01.2006 to 31.03.2006 – 4.0583; The balance sheet items were presented based on NBP average exchange rates as of the end of the period: - 30.09.2006: 3.9835; - 30.09.2005: 3.9166.

This report should be presented to the Polish Securities and Exchange Commission, the Warsaw Stock Exchange and press agency pursuant to the law.

REPORT INCLUDES:

File	Description
QSr_3_2006.pdf	Consolidated financial statement QSr 3 2006

SIGNATURES			
Date	Name and surname	Position	Signature
2006-11-14	Rafał Chwast	Vice-president of the Management Board	
2006-11-14	Paweł Prokop	Vice-president of the Management Board	

ComArch Capital Group
Consolidated Financial Statement

for the period from 1 January 2006 to 30 September 2006

COMARCH
INFORMATION TECHNOLOGY

Statement in accordance with the International Financial Reporting Standards

All amounts are expressed in thousands of PLN unless otherwise indicated

I. Consolidated Balance Sheet

	Note	At 30 September 2006	At 31 December 2005
ASSETS			
Non-current assets			
Property, plant and equipment		114,747	90,848
Goodwill		3,284	3,284
Intangible assets		34,912	35,024
Non-current prepayments		8,138	6,885
Investments in associates	3.2	9,017	9,444
Other investments		106	121
Deferred income tax assets	3.13	1,470	7,272
Other receivables		23	138
		171,697	**153,016**
Current assets			
Inventories	3.3	19,868	26,115
Trade and other receivables	3.6	115,675	93,003
Current income tax receivables		-	-
Long-term contracts receivables	3.9	32,672	25,521
Available-for-sale financial assets	3.4	-	-
Other financial assets at fair value – derivative financial instruments	3.5	-	225
Cash and cash equivalents		23,201	48,967
		191,416	**193,831**
TOTAL ASSETS		**363,113**	**346,847**
EQUITY			
Capital and reserves attributable to the company's equity holders			
Share capital	3.7	7,519	6,955
Other capitals		198,052	128,731
Exchange differences		(106)	(663)
Net profit for the current period		29,933	28,052
Retained earnings		(17,121)	(16,056)
		218,277	**147,019**
Minority interest		14,705	14,353
Total equity		**232,982**	**161,372**
LIABILITIES			
Non-current liabilities			
Credit and loans	3.10	29,474	17,300
Deferred income tax liabilities		5,726	5,649
Convertible bonds liabilities	3.11	-	39,849
Provisions for other liabilities and charges		164	38
		35,364	**62,836**
Current liabilities			
Trade and other payables	3.8	78,568	99,991
Current income tax liabilities		623	1,488
Long-term contracts liabilities		10,405	14,335
Convertible bonds liabilities	3.11	-	1,097
Credit and loans	3.10	2,652	2,880
Financial liabilities		43	-
Provisions for other liabilities and charges		2,476	2,848
		94,767	**122,639**
Total liabilities		**130,131**	**185,475**
TOTAL EQUITY AND LIABILITIES		**363,113**	**346,847**

All amounts are expressed in thousands of PLN unless otherwise indicated

II. Consolidated Income Statement

	Note	Q 3 2006	9 months ended 30 September 2006	Q 3 2005	9 months ended 30 September 2005
Revenue		**122,057**	**308,881**	**72,068**	**249,000**
Cost of sales		(96,562)	(230,384)	(52,011)	(193,537)
Gross profit		**25,495**	**78,497**	**20,057**	**55,463**
Other operating income		140	444	661	1,234
Sales and marketing costs		(8,709)	(26,635)	(7,198)	(23,615)
Administrative expenses		(7,826)	(22,368)	(5,877)	(18,066)
Other operating expenses		(237)	(1,842)	(444)	(2,595)
Operating profit		**8,863**	**28,096**	**7,199**	**12,421**
Finance costs-net		246	6,660	(1,332)	(3,330)
Share of profit/(loss) of associates		656	2,147	422	1,051
Profit before income tax		**9,765**	**36,903**	**6,289**	**10,142**
Income tax expense		(2,891)	(6,618)	(643)	4,928
Net profit for the period		6,874	30,285	5,646	15,070
Attributable to:					
Equity holders of the company		**6,791**	**29,933**	**5,583**	**15,269**
Minority interest		83	352	63	(199)
		6,874	30,285	5,646	15,070
Earnings per share for profit attributable to the equity holders of the company during the period (expressed in PLN per share)					
– basic	3.14		4.07		2.21
– diluted	3.14		3.87		2.21

All amounts are expressed in thousands of PLN unless otherwise indicated

III. Consolidated Statement of Changes in Equity

	Attributable to equity holders				Minority interest	Total equity
	Share capital	Other capitals	Exchange differences	Retained earnings		
Balance at 1 January 2005	6,852	118,650	(52)	(7,028)	14,013	132,435
Increase in capital	103	-	-	-	-	103
Capital from valuation of the managerial option	-	841	-	-	-	841
Increase (up to 100 %) in ComArch's shares in ComArch, Inc.	-	-	-	(629)	629	-
2004 profit-sharing	-	8,399	-	(8,399)	-	-
Currency translation differences (1)	-	-	(405)	-	-	(405)
Profit for the period (2)	-	-	-	15,269	(199)	15,070
Total income recognised in equity (1-2)	-	-	(405)	15,269	(199)	14,665
Balance at 30 September 2005	**6,955**	**127,890**	**(457)**	**(787)**	**14,443**	**148,044**
Balance at 1 January 2006	**6,955**	**128,731**	**(663)**	**11,996**	**14,353**	**161,372**
Increase in capital	564	-	-	-	-	564
2005 profit-sharing	-	29,117	-	(29,117)	-	-
Increase in capital due to the conversion of convertible bonds	-	37,895	-	-	-	37,895
Capital from valuation of the managerial option	-	2,297	-	-	-	2,297
Correction of capital from revaluation of shares	-	12	-	-	-	12
Currency translation differences (1)	-	-	557	-	-	557
Profit for the period (2)	-	-	-	29,933	352	30,285
Total income recognised in equity (1-2)	-	-	557	29,933	352	30,842
Balance at 30 September 2006	**7,519**	**198,052**	**(106)**	**12,812**	**14,705**	**232,982**

All amounts are expressed in thousands of PLN unless otherwise indicated

IV. Consolidated Cash Flow Statement

	9 months ended 30 September 2006	9 months ended 30 September 2005
Cash flows from operating activities		
Net profit	30,285	15,070
Total adjustments	(44,232)	(9,892)
Share in net (gains) losses of related parties valued using the equity method of accounting	(2,147)	(1,051)
Depreciation	9,323	8,239
Exchange gains (losses)	134	(163)
Interest and profit-sharing (dividends)	1,486	2,421
(Profit) loss on investing activities	(7,271)	(216)
Change in inventories	6,180	(5,986)
Change in receivables	(50,243)	9,296
Change in liabilities and provisions excluding credits and loans	(1,694)	(22,432)
Net profit less total adjustments	(13,947)	5,178
Income tax paid	(1,674)	(18)
Net cash used in operating activities	**(15,621)**	**5,160**
Cash flows from investing activities		
Acquisition of associates	-	(4,340)
Proceeds from sale of associates	9,800	-
Purchases of property, plant and equipment	(26,982)	(26,120)
Proceeds from sale of property, plant and equipment	173	355
Purchases of intangible assets	(1,000)	(1,928)
Purchases of available-for-sale financial assets	(3,000)	(1,525)
Proceeds from sales of available-for-sale financial assets	3,042	2,530
Net cash used in investing activities	**(17,967)**	**(31,028)**
Cash flows from financing activities		
Proceeds from equity issue	-	103
Proceeds from credits and loans	14,297	12,926
Repayments of credits and loans	(2,218)	(1,759)
Bond interest	(453)	(1,319)
Bank interest	(857)	-
Redemption of bonds	(2,930)	-
Other expenses	-	-
Net cash (used in)/generated from financing activities	**7,839**	**9,951**
Net change in cash, cash equivalents and bank overdrafts	**(25,749)**	**(15,917)**
Cash, cash equivalents and bank overdrafts at beginning of the period	48,968	28,745
Positive (negative) exchange differences in cash and bank overdrafts	(18)	66
Cash, cash equivalents and bank overdrafts at end of the period	**23,201**	**12,894**

V. 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 seat in Krakow at Al. Jana Pawła II 39 A is the dominant unit, include production, trade and services in the fields of IT and telecommunications, PKD 72.20. The registration court for ComArch S.A. is the District Court for Krakow Śródmieście in Krakow, XI Economic Division of the National Court Register. The company's KRS number is 0000057567. ComArch S.A. holds the dominant share in the 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 dominant unit is not limited.
On 30 September 2006, the following entities formed the ComArch Group (in parentheses, the share of votes held by ComArch S.A.):

- ComArch Spółka Akcyjna with its registered seat in Krakow,
- ComArch, Inc.* with its registered seat in Miami (100.00 %),
- ComArch Software AG with its registered seat in Dresden (100.00 %),
- ComArch Middle East FZ-LCC with its registered seat in Dubai (100.00 %),
- ComArch Sp. z o.o. with its registered seat in Kiev (100.00 %),
- ComArch s.r.o. with its registered seat in Bratislava, Slovakia (100.00 %),
- ComArch Panama, Inc. with its registered seat in Panama (100.00 % subsidiary of ComArch, Inc.),
- OOO ComArch with its registered seat in Moscow (100.00 %),
- UAB ComArch with its registered seat in Vilnius, Lithuania (100.00 %),
- ComArch Services S.A. with its registered seat in Krakow (99.90 %),
- MKS Cracovia SSA with its registered seat in Krakow (**49.15 %).

*) ComArch Global, Inc. changed its name to ComArch, Inc. on 19 September 2006.
**) MKS Cracovia SSA is ComArch S.A.'s subsidiary according to IAS 27 pt 13.

The dominant unit's associates are:
- INTERIA.PL S.A. with its registered seat in Krakow (48.48 %),
- NetBrokers Sp. z o.o. with its registered seat in Krakow (40.00 %).

The structure of activities of the ComArch Group is as follows: the dominant entity acquires the majority of contracts and in large part executes them. ComArch Inc., ComArch Software AG, ComArch Middle East FZ-LCC, ComArch Sp. z o.o. (Ukraine), ComArch Panama, Inc., OOO ComArch, UAB ComArch acquire contracts in foreign markets and execute them in their entirety or in part. ComArch s.r.o. produces software on order for the ComArch Group. ComArch Services S.A. specialises in data communications relating to the provision of connections for the own needs of the ComArch Group and for contracts executed by ComArch, as well as the provision of outsourcing services. MKS Cracovia SSA is a sport joint stock company.
The structure of activities of associates is as follows: Interia.pl is a web portal that provides information, communication and search services to web communities. NetBrokers Sp. z o.o. operates in the e-commerce sector, offering its customers a virtual commodities market and an information platform functioning on the internet.

2. Description of the Applied Accounting Policies

This consolidated financial statement for the 9 months ended 30 September 2006 was prepared pursuant to the International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and interpretations published by the Committee for Interpretation of International Financial Reporting, as approved by the European Union.

These financial statements were prepared pursuant to the historical cost principle with the exception of those items that are appraised in another way pursuant to these principles.

Preparation of the statement pursuant to IFRS requires a number of estimates to be done and the application of individual judgement. Note 2.3.2 presents those areas of the financial statement, which require significant estimates or for which significant judgement is required.

The financial statement was prepared with the assumption of the continuation of commercial activities by the ComArch Group in the foreseeable future. According to company management, there are no circumstances suggesting any threat to the continuation of activities.

The ComArch Group prepares its income statement in the calculation version, whereas the cash flow statement is prepared according to the indirect method.

All amounts are expressed in thousands of PLN unless otherwise indicated

The consolidated financial statement of the ComArch Group for the 9 months ended 30 September 2006 comprises the financial statements of the following companies:

	Relationship	Consolidation method	% interest held by ComArch S.A. in subsidiary's share capital
ComArch S.A.	dominant unit	full	
ComArch Software AG	subsidiary	full	100.00 %
ComArch, Inc.	subsidiary	full	100.00 %
ComArch Middle East FZ-LCC	subsidiary	full	100.00 %
ComArch Sp. z o.o. (Ukraine)	subsidiary	full	100.00 %
ComArch s.r.o.	subsidiary	full	100.00 %
ComArch Panama, Inc.	subsidiary	full	100.00 %
OOO ComArch	subsidiary	full	100.00 %
UAB ComArch	subsidiary	full	100.00 %
ComArch Services S.A.	subsidiary	full	99.90 %
MKS Cracovia SSA	subsidiary	full	49.15 %

2.1 Methods of Valuation of Assets and Liabilities and the Determination of Financial Results

2.1.1. Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments. The Group has chosen to report using business segment as a basic segment. The basic segments are IT and sport.

2.1.2. Consolidation

a) Subsidiaries

Subsidiaries are all entities (including special purpose entities), over which Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired this difference is recognised directly in the income statement.

Transactions, settlements and unrealised gains on transactions among the Group's entities are eliminated. Unrealised losses are also eliminated, unless the transactions provide evidence for a loss in the value of a provided asset. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

b) Associates

Associates are all entities over which the Group has significant influence but not control; this generally accompanies a shareholding of between 20 % and 50 % of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised as costs. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of the post-acquisition profits or losses of its associates is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in reserves. Cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.1.3. Foreign Currency Translation

a) Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Polish zlotys (PLN), which is the company's functional and presentation currency.

b) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items, such as equities held at fair value through profit and loss, are reported as part of their fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale assets, are included in the available-for-sale reserve in equity.

c) Group Companies

The results and financial position of all group entities (none of which operates in a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
(i) assets and liabilities for each balance sheet presented are translated at the closing rate of the date of the balance sheet;
(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expense are translated at the dates of the transactions); and
(iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of credits and loans and other currency instruments designated as hedges of such investments, are included in shareholder equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.
Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.1.4. Investments

a) Financial Assets and Liabilities at Fair Value through Profit or Loss

This category comprises two subcategories: financial assets held for trading, and those designated at fair value through profit and loss at inception. A financial asset is classified in this category if acquired principally for the purpose of sale in the short term or if so designated by management. Derivatives are also classified as held for trading unless they are designated as hedges. This type of derivative is classified separately in 'Derivative financial instruments' in the balance sheet. Assets in this category are classified as current if they are either held for trading or are expected to be realised within 12 months from the balance sheet.

b) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and with no intention of trading. These arise when the Group gives cash, goods or services directly to the debtor, without the intention of introducing its receivables into trading. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the balance sheet.

c) Held-to-Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

d) Available-for-Sale Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months from the balance sheet date.

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are no longer recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets available-for-sale and financial assets carried at fair value, through profit or loss are initially recognised at fair value. Loans, receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Unrealised gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other (losses)/gains – net, in the period in which they arise. Unrealised gains or losses arising from changes in the fair value of the non monetary securities classified as 'available-for-sale' are recognised in equity. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (or if a security is unlisted), the Group establishes fair value by using valuation techniques. These comprise the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis and models (commonly regarded as correct) of the valuation of derivative instruments based on input data from the active market.

The Group assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired at each balance sheet date. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

2.1.5. Non-Current Assets

a) Intangible Assets

Intangible assets are recorded at their acquisition prices less the current redemption as well as possible write-offs due to permanent loss in value. The Group carries out depreciation write-offs using the straight-line method. The following depreciation rates have been adopted:

- computer software 30 %
- licences 30 %
- copyrights 30 %
- other rights 10-20 %

Adopted depreciation rates are related to the estimated useful life of intangible assets. In the case of intangible assets that were acquired for a particular project, the depreciation period is established as the duration of the project.
The right of perpetual usufruct of land relating to SSA Cracovia is classified as an intangible asset with an undefined useful life, therefore it is not depreciated. Lands that MKS Cracovia SSA holds in perpetual usufruct are not depreciated, because of an undefined useful life, since the company expects that the perpetual usufruct rights will be renewed without any major costs, as it is not obliged to meet any conditions, upon which the extension of these rights depends.

In Poland, perpetual usufruct is considered synonymous to ownership, as opposed to a lease after which a user releases land. The company does not expect to incur any major costs for the renewal of perpetual usufruct rights as the co-owner of MKS Cracovia SSA is the City of Krakow. The city supports sports activities, including those of SSA Cracovia through initiatives that include:

- refinancing sports infrastructure
- redeeming real estate taxes
- providing fees for perpetual usufruct

b) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill recognised separately is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carriage of an amount of goodwill relating to the entity sold.
Goodwill is allocated to cash-generating units for the purpose of impairment testing.

c) Property, Plant and Equipment

Property, Plant and Equipment in Use
Property, plant and equipment in use were valuated according to acquisition prices or production costs less current redemption and possible write-offs due to losses in value. The adopted depreciation rates correspond to the economic utility of property, plant and equipment in use. The following detailed principles of depreciation of property, plant and equipment in use have been adopted by the company: assets are depreciated with the straight-line method with application of depreciation rates corresponding with periods of their economic utility. In most cases, depreciation rates are: 2.5 % (for group number I), 30 % (for group number IV) and 20 % (for groups number VII and VIII). In case of property, plant and equipment in use acquired in order to be used in a specific project, the depreciation period is set as equal to the project duration.

Property, Plant and Equipment under Construction
Property, plant and equipment under construction are valuated according to the acquisition price less any possible write-offs due to permanent loss in value. The company applies the rule that interests on investment credit, in the period when the investment is realised, are recognised as property, plant and equipment under construction. Interests on investment credit decrease the annual result within finance costs, after non-current asset, financed by

credit, was brought to use.

Improvements in Third Party Property, Plant and Equipment Assets
Improvements in third party property, plant and equipment are valuated according to the acquisition price less any current redemptions and possible write-offs due to loss in value.

d) Leases

The Group uses leased vehicles. As, according to the agreements made, practically all risks and benefits resulting from the title of ownership of the subject matter leased have been transferred, these are classified as finance leases. They have been classified as assets and liabilities in the amounts equal to the minimum leasing fees set forth as at the date of lease initiation. Leasing fees are divided into liabilities (reductions of the unpaid balance of liabilities) and finance charges. The interest part of finance costs is charged to the income statement throughout the lease term so as to obtain a constant periodic interest rate on the remaining balance of the liability for each period. The means used on lease principles are subject to depreciation within a shorter period of time of either the asset's useful life or the lease term.

e) Non-Current Prepayments

Non-current prepayments refer to the perpetual usufruct rights for land used by the ComArch S.A. dominant unit. It has a defined useful life, therefore it is depreciated. The depreciation period is 85 years, which means that it is calculated at a rate of 1.2 %.

f) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the amount carried may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less sales costs and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.1.6. Current Assets

a) Inventories, Products in Progress and Finished Goods

Production in progress given in the statement refers to software produced by the Group and allocated for multiple sales. Production in progress is valuated according to direct technical production costs.

Application software produced by the Group and allocated for multiple sales is valuated in the period when it benefits, no longer than 36 months from an initial sale, in the amount of surplus of software production costs over net revenues obtained from sales of these products within the following 36 months. Software production costs, not written off after this period of time, increase other operational costs.
Depending on the nature of the produced software and the assessment of its possible sales, expenditures incurred for software production, in the amount of 50 % to 100 % of the invoiced sale in the above time period of sales, are written off into its own costs, provided that the 50 % rate is the basic rate. If the company is aware of limits to sales capacity at an earlier point, it immediately performs a write-off revaluating production in progress in the amount of expenses in reference to which there is a probability that they will not be recovered, or does a one-time write-off of the entirety of unsettled expenses (depending on the degree of risk valuation) into its own cost of sales.

The register of materials and finished goods is managed at current purchase prices. Expenses are appraised according to the FIFO principle. Finished goods are appraised according to actual purchase prices, no higher than net selling prices.

b) Receivables

Receivables are recognised initially at fair value and subsequently according to adjusted acquisition prices (at amortised cost). Receivables are recognised as current or non-current receivables depending on maturity (depending on whether this is less than or over 12 months from the balance sheet date).
In order to make their value real, receivables are decreased by write-offs revaluating bad debts. Write-offs due to loss in value correspond with the difference between balance sheet value and the current value of actual cash flows from the given item of assets. Due to the specific nature of activities (limited scope of receivables from mass contractors), appropriate updating of write-offs is carried out by way of a detailed identification of receivables and an assessment of risk of the inflow of funds resulting from contractual and business conditions.

c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash at banks and liquid current securities.

d) Settlement of Long-Term Contracts

Costs related to long-term contracts are given when they occur. The result in contracts is determined according to the progress of work if a reliable determination of such is possible. The progress of work is measured based on the value of costs incurred by the balance sheet date divided by the total estimated costs due to contracts, expressed as a percentage. If it is probable that the total costs due to an agreement exceed total revenues, the anticipated loss is recognised immediately.

In assets, the Group presents 'Long-term contracts receivables' for cases where there is a surplus in incurred costs and recognised profits due to long-term contracts over the value of invoiced sales for contractors. Otherwise, when there is a surplus of the invoiced sales to contractors over the value of incurred costs and recognised profits due to long-term contracts, the Group presents an item in the liabilities called 'Long-term contracts liabilities'. The above surpluses are determined for each contract separately and are presented separately without balancing particular items.

2.1.7. Equity

Equity includes:

a) the share capital of the dominant unit presented at nominal value,
b) other capitals established:
   - from profit-sharing,
   - from surpluses of shares sold above their nominal value (premium share),
   - from the valuation of managerial options,
c) retained profit resulting from adjustments resulting from changes to accounting principles and from the results achieved by the Group, which were not transferred to other capitals

2.1.8. Employee Benefits

a) Share-Based Plans

The Group has a share-based reward scheme. The fair value of employee services received in exchange for every grant of options increases costs. The total amount to be spent over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.
The proceeds received when the option is exercised, i.e. proceeds from comprising shares (less transaction costs related directly to option exercising) are credited to share capital (nominal value) and the share premium is credited to supplementary capital.

2.1.9. Liabilities and Provisions for Liabilities

a) Trade Liabilities and Other Liabilities

Initially trade and other liabilities are recognised at their fair value and at the balance sheet date they are recognised at adjusted acquisition prices (depreciated cost). Liabilities, depending on maturity (up to or over 12 months from the balance sheet date) are recorded as current or non-current items.

b) Financial Liabilities

At the time of initial recognition, financial liabilities are valuated at fair value, increased (in case of an item of liabilities not qualified as valuated at fair value by the financial result) by transaction costs. After the initial recognition, the unit appraises financial liabilities according to depreciated costs using the effective interest method, with the exception of derivative instruments, which are valuated at fair value. Financial liabilities set as items being hedged are subject to appraisal pursuant to hedge accounting principles.

c) Provisions for Liabilities

Provisions for restructuring costs, guarantee repairs and legal claims are recognised if:

- The Group has current legal or customary liabilities resulting from past events;
- There is a high probability that expending Group funds may be necessary to settle these liabilities, and
- Their value has been reliably assessed.

Restructuring provisions mostly comprise employee severance payments. These provisions are not recognised in reference to future operational losses. If there is a number of similar liabilities, the probability of the necessity for expending funds for settlement is assessed for the whole group of similar liabilities. The provision is recognised even if the probability of expending funds in reference to one item within the group of liabilities is small.

The provisions are appraised at the current value of costs assessed according to the best knowledge of company management. Incurring such costs is necessary in order to settle the current liability at the balance sheet date. The discount rate applied for determining current value reflects the current market assessment of the time value of money and impairments relating to a given liability.

2.1.10 Deferred Income Tax

The general principle, pursuant to IAS12, is applied. It states that due to temporary differences between the presented value of assets and liabilities as well as their tax value and tax loss it will possible to deduct in the future, a provision is established and deferred income tax assets are defined.
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 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.
Deferred income tax liabilities are established in the amount of income tax payable in the future in reference to positive temporary differences, which would result in increasing the basis of taxation in the future.
Deferred income tax is established using fiscal rates (and regulations) which are legally binding at the balance sheet

date, which according to expectations shall be in force at the moment of realisation of relevant deferred income tax assets or settlement of deferred income tax liability.
The difference between deferred income tax liabilities and deferred income tax assets at the end and at the beginning of the reporting period affects the financial results. In addition, liabilities and assets due to deferred income tax related to operations settled with equity are referred into shareholders' equity.

2.2 Recognition of Revenues and Costs

The ComArch Group's operations mostly consist of producing software for multiple sales and implementing IT integration contracts. As part of its integration contracts, ComArch offers the implementation of IT turnkey systems consisting of (own and third party) software and/or computer hardware and/or services such as:

- implementation services,
- installation services,
- guarantee and post-guarantee services,
- technical assistance services,
- software customisation services,
- other IT and non-IT services necessary for system implementation.

In determining the total revenues from contracts, the following items are taken into account:

- revenues from proprietary software (irrespective of form, i.e. licences, property rights, etc.),
- revenues from services

Unit managers may decide to include estimated revenues that are highly probable to be realised into the total revenues from a contract (e.g. during the implementation of the contract, project modifications are carried out for technical reasons and it is justified to assume with some probability that the ordering party will accept the modifications and that there will be revenues flowing from them).
When integration contracts under which software is allocated for multiple sales are ComArch property, the revenues and costs related to this software and the revenues and costs related to the other part of the integration contract are recognised separately.
Several integration contracts are combined and recognised as one contract, if:

- the agreements are executed at the same time or sequentially one after another and the precise separation of the costs of their execution is impossible, or
- the agreements are so closely inter-related that they are actually parts of a single project and share a single profit margin for the entire project.

Revenues from other services (e.g. technical services, technical assistance) are recognised equally during the term of an agreement/service provision. Revenues from hardware sales and the sale of other finished goods are recognised in accordance with agreed delivery terms.

Revenues from sales of other services, products, finished goods and property items comprise sums of fair values from due invoiced revenues taking into account discounts and rebates without commodity and services taxes.

Sales costs include marketing costs and the costs of order acquisition by sales centres (departments) in the ComArch Group.

General costs consist of the costs of the ComArch Group functioning as a whole and include administrative expenses and the costs of departments that operate for the general needs of the Group. Exchange rate differences related to receivables are presented in 'Revenues from sales' and those related to liabilities are presented in 'Cost of sales.'

The Groups receives subsidies for the financing of R&D projects within the framework of European Union aid programmes. These subsidies are systematically recognised as revenue in particular periods so as to ensure that they are adequate to incurred costs, which should be compensated by subsidies respectively to the reason of their settlement. These subsidies diminish the respective direct costs, which are presented in the cost of sales just after they are compensated with subsidies.

a) Other Operational Revenues and Costs

Other operational revenues and costs comprise revenues and costs not directly related to the regular activities of the units and mostly include: the result of the sale of property, plant and equipment and intangibles, subsidies, established provisions and the consequences of asset revaluation.

b) Financial Revenues and Costs

Financial revenues and costs mostly include: revenues and costs due to interest, those from the result achieved due to exchange rate differences in financial activities, those from disposal of financial assets and those arising as the consequences of the investment revaluation.

2.3 Financial Risk Management

The company's activities expose it to a variety of financial risks:

1. The risk of contractor insolvency. The 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;

2. Interest rate risk. The company is exposed to the risk of changes in interest rates related to 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 index. The company has not been hedging this interest rate risk;

3. Foreign exchange risk. The company is exposed to foreign exchange risk in relation to export sales and sales denominated in foreign currencies. At the same time, part of the company's costs is also expressed in or related to exchange rates for foreign currencies. In individual cases, the company hedges future payments with forward contracts and currency options.

2.3.1. Accounting for Derivative Financial Instruments and Hedging Activities

Derivative financial instruments designated as 'hedging instruments' according to IAS 39, qualified as fair value hedging, are recognised at fair value and changes in their valuation refer to the results of financial operations.

Derivative financial instruments designated as 'hedging instruments' according to IAS 39, qualified as cash flow hedging are recognised at fair value and change to their valuation refers to:
a) capital from the revaluation of prices (in the part constituting effective hedging),
b) the results of financial operations (in the part not constituting effective hedging).

Derivative financial instruments designated as 'non-hedging instruments' according to IAS 39 are valuated at fair value and changes in their valuation refers to the results of financial operations.

2.3.2. Critical Accounting Estimates and Judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including anticipations of future events that are believed to be reasonable under given circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

a) Estimation of the total costs of the execution of projects related to the appraisal of long-term contracts, pursuant to IAS 11,

Pursuant to the accounting principles adopted by the company, the company determines the degree of progress for long-term contracts by way of determining the ratio of currently incurred costs for a given project to the total estimated project costs. Due to the long-term nature of projects under way and their complex structure, as well as the possibility of unexpected difficulties related to their execution it may happen that the actual total costs for project execution differ from the estimates made for specific balance sheet dates. Changes in estimates of total project execution costs could result in the definition of project progress at the balance sheet date and consequently recognised revenues, in different amounts.

b) Estimations related to the determination and recognition of deferred income tax assets, pursuant to IAS 12,

As the company operates in the Special Economic Zone and enjoys investment allowances as a result, the company determines the value of deferred income tax assets on the basis of forecasts relating to the shape of the tax-exempt income and the period, in which such income may be noted. Due to high business fluctuations in the IT industry (in which the company is active) it is possible that the actual results and tax-exempt income may differ from the company's anticipations.

c) Estimation of possible costs related to current court proceedings against the company, pursuant to IAS 37.

At the balance sheet date, the Group is the plaintiff and the defendant in a number of court proceedings. Preparing the financial statement, the Group always assesses the opportunities and risks related to court proceedings and, in accordance with the results of such analyses, establishes provisions for potential losses. However, there is always a risk that the courts will pronounce verdicts different from the expectations of the company and the established provisions will be insufficient or excessive in comparison with the actual results of the proceedings.

d) Estimation due to carrying out yearly test on loss in the goodwill according to IFRS3 and IAS 36

At the end of every fiscal year the Group carries out tests on losses in the goodwill according to accounting rules contained in note 2.1.5. b). Due to the execution of tests on possible losses in goodwill, goodwill is allocated in cash-generating units. The recovering value was established on the basis of a calculation of value in use. These calculations require the company to use estimations related to projections of cash flows in the IT segment in the next fiscal year and anticipated IT market developments in Poland in the next several years. Due to the large amount of business fluctuation in the IT industry (in which the company is active) it is possible that the actual results and tax-exempt income may differ from the company's anticipations.

2.4 Interim Measurement Note

The IT industry is subject to seasonal fluctuations, with peak demand in the fourth quarter of each year. The costs, which are incurred unevenly during the fiscal year of the economic unit are anticipated or transferred into settlements over time at the mid-year date if and only if their anticipation or transfer into settlement over time is also appropriate at the end of the fiscal year.

Current income tax is calculated on a monthly basis, based on current financial details, in accordance with regulations applicable in the country of the head office of the Capital Group.

2.5 New Standards and IFRIC Interpretations

In the opinion of Group Management certain new accounting standards that are mandatory for accounting periods beginning on or after 1 January 2006, will not have any significant impact on the financial statement and financial situation of the Group.

The interpretation of IFRIC 7 „Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies" will not have any impact on the Group's financial statement.

The interpretations of IFRIC 8, Scope of IFRS 2, "Share-based Payment" will not have any impact on the financial statement and financial situation of the Group.

IFRS 7 "Financial instruments: Disclosure" and changes to IAS 1 "Presentation of financial statements" (capital disclosure) are obligatory in annual periods beginning on 1 January 2007 or after this date. The Group shall proceed according to the new requirements relating to disclosure of this information.

Changes to IAS 1 „Presentation of financial statements" (capital disclosure) refer to annual periods beginning on January 2007. The Group shall proceed according to the new requirements relating to disclosure of this information.

The changes to IAS 19 "Employee benefits" will not have any impact on the Group's financial statement.

The Group has decided not to valuate its assets and financial liabilities in the fair value according to changes to IAS 39 "Financial instruments, recognition and measurement" (the fair value option).

Changes to IAS 39 "Financial instruments, recognition and measurement" (hedging accountancy-hedging of the forecasted cash flows from intragroup transactions) will be applied to the periods beginning on 1 January 2007. There is no expected effect of this interpretation on presently applied accounting rules in relation to any of the Group's previously concluded contracts.

Changes to IAS 39 "Financial instruments, disclosure and valuation" and IFRS 4 „Insurance contracts" (financial guarantee contracts) relate to agreements on financial guarantees and require that parties providing financial guarantees disclose the relevant liabilities resulting from such contracts at balance sheet date. The rules of this contract will not have any impact on the Group's financial statement.

All amounts are expressed in thousands of PLN unless otherwise indicated

3. Notes to the Consolidated Financial Statement

3.1 Segment Information for the 9 Months Ended 30 September 2006

The Group has chosen to report using business segment as base segment. The operations of ComArch's subsidiary units comprise the following types of activities: the sale of IT systems (hereinafter referred to as the "IT segment") and professional sports (hereinafter referred to as the "sport segment"; MKS Cracovia SSA). The IT segment has a dominant share in sales revenues, profits and assets.

Revenues, costs and financial results

9 months ended 30 September 2005

Item	IT Segment	Sport Segment	Eliminations	TOTAL
Revenues per segment- sales to external clients	243,071	5,929	-	249,000
Including:				
Revenues from sales	*243,071*	*5,929*	*-*	*249,000*
Other revenues /operational and financial/	1,006	228	-	1,234
Revenues per segment - sales to other segments	-	4,138	(4,138)	-
Revenues per segment - total*	244,077	10,295	(4,138)	250,234
Costs per segment relating to sales to external clients	234,764	6,379	-	241,143
Costs per segment relating to sales to other segments	-	4,138	(4,138)	-
Costs per segment - total*	234,764	10,517	(4,138)	241,143
Assets for the tax due to investment allowances and other tax relief	4,928	-	-	4,928
Share of segment in the result of parties valuated using the equity method of accounting	1,051	-	-	1,051
Net result	15,292	(222)	-	15,070
including:				
result attributable to shareholders of the dominant unit	*15,377*	*(108)*	*-*	*15,269*
result attributable to minority interest	*(85)*	*(114)*	*-*	*(199)*

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

9 months ended 30 September 2006

Item	IT Segment	Sport Segment	Eliminations	TOTAL
Revenues per segment- sales to external clients	309,894	6,091	-	315,985
Including:				
Revenues from sales	*30 837*	*6,044*	*-*	*308,881*
Other revenues /operational and financial/	*7,057*	*47*	*-*	*7,104*
Revenues per segment - sales to other segments	-	4,424	(4,424)	-
Revenues per segment - total*	309,894	10,515	(4,424)	315,985
Costs per segment relating to sales to external clients	275,831	5,398	-	281,229
Costs per segment relating to sales to other segments	-	4,424	(4,424)	-
Costs per segment - total*	275,831	9,822	(4,424)	281,229
Current taxes	(745)			(745)
Assets for the tax due to investment allowances and other tax relief	(5,873)	-	-	(5,873)
Share of segment in the result of parties valuated using the equity method of accounting	2,147	-	-	2,147
Net result	29,592	693	-	30,285
including:				
result attributable to shareholders of the dominant unit	*29,592*	*341*	*-*	*29,933*
result attributable to minority interest	*-*	*352*	*-*	*352*

*) 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.

All amounts are expressed in thousands of PLN unless otherwise indicated

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 30 September 2005 and as at 30 September 2006 are as follows:

9 months ended 30 September 2005

	IT Segment	Sport Segment	Total
Assets	227,720	37,645	265,374
Associates	9,376	-	9,376
Total assets	**237,096**	**37,654**	**274,750**

	IT Segment	Sport Segment	Total
Liabilities	117,466	9,240	126,706
Investment expenditures	32,477	1,440	33,917
Depreciation	7,877	362	8,239

9 months ended 30 September 2006

	IT Segment	Sport Segment	Total
Assets	316,830	37,203	354,033
Associates	9,017	63	9,080
Total assets	**325,847**	**37,266**	**363,113**

	IT Segment	Sport Segment	Total
Liabilities	127,073	3,058	130,131
Investment expenditures	30,409	575	30,984
Depreciation	8,778	545	9,323

Due to the geographical distribution of its activities, the ComArch Group has defined the following market segments: Poland, Europe, the Americas, and other countries. The 'Sport' segment operates 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. Sales between specific segments are calculated based on market conditions.

The following table presents the allocation of revenues from sales, assets and total investment expenditures into geographical segments:

Revenues from basic sales by market location

	9 months ended 30 September 2006	9 months ended 30 September 2005
Poland	236,124	209,013
Europe	54,880	25,178
The Americas	15,154	8,818
Others	2,723	5,991
TOTAL	**308,881**	**249,000**

Assets – activities location

	30 September 2006	31 December 2005	30 September 2005
Poland	339,829	332,667	263,157
Europe	8,136	7,375	7,648
The Americas	9,953	3,844	2,247
Others	5,195	2,961	1,698
TOTAL	**363,113**	**346,847**	**274,750**

Investments expenditures - activities location

	9 months ended 30 September 2006	9 months ended 30 September 2005	2005
Poland	29,691	33,524	40,786
Europe	832	117	310
The Americas	388	153	375
Others	73	123	7
TOTAL	**30,984**	**33,917**	**41,478**

All amounts are expressed in thousands of PLN unless otherwise indicated

3.2 Investment in Associates

Investment in associates refers to share in Interia.pl S.A and NetBrokers Sp. z o.o. valuated using the equity method of accounting.

At 1 January 2005	**4,075**
Increase in net assets due to the acquisition of INTERIA.PL S.A. shares	1,928
Share in profit for the 3 quarters ended 30 September 2005	1,051
Other equity changes – determination of goodwill due to coming into the possession new INTERIA.PL S.A. shares	2,322
At 30 September 2005	9,376
Share in profit for the forth quarter of 2005	68
At 31 December 2005	9,444
At 1 January 2006	**9,444**
Share in profit for the 3 quarters ended 30 September 2006	2,147
Other changes related to disposing of INTERIA.PL S.A. shares	(2,574)
At 30 September 2006	**9,017**
including:	
INTERIA.PL S.A.	6,966
NetBrokers Sp. z o.o.	2,051

	Country of incorporation	Assets	Liabilities	% shares held
At 31 December 2005				
INTERIA.PL S.A.	Poland	19,095	5,754	41.05
NetBrokers Sp. z o.o.	Poland	4,851	1,371	40.00
		23,946	**7,125**	
At 30 September 2006				
INTERIA.PL S.A.	Poland	24,612	6,439	36.08
NetBrokers Sp. Z o.o.	Poland	6,799	2,310	40.00
		31,411	**8,749**	

	Country of incorporation	Revenues	Profit /(Loss)	% shares held
9 months ended 30 September 2005				
INTERIA.PL S.A.	Poland	26,465	1,955	41.05
NetBrokers Sp. z o.o.	Poland	28,991	744	40.00
		55,456	**2,699**	
9 months ended 30 September 2006				
INTERIA.PL S.A.	Poland	37,673	4,758	36.08
NetBrokers Sp. z o.o.	Poland	34,905	1,009	40.00
		72,578	**5,767**	

As at 30 September 2006 the fair value of INTERIA.PL shares held by ComArch S.A. based on average stock exchange prices from the three months preceding the date of the preparation of this statement is 110.69 million PLN. On 29 September 2006, the closing price of INTERIA.PL shares was 43.61 PLN. On this day, the value of INTERIA.PL S.A. shares held by ComArch S.A. was 124.38 million PLN.
On 19 January 2006, as a result of disposal of 350,000 INTERIA.PL shares by ComArch S.A., ComArch S.A. holds 2,538,369 shares of INTERIA.PL S.A., which constitute 36.08 % of company's share capital. These shares give ComArch S.A. 11,609,625 votes at the General Meeting, which constitutes 48.48 % of the total number of votes.

3.3 Inventories

	30 September 2006	31 December 2005
Raw materials	1,206	777
Work in progress	12,663	13,121
Finished goods	5,944	11,787

All amounts are expressed in thousands of PLN unless otherwise indicated

Advance due to finished goods	55	430
	19,868	**26,115**

The cost of inventories recognised as expenses and included in 'cost of sales' amounted to 153.12 million PLN (9 months ended 30 September 2006) and 153.87 million PLN (9 months ended 30 September 2005).
The Group reversed a write-off worth 0.044 million PLN that revaluated inventories and was performed in 2005. The write-off was classified as an item in 'Other operating costs'. In the third quarter there were no reasons to perform write-offs revaluating the value of finished goods. No hedging was performed in inventories owned by the company.
On the basis of the current trend in reference to the settlement of production in progress, the Group estimates that after 12 months from the balance sheet date approximately 4.9 million PLN shall remain unsettled. Other inventories will be settled in their entirety within 12 months.

3.4 Available-For-Sale Financial Assets

	30 September 2006	**31 December 2005**
At the beginning of the year	**-**	**2,000**
additions- first half	3,000	500
disposal- first half	(2,958)	(2,489)
At 30 June	**42**	**11**
additions-second half	-	1,007
disposal-second half	(42)	(1,018)
At 30 September 2006	**-**	**-**
At 31 December 2005	**-**	**-**
Current portion	-	-

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

Available-for-sale financial assets comprise:

	30 September 2006	**31 December 2005**
Shares in trust funds	-	-
	-	-

3.5 Derivative Financial Instruments

	30 September 2006		**31 December 2005**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Forward foreign exchange contracts– held-for-trading	27	90	227	2
Currency options – held-for-trading	20	-	-	-
	47	**90**	**227**	**2**
Current portion	*47*	*90*	*227*	*2*

Derivative financial instruments are classified in the financial statement as a liability of 43,000 PLN. Profits and losses due to the valuation of forward contracts and currency options as at 30 September 2006 are recognised in income statements. They will be exercised within the period of 9 months from balance sheet date.
The Group uses forward contracts and currency options to reduce the effect of changes in cash flows on financial result, where cash flows are related to planned transactions and changes are the result of foreign exchange risk. As at 30 September 2006, the above-mentioned instruments were valuated at fair value according to market price and changes in valuation were referred into the results of financial operations. As at 30 September 2006, the total value of forward contracts was 2,050,000 EURO and the total value of current options was US 250,000.

3.6 Trade and Other Receivables

	30 September 2006	**31 December 2005**
Trade receivables	110,585	88,906
Less provision for impairment of receivables	(3,586)	(2,795)
Trade receivables - net	106,999	86,111
Other receivables	1,527	3,080
Current prepayments	3,676	2,704
Prepayments of revenues	3,253	759
Loans	186	322
Receivables from related parties	34	27
	115,675	**93,003**
Current portion	*115,675*	*93,003*

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

All amounts are expressed in thousands of PLN unless otherwise indicated

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of internationally dispersed customers. The Group has recognised a loss of 3.66 million PLN for the impairment of its trade receivables during the nine months ended 30 September 2006 (2.8 million PLN during 12 months 2005).

This write-off was recognised in the other operating costs in the income statement.

3.7 Share Capital

	Number of shares	Ordinary shares	Own shares	TOTAL
At 1 January 2005	6,852,387	6,852,387	-	6,852,387
Series G3 share issue	102,708	102,708	-	102,708
At 30 September 2005	6,955,095	6,955,095	-	6,955,095
A 31 December 2005	6,955,095	6,955,095	-	6,955,095
Registration of series H shares in the National Depository for Securities	563,675	563,675	-	563,675
At 30 September 2006	**7,518,770**	**7,518,770**	-	**7,518,770**

The nominal value of one share is 1 PLN.

The share capital of ComArch S.A. consists of:
1) 883,600 series A registered preference shares,
2) 56,400 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.

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 of for the benefit of persons who were not shareholders of the company on 18 March 1998, their specific voting rights at the General Meeting expire. 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.

3.7.1 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 Preparing the Quarterly Financial Report.

Elżbieta and Janusz Filipiak held 3,239,393 shares (43.08 % of the company's share capital), which gave them 10,195,393 votes at the AGM and constituted 69.89 % of all votes at the AGM.

According to information on the day of the report, customers of BZ WBK AIB Asset Management S.A. held 1,769,070 shares (23.53 % of company's share capital), which gave 1,769,070 votes at AGM and constituted 12.13 % of the total number of votes at the AGM.

3.7.2 Changes in Share Capital in Q3 2006

1) Purchase of ComArch S.A. Shares by BZ WBK AIB Asset Management S.A.

BZ WBK AIB Asset Management S.A., with its registered seat in Poznań, announced that as result of a share purchase completed on 2 August 2006, customers of BZ WBK AIB Asset Management S.A. have increased their participation in total number of votes at the ComArch S.A. AGM by over 2 %. BZ WBK holds over 10 % of the total number of votes at the ComArch S.A. AGM.
Prior this share increase, customers of BZ WBK AIB Asset Management S.A. held 1,762,231 of the company's shares, which amounted to 23.44 % of the company's share capital. This gave them 1,762,231 or 12.08 % of the total number of votes at the ComArch S.A. annual general meeting.
On 2 August 2006, there were 1,769,070 ComArch S.A. shares in the managed securities accounts of BZ WBK AIB Asset Management S.A. customers, which amounted to 23.53 % of the company's share capital. This gave them 1,769,070 or 12.13% of the total votes at the ComArch S.A. annual general meeting.
At the same time, BZ WBK AIB Asset Management S.A. announced that BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna authorised BZ WBK AIB Asset Management S.A. to manage its investment portfolios of investment funds. This notice also takes into account ComArch S.A. shares that are held by its funds. The company gave details of these changes in current report no. 46/2006.

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

On 30 June 2005, the Annual General Meeting of Shareholders passed Resolution no. 51 on the managerial options programme for members of the Management Board and the company's Key Employees (17 persons in total). 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 its net profit. The program will be executed through offers of newly-issued shares in the company in 2006, 2007 and 2008 to members of the Management Board and Key Employees. 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 as of December of each year of the execution of the programme (beginning with 2005) and the issue price of shares offered to members of the Management Board and Key Employees. The basis for the calculation of the value of the Option shall be increases in company capitalisation, calculated as follows:

- For 2006 it will be the difference between the average capitalisation of the company in December 2005 and the average capitalisation of the company in December 2004; this will be calculated using the average closing price of ComArch shares in December 2004 as 69.53 PLN;
- For 2007 it will be the difference between the average capitalisation of the company in December 2006 and its average capitalisation in December 2005;
- For 2008 it will be the difference between the average capitalisation of the company in December 2007 and its average capitalisation in December 2006, where the average capitalisation is the number of shares multiplied by the average closing price for shares of the company in December of a given year.

The Option shall be defined in each successive year of the program separately for each entitled individual as set forth in Resolution no. 51 of the AGM. The total value of the option was 9.4 % of the increase in capitalisation in the periods set forth in Clauses a), b) and c) (for options No. 1, No. 2 and No. 3, respectively) at the beginning. As at 30 September 2006 and after the application of changes to the program (pursuant to the resolution of the AGM passed on 22 June 2006 and according to changes to the list of program participants that took place in the third quarter of 2006) the value of the Option amounted to 8.2 % of the increase in capitalisation.

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. Beginning with the third quarter of 2005, the company classifies the value of particular Options in its income statement. The company notes that despite the fact that the value of the Option decreases the net profit of the company and of the 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).

Pursuant to requirements of IFRS2, the valuation of the Option was carried out as at the date of the resolution on the option programme, i.e. as at 30 June 2005. The Monte Carlo simulation technique was used to valuate the Option. It was combined with the process of discounting non-negative financial flows related to the options calculated on the basis of the MAX () function. Apart from the assumptions resulting from the nature of the Option program described above, the following additional assumptions were adopted for the needs of the valuation:

- 4.6 % risk-free rate (the interest rate on 52-week treasury bills);
- 0 % dividend rate (the dividend rate in the period forecast as at the date of the passage of the programme);
- 17 % anticipated volatility (anticipated volatility based on historical volatility from the last 200 quotations prior to the date of the passage of the program on the basis of the average price of shares from opening and closing prices).

Initially, the determined total value of Options amounted to 6.20 million PLN including:
a) Option No. 1, i.e. the option due to increases in capitalisation in 2005: 0.044 million PLN;
b) Option No. 2, i.e. the option due to increases in capitalisation in 2006: 3.05 million PLN;
c) Option No. 3, i.e. the option due to increases in capitalisation in 2007: 3.1 million PLN.
As at 30 September 2006, after changes to the program were applied (pursuant to the resolution of the AGM passed on 22 June 2006 and according to changes to the list of program participants that took place in the third quarter of 2006) the value of the Option amounts to 5.82 million PLN.

As at 30 September 2006 the value of the Option for the Management of the Board and Key Employees amounts to:
a) The value of the option for the Management Board: 82.93 %, i.e. 4.83 million PLN
b) The value of the option for Key Employees: 17.07 %, i.e. 0.99 million PLN
The value of the Option recognised in the income statement for the first three quarters of 2006 amounted to 2.3 million PLN. The estimated effect of the recognition of the costs of the Option on the income statement in successive periods is as follows: 0.73 million PLN in Q4 of 2006 and 1.11 million PLN in 2007.

Pursuant to the conditions of the program, the company has determined that:
a) The average capitalisation of ComArch S.A. as of December 2004 was 476.5 million PLN
b) The average capitalisation of ComArch S.A. as of December 2005 was 441.7 million PLN
The difference between the average capitalisation in December 2005 and the average capitalisation in December 2004 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 2006.

All amounts are expressed in thousands of PLN unless otherwise indicated

The average capitalisation of ComArch S.A. in September 2006 was 1,154.3 million PLN. However, the condition to execute the program is an increase in capitalisation measured between December and December of two consecutive years and it is therefore impossible to determine whether the conditions for the Option will be met as at 31 December 2006. On the assumption that the average capitalisation of ComArch S.A. in December 2006 will be equal to the capitalisation in September 2006, the potential value of the Option will be 58.3 million PLN. This means that on the assumption that the nominal price of the issued shares will be 1 PLN, the company will issue 379,442 shares to program participants.

3.8 Trade and Other Payables

	30 September 2006	31 December 2005
Trade payables	35,439	64,909
Financial liabilities	-	-
Advances received due to services	6,130	1,839
Liabilities to related parties	1	42
Liabilities due to social insurance and other tax charges	6,649	2,138
Investments liabilities	6,024	736
Subsidies received	3,141	2,206
Provision for leave	6,093	5,406
Reserve on costs relating to the current period, to be incurred in the future	12,933	19,163
Other payables	829	2,472
Special funds (Social Services Fund and Residential Fund)	1,329	1,080
Total liabilities	**78,568**	**99,991**

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

3.9 Long-term Contracts

	9 months ended 30 September 2006	9 months ended 30 September 2005
Revenues due to long-term contracts recognised in the reporting period	**92,027**	**73,527**
a) revenues from completed contracts recognised in the reporting period	20,227	6,147
b) revenues from contracts not completed recognised in the reporting period	71,800	67,380

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 valuated in accordance with the degree of work progress. Changes in settlements due to long-term contracts recognised in assets and liabilities between 31 December 2005 and 30 September 2006 amounted to 11.08 million PLN.

3.10 Credits and loans

	30 September 2006	31 December 2005
Non-current		
Bank credits	29,474	17,000
Loans	-	300
	29,474	17,300
Current		
Bank overdraft	-	275
Loans	591	581
Bank credits	2,061	2,024
	2,652	2,880
Total credit and loans	**32,126**	**20,180**

All amounts are expressed in thousands of PLN unless otherwise indicated

Investments credits

ComArch S.A. credit lines:

a) An investment credit from Fortis Bank Polska S.A. with its registered seat in Warsaw in amount of 20 million PLN 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. As at 30 September 2006 the value of the credit to be repaid amounted to 17.5 million PLN (as at 30 September 2005 it amounted to 19.5 million PLN). A promissory note, the mortgage on land and the building insurance policy are security for this credit.

b) An investment credit from Kredyt Bank S.A. with its registered seat in Warsaw, for the financing of the second 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 26,823,970 PLN. The crediting period may last a maximum of 16 years at a variable interest rate and should be taken out by 31 March 2007. A promissory note, the mortgage on land and the building insurance policy are security for this credit. As at 30 September of 2006, the value of drawn credit amounted to 9.1 million PLN.

c) An investment credit from Fortis Bank Polska S.A. with its registered seat 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 30,000,000 PLN. The crediting period may last a maximum of 16 years at a variable interest rate and should be taken out by 28 September 2007. A promissory note, the mortgage on land and the building insurance policy are security for this credit. As at 30 September of 2006, the value of drawn credit amounted to 5 million PLN.

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

The exposure of the Group's bank credits to interest rate risk arises from investment credits (at variable interest rates). Due to decreasing interest rates in Poland the Group has not hedged the risk of interest rate changes. The Group optimises interest by continuously monitoring its interest rate structure and appropriately adjusting the basic interest rate of its credits.

The exposure of Group bank credits to interest rate changes:

	Amount of bank credits at 30 September 2006	**Capital to be repaid in the period**				
		6 months or less	6-12 months	1-5 years	Over 5 years	TOTAL
Investments credits	31,657	1,000	1,061	11,577	18,019	31,657
Interest	-122	-122	-	-	-	-122
	31,535	**878**	**1,061**	**11,577**	**18,019**	**31,535**

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

	30 September 2006	**31 December 2005**
Between 1 and 2 years	2,577	2,300
Between 2 and 5 years	8,878	6,000
Over 5 years	18,019	9,000
	29,474	**17,300**

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

	30 September 2006	**31 December 2005**
In Polish currency	32 126	20 180
	32 126	**20 180**

The effective interest rates at the balance sheet date:

	30 September 2006 PLN	**31 December 2005 PLN**
Bank credits	5.40 %	6.61 %
Loans	2.95 %	2.95 %

Current credit lines (available, undrawn at the balance sheet date)

At variable interest:	**30 September 2006**	**31 December 2005**
– expiring within one year	10,000	10,000
	10,000	**10,000**

All amounts are expressed in thousands of PLN unless otherwise indicated

3.11 Convertible Bonds

On 12 April 2002 ComArch S.A. issued 4,000 five-year convertible bonds. The conversion price was 57.10 PLN, and every bond could have been converted into 175 shares. The issue price was set at 100.3 % and the interest on the bonds amounted to 7.5 % annually.
In the first quarter of 2006 3,221 bonds were converted into shares. The total nominal value of bonds to be converted into shares amounted to 32,210 PLN. For series A convertible bonds, covered by submitted conversion statements, 563,675 series H ordinary bearer shares were issued. 293 series A convertible bonds were not converted into series H shares. Bonds, which were not submitted by conversion statements, were extinguished on 6 April 2006 by the company before their expiry date at a price calculated according to pt. 8.3.4 of the Terms and Conditions for Bond Issue and were then redeemed by the company.

	30 September 2006	31 December 2005
Non-current		
Convertible bonds	-	39,849
	-	39,849
Current		
Convertible bonds	-	1,097
Total convertible bonds	**-**	**40,946**

3.12 Contingent Liabilities

On 30 September 2006, the value of bank guarantee and letters of credit issued by banks on order from ComArch S.A. in reference to executed agreements and participation in tender proceedings was 29.64 million PLN, whereas it was 35.72 million on 31 December 2005.
On 30 September 2006, the value of ComArch S.A. suretyships for the debts of Interia.pl S.A. from lease agreements amounted to 0.13 million PLN (compared to 0.56 PLN on 31 December 2005).
The ComArch Group is the defendant in legal proceedings, in which the potential total amount of third party claims is 0.67 million PLN. In the opinion of the Management Board and based on the opinions of legal advisors, there are no circumstances suggesting the appearance of significant obligations on this account and, as a result, provisions for the amount of potential claims were not recognised in the financial statement.
On 30 September 2006, the Group did not have any contractual liabilities for investment purchases except liabilities due to agreements for the execution of the second and third stages of construction investment in the SSE, which the company announced in current reports no. 41/2005 and 42/2006. On 30 September 2006, the Group did not have any contractual liabilities due to payments related to operating leases.
On 31 December 2005, the Group did not have any contractual obligations for investment purchases or fees due to operational leasing agreements.

3.13 Deferred Income Tax

As a result of Poland joining the European Union, an act was passed on 2 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 art. 6, sec. 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 art. 5 sec. 2 pt. 1 lit. b), pt. 2, pt. 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 1 January 2000, cannot exceed 75 % of the value of investments incurred in the period from the date of obtaining the permit until 31 December 2006, provided that in determining the maximum amount of public aid, the total amount of public aid obtained since 1 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 31 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 14 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 8 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 1 July 2004, it received a decision from the Minister of the Economy dated 24 June 2004 on the topic of changes to the terms and conditions of the permit (those mentioned above and those compliant with the act). The updated permit extended the period in which ComArch S.A. is entitled to use public aid for investments incurred in the special economic zone until December 31, 2017.

Pursuant to IAS 12, unused tax relief as at 30 September 2006 constitutes a deferred income tax asset. The limit of the unused investment relief as at 30 September 2006, discounted as at the permit date, is 27.21 million PLN. As at the end of 2005 the dominant unit recognised a deferred income tax asset due to activities in the SSE in the amount of 4.75 million PLN. The value of this asset was established according to estimates of the possible determination of income due to income tax on account tax-exempt activity. The dominant unit is not able to credibly prepare a budget plan for more than one year hence the recognition of the asset is based on the estimated tax result in 2006.

For the 3 quarters ended 30 September 2006, an asset was dissolved in part in relation to the tax yield from tax-exempt activity achieved during the 3 quarters ended 30 September 2006. The dissolution of the partial asset diminished the net result of the Group by 2.36 million PLN for Q3 2006 and by 4.6 million PLN in total for the 9 months ended 30 September 2006. Pursuant to the precautionary principle in 2006 the Group did not create an asset resulting from the tax loss of its subsidiaries, which amounted to 0.55 million PLN during the 9 months ended 30 September 2006.

All amounts are expressed in thousands of PLN unless otherwise indicated

3.14 Earnings Per Share

	9 months ended 30 September 2006	**9 months ended 30 September 2005**
Net profit for the period attributable to equity holders of the company	29,933	15,269
Weighted average number of shares in issue (thousands)	7,355	6,895
Basic earnings per share (PLN)	**4.07**	**2.21**
Diluted number of shares (thousands)	7,734	6,895
Diluted earnings per share (PLN)	**3.87**	**2.21**

Basic earnings per share in the column '9 months ended 30 September 2006' is calculated by dividing the net profit attributable to equity holders of the company for the period from 1 January 2006 to 30 September 2006 by the weighted average number of shares in issue between 1 January 2006 and 30 September 2006, where the number of days is the weight. Basic earnings per share in the column '9 months ended 30 September 2005' is calculated by dividing the net profit attributable to equity holders of the company for the period from 1 January 2005 to 30 September 2005 by the weighted average number of shares in issue between 1 January 2005 and 30 September 2005, where the number of days is the weight.

Diluted earnings per share in the column '9 months ended 30 September 2006' is calculated by dividing the net consolidated profit attributable to equity holders of the company for the period from 1 January 2006 to 30 September 2006 by the sum of weighted average number of shares in issue between 1 January 2006 and 30 September 2006, where the number of days is the weight, and number of shares resulting from the potential execution of the managerial option for 2006 according to terms of the option programme (pt 3.7.3).

4. Additional Notes

4.1 Information About Shareholders and Shares Held by Members of the Management Board and the Board of Supervisors

a) Shareholders who directly or indirectly through subsidiary entities hold at least 5 % of the total number of votes at the ComArch S.A. general meeting as at 14 November 2006

- Elżbieta and Janusz Filipiak held 3,239,393 shares (43.08 % of the company's share capital), which gave them 10,195,393 votes at the AGM and constituted 69.89% of all votes at the AGM;
- Customers of BZ WBK AIB Asset Management S.A. held 1,769,070 shares (23.53 % of company's share capital), which gave them 1,769,070 votes at the AGM and constituted 12.13% of the total number of votes at the AGM.

b) Changes in holdings of ComArch S.A. shares by management and supervisors between 14 August 2006 and 14 November 2006

The following table presents the ownership of ComArch SA shares by management and supervisors as at the date on which the consolidated quarterly report for the Second Quarter of 2006 was published, i.e. 14 August 2006 and on 14 November 2006, pursuant to the information possessed by the company.

Members of the Management Board and the Board of Supervisors	Position	As at 14 November 2006 Shares	As at 14 November 2006 Share of votes at the AGM (%)	As at 14 August 2006 Shares	As at 14 August 2006 Share of votes at the AGM (%)
Elżbieta and Janusz Filipiak	Chairman of the Board of Supervisors and President of the Management Board	3,239,393	69.89 %	3,239,393	69.89 %
Paweł Prokop	Vice-President of the Management Board	24,440	0.43 %	24,440	0.43 %
Paweł Przewięźlikowski	Vice-President of the Management Board	24,440	0.43 %	24,440	0.43 %
Rafał Chwast	Vice-President of the Management Board	6,566	0.05 %	6,566	0.05 %
Zbigniew Rymarczyk	Vice-President of the Management Board	370	0.00 %	370	0.00 %
Number of shares issued		**7,518,770**	**100 %**	**7,518,770**	**100 %**

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

None present.

4.3 Events After the Balance Sheet Date

1) Contract with PKO BP for the Delivery of Microsoft Licences

On 18 October 2006, ComArch S.A. received a contract signed by Powszechna Kasa Oszczędności Bank Polski for the delivery of Microsoft licences and related services. The agreement is worth 8,002,113.78 EURO. This is a significant contract as its value exceeds 10 % of the total equity of the company.

2) Mortgage on Assets of Significant Value

On 8 November 2006, the value of assets that backed construction mortgages was 22.2 million PLN. At the same time, the value of these assets exceeded 10% of the company's equity and the criterion of significant asset value was met. These construction mortgages were taken out with interest at the Kredyt Bank S.A. with its registered seat in Warsaw. This was done pursuant to an agreement signed on 28 March 2006 for investment credit for the financing of the second construction stage of a production and office building in the Special Economic Zone in Krakow. The company announced this in current report no. 17/2006. A mortgage worth 26,823,970 PLN and a real estate mortgage securing an existing or future claim in the amount of 6,500,000 PLN were backed by real estate which is related to the investment process and is the subject of the credit agreement.

4.4 Significant Legal, Arbitration or Administrative Proceedings

In the third quarter of 2006 the Group's parties did not sue and were not sued in proceedings which fulfil the criterion specified in § 91 Act 6 pt 7a) and 7b) of the Regulation issued by the Minister of Finance on 19 October 2005 concerning current and periodical information pertaining to companies listed on the stock exchange.

The ComArch Group is the defendant in legal proceedings, in which the total amount of third party claims is 670,000 PLN. In the opinion of the Management Board and based on the opinions of legal advisors, there are no circumstances suggesting the appearance of significant obligations on this account and, as a result, provisions for the amount of potential claims were not recognised in the financial statement.

4.5 The Management Board's Position on the Execution of Previously-Published Forecasts

The Management Board did not forecast any results for the third quarter of 2006.

4.6 Information About Transactions with Related Parties Whose Total Amount from the Beginning of the Year Exceeds 500,000 EURO (other than routine transactions)

None present.

4.7 Information about Suretyship and Bank Guarantees Provided by the Company and Its Subsidiaries

In the third quarter of 2006, ComArch S.A. and its subsidiaries did not provide any suretyships nor bank guarantees referred to in § 91 sec. 6. pt. 9) of the Regulation issued by the Minister of Finance on 19 October 2005 concerning current and periodical information pertaining to companies listed on the stock exchange.

4.8 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 their Issuers

None present.

All amounts are expressed in thousands of PLN unless otherwise indicated

5. Significant Achievements and Failures as well as Factors and Events with Considerable Impact on the Financial Results of the ComArch Group in the Third Quarter of 2006 and Factors Which Will Substantially Impact Results Over the Course of at least the Next Quarter.

Revenues and profit

ComArch achieved very good financial results in the third quarter of 2006. Revenues from sales were 122.06 million PLN (an increase of 69 % over the third quarter of 2005), operating profit was 8.86 million PLN (an increase of 23 %) and net profit was 6.79 million PLN (an increase of 22 %). The EBIT margin and the net profit margin reached 7.3 % and 5.6 % respectively. Revenues from sales in the third quarter of 2006 were 69 % higher than those in the same period of the previous year. Operational profitability in the third quarter of 2006 was lower than that in the same period of 2005 as a result of higher sale of hardware in the third quarter of 2006.

A detailed analysis of the Group's results, i.e. after eliminating one-off events (the effects of the recognition and settlement of the deferred tax asset arising from an investment tax benefit, the costs of the managerial option programme and the sale of Interia shares), presents an even healthier financial situation. After the elimination of one-off events, operating profit amounted to 9.52 million PLN in the third quarter of 2006 compared to 8.04 million PLN in the third quarter of 2005; at the same time adjusted net profit amounted to 9.81 million PLN in the third quarter of 2006 compared to 6.97 million PLN in the third quarter of 2005. The adjusted EBIT margin was 7.8 % in the third quarter of 2006 (11.2 % over the third quarter of the last year) and the adjusted net margin was 8.0 % (9.7 % for the same period the previous year).

Q1-Q3 2006 results are very optimistic and present significant improvements in the Group's financial results. Revenues from sales increased by 24 % to 308.88 million PLN and nominal operational profit increased by 126 % to 28.1 million PLN. Nominal net profit increased by 96 % to 30.81 million PLN; however, after adjusting for one-off events, net profit increased by 171 %. The adjusted EBIT margin increased from 5.3 % to 9.8 % and the adjusted net margin increased from 4.4 % to 9.6 %. It is important to note that improvements to profitability came about with significant growth in employment and increase in remuneration in the IT sector. As at the end of September 2006, the ComArch Group had 2,291 employees, which is an increase in 446 employees over the beginning of the year.

The table below presents selected financial data in nominal value (calculated according to IFRS) and in adjusted value (after the elimination of one-off events):

	Q3 2006	Q3 2005	Q1-Q3 2006	Q1-Q3 2005
Revenues from sales	**122,057**	**72,068**	**308,881**	**249,000**
Depreciation	3,149	2,993	9,324	8,236
Nominal EBIT (according to IFRS)	8,863	7,199	28,096	12,421
Earnings impact of the costs of the managerial option	-658	-841	-2,297	-841
Adjusted EBIT	**9,521**	**8,040**	**30,393**	**13,262**
Nominal net profit per company shareholders (according to IFRS)	6,791	5,583	29,933	15,269
Earnings impact of the costs of the managerial option	-658	-841	-2,297	-841
Earnings impact of the deferred tax asset	-2,364	-550	-4,603	5,190
Earnings impact of the sale of Interia.Pl shares	-	-	7,210	-
Adjusted net profit per company shareholder	**9,813**	**6,974**	**29,623**	**10,920**
Nominal EBITDA (EBIT + depreciation)	12,012	10,192	37,420	20,657
Adjusted EBITDA (EBIT + depreciation)	12,670	11,033	39,717	21,498
Nominal EBIT margin	7.3 %	10.0 %	9.1 %	5.0 %
Adjusted EBIT margin	**7.8 %**	**11.2 %**	**9.8 %**	**5.3 %**
Nominal net margin	5.6 %	7.7 %	9.7 %	6.1 %
Adjusted net margin	**8.0 %**	**9.7 %**	**9.6 %**	**4.4 %**
Nominal EBITDA margin	9.8 %	14.1 %	12.1 %	8.3 %
Adjusted EBITDA margin	10.4 %	15.3 %	12.9 %	8.6 %

These financial results confirm the effectiveness of the Group's strategy – a strategy that is based on:
a) the sale of IT solutions, most of which are developed in-house;
b) the sale of an increasing number of products on international markets;
c) the stable improvement of operational performance through the ongoing improvement of procedures and cost rationalization.

The dynamic growth of the ComArch Group and the achieved financial results are a result of the competitive edge currently possessed by the Group. This competitive advantage also enables the further expansion and improvement of the suite of offered products as well as the employment of the best IT professionals, which further enhances the

All amounts are expressed in thousands of PLN unless otherwise indicated

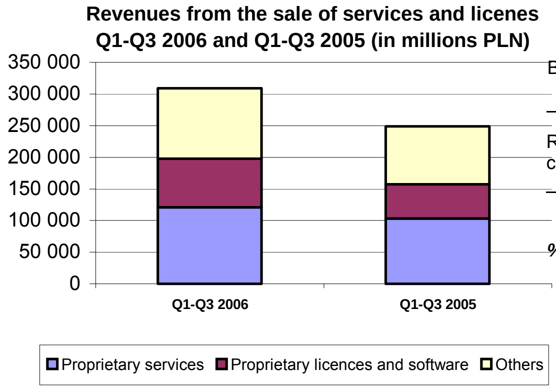
Group's future competitiveness. Confirmation of this can be seen in the current order portfolio.

Sales structure

The products sales structure does not present any significant movements in comparison with the third quarter of 2005. The slight increase in hardware sale was caused by increased computer hardware supply in the public sector in the third quarter of 2006.

Products sales structure	Q1-Q3 2006	%	Q1-Q3 2005	%
Services	124,706	40.4 %	109,869	44.1 %
Proprietary software	77,377	25.1 %	54,631	21.9 %
Third-party software	19,289	6.2 %	19,475	7.8 %
Hardware	77,260	25.0 %	58,301	23.4 %
Others	10,249	3.3 %	6,724	2.8 %
	308,881	**100.0 %**	**249,000**	**100.0 %**

The increase in the share (both in revenues from sales and in backlog) of the sale of services and proprietary licences (these are products with the highest added value for ComArch) is a very positive trend.



Backlog for the current year	As at 31 October 2006	As at 31 October 2005	Change
Revenues contracted on the current year	430,684	344,141	25.1%
including proprietary services and software	*302,551*	*196,285*	*54.1%*
% of proprietary services and software	***70.2%***	***57.0%***	

The market sales structure also does not present any significant movements. The slight increase in the share of sales in the public sector is a result of the above-mentioned orders on hardware in the third quarter. In the first quarters of 2006, the shares of other sectors in revenues from sales remained at a similar level to those in 2005. There was only a slight increase in sales in the telecommunications sector at the expense of the finance and banking sector. For several years, the shares of particular sectors and types of sales has remained at relatively the same level. Possible fluctuations are related to periodical increases in hardware sales within the framework of the public sector. The constant increase in the share of export sales is a positive tendency (23.6 % in 2006 compared to 15.1 % the previous year).
The revenue structure shows that the sales of the ComArch Group's are diversified and the Group is not dependant on only one sector, client or product sold. This structure of revenues significantly reduces the risk of operational activities related to possible heterogeneous growth rates of particular sectors in a given year.

Market sales structure	Q1-Q3 2006	%	Q1-Q3 2005	%
Telecommunications, Media, IT	79,810	25.8 %	59,143	23.8 %
Finance and Banking	54,267	17.6 %	56,127	22.5 %
Trade and services	51,076	16.5 %	41,637	16.7 %
Industry & Utilities	29,693	9.6 %	22,253	8.9 %
Public sector	57,353	18.6 %	38,226	15.4 %
Small and Medium-Seized Enterprises	29,243	9.5 %	25,406	10.2 %
Others	7,439	2.4 %	6,208	2.5 %
	308,881	**100.0 %**	**249,000**	**100.0 %**

Geographical sales structure	Q1-Q3 2006	%	Q1-Q3 2005	%
Domestic	236,124	76.4 %	209,013	83.9 %
Export	72,757	23.6 %	39,987	16.1 %
	308,881	**100.0 %**	**249,000**	**100.0 %**

All amounts are expressed in thousands of PLN unless otherwise indicated

Backlog

At the end of October, the backlog for the current year was at a level of 431 million PLN and was up by over 25 % from the same period the previous year. There is a noteworthy, dynamic increase in revenues from export contracts; these increased by almost 55 % over the previous year. The backlog shows a significant increase (of 36 %) compared to the previous year. This data confirms the capability of the ComArch Group for dynamic growth in the periods to come and also confirms the effectiveness of the Group's strategy and its focus on foreign markets.

Backlog for the current year	As at 31 October 2006	As at 31 October 2005	Change
Revenues contracted for the current year	430,684	344,141	25.1 %
including export contracts	*95,406*	*61,603*	*54.9 %*
% of export contracts	*22.2 %*	*17.9 %*	

Backlog for the next year	As at 31 October 2006	As at 31 October 2005	Change
Revenues contracted for the next year	140,662	103,323	36.1 %

ROA & ROE

In the first three quarters of 2006, the increase in the effectiveness of using assets and return on equity that has been observed over the last several years has continued. This is a positive sign for shareholders and confirms the effectiveness of the long-term strategy being executed by the Group.

	Q1-Q3 2002	Q1-Q3 2003	Q1-Q3 2004	Q1-Q3 2005	Q1-Q3 2006
ROA	0.2%	-0.1%	3.5%	5.6%	8.2%
ROE	0.3%	-0.2%	7.2%	10.3%	12.8%

ComArch S.A. stock price performance

The above-average financial results achieved by the ComArch Group and very good perspectives for future years have led to the increase in the price of ComArch shares from 64.60 PLN on 1 January 2006 to 155 PLN on 29 September 2006.

ComArch SA stock price performance 02.01.2006- 29.09.2006

In view of such a significant increase in the share price, most of holders of convertible bonds issued in 2002 decided to convert them into shares in the first quarter of 2006. In the second quarter of 2006, before the expiry date the company redeemed those bonds that had not been converted into shares. As a consequence ComArch's long-term debt decreased significantly: from 62.84 million PLN as at 31 December 2005 to 35.36 million PLN as at 30 September 2006. This decrease was possible despite the high increase in debts due to investment credits (by 11.95 million PLN) during this period. The debt/equity ratio decreased from 38.9 % to 15.2 %. In the first three quarters of 2006, earnings per share amounted to 4.07 PLN compared to 2.21 PLN the previous year.

The Group's results in the next quarters will depend in most part on continuing positive trends in the economy, the financial situation of medium-sized and large enterprises (which constitute the basis of the Group's clients) and the rate of increases in the remuneration of IT employees.

In Q3 2006 the following events that greatly impacted the current activities of the ComArch Group took place:

1) Purchase of ComArch S.A. Shares by BZ WBK AIB Asset Management S.A.

BZ WBK AIB Asset Management S.A. with its registered seat in Poznań announced that as result of a share purchase completed on 2 August 2006, customers of BZ WBK AIB Asset Management S.A. have increased their participation in the total number of votes at the ComArch S.A. AGM by over 2 %. Before this transaction BZ WBK held over 10 % of the total number of votes at the ComArch S.A.'s AGM.
Prior to this share increase, customers of BZ WBK AIB Asset Management S.A. held 1,762,231 of the company's shares, which amounted to 23.44 % of the company's share capital. This gave them 1,762,231 or 12.08 % of the total votes at the ComArch S.A. annual general meeting.
On 2 August 2006, there were 1,769,070 ComArch S.A. shares in the managed securities accounts of BZ WBK AIB Asset Management S.A. customers, which amounted to 23.53 % of the company's share capital. This gave them 1,769,070 or 12.13 % of the total votes at ComArch S.A.'s annual general meetings.
At the same time, BZ WBK AIB Asset Management S.A. announced that BZ WBK AIB Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna authorised BZ WBK AIB Asset Management S.A. to manage its investment portfolios of investment funds. This notice takes also into account ComArch S.A. shares that are held by these funds. The company gave details of these changes in current report number no. 46/2006.

2) Agreement between Auchan Telecom, Subsidiary of Auchan, and ComArch Software AG, Subsidiary of ComArch S.A., on Delivery of a Billing System

On 28 September 2006, ComArch Software AG, a subsidiary of ComArch S.A. with its registered seat in Dresden, has signed an agreement with Auchan Telecom, a subsidiary of Auchan with its registered seat in Lille, France, on the implementation of the Auchan information management system. Auchan Telecom is a new mobile phone operator that will be launched by the French supermarket chain. The agreement is worth 3.4 million EURO. ComArch's IT solution for MVNOs is a pre-configured system composed of billing system modules that is ready for quick launch. The value of this contract may increase if Auchan Telecom branches out into other countries in which Auchan operates.
Auchan has over 360 hypermarkets and 635 supermarkets globally. It has a presence in France, Italy, Spain, Portugal, Poland, Hungary, Russia, Luxemburg, China, Taiwan and Morocco.

After the balance sheet date:

1) Contract with PKO BP for the Delivery of Microsoft Licences

On 18 October 2006, ComArch S.A. received a contract signed by Powszechna Kasa Oszczędności Bank Polski for the delivery of Microsoft licences and related services. The agreement is worth 8,002,113.78 EURO. This is a significant contract as its value exceeds 10 % of the total equity of the company.

2) Mortgage on Assets of Significant Value

On 8 November 2006, the value of assets that backed construction mortgages was 22.2 million PLN. At the same time, the value of these assets exceeded 10% of the company's equity and the criterion of significant asset value was met. These construction mortgages were taken out with interest at the Kredyt Bank S.A. with its registered seat in Warsaw. This was done pursuant to an agreement signed on 28 March 2006 for investment credit for the financing of the second construction stage of a production and office building in the Special Economic Zone in Krakow. The company announced this in current report no. 17/2006. A mortgage worth 26,823,970 PLN and a real estate mortgage securing an existing or future claim in the amount of 6,500,000 PLN were backed by real estate which is related to the investment process and is the subject of the credit agreement.

All amounts are expressed in thousands of PLN unless otherwise indicated

VI. Quarterly Summary of the ComArch S.A. Financial Statement for the Third Quarter of 2006

I. Balance Sheet

(PLN thousands)	30 September 2006	30 June 2006	31 December 2005	30 September 2005
ASSETS				
I. Non-current assets	**160,233**	**147,283**	**139,450**	**135,745**
1. Intangible assets	2,220	2,322	2,484	2,638
2. Property, plant and equipment	120,077	106,784	97,049	94,248
3. Non-current investments	37,806	37,996	38,471	38,859
3.1. Non-current financial assets	37,763	37,953	38,428	38,816
a) in related parties	37,740	37,896	38,290	38,634
b) in other entities	23	57	138	182
3.2 Other non-current investment	43	43	43	43
4. Non-current prepayments	130	181	1,446	-
4.1 Deferred income tax assets	-	-	1,197	-
4.2 Other prepayments	130	-	249	-
II. Current assets	**187,775**	**171,584**	**188,738**	**119,164**
1. Inventories	19,580	21,392	25,893	15,267
2. Current receivables	112,149	97,294	94,152	59,227
2.1. from related parties	19,502	17,798	12,858	7,948
2.2 from other entities	92,647	79,496	81,294	51,279
3. Current investments	18,091	8,034	42,764	9,333
3.1. Current financial assets	18,091	8,034	42,764	9,333
a) in related parties	250	250	1,133	303
b) in other entities	156	225	476	1,527
c) Cash and cash equivalents	17,685	7,559	41,155	7,503
4. Short-term prepayments	37,955	44,864	25,929	35,337
Total assets	**348,008**	**318,867**	**328,188**	**254,909**
EQUITY AND LIABILITIES				
I. Equity	**227,577**	**221,066**	**157,774**	**144,439**
1. Share capital	7,519	7,519	6,955	6,955
2. Supplementary capital	172,097	172,097	105,113	105,113
3. Revaluation reserve	29	19	12	12
4. Other reserve capitals	21,948	21,948	21,948	21,948
5. Capital from merger settlement	-7,334	-7,334	-7,334	-7,334
6. Previous years' profit (loss)	1,992	1,992	1,992	1,992
7. Net profit (loss)	31,326	24,825	29,088	15,753
II. Liabilities and provisions for liabilities	**120,431**	**97,801**	**170,414**	**110,470**
1. Provisions for liabilities	-	-	-	-
1.1. Provision for deferred income tax	-	-	-	-
1.2. Other provisions	-	-	-	-
2. Non-current liabilities	29,941	18,421	56,849	56,997
2.1. to related parties	467	497	-	-
2.2. to other entities	29,474	17,924	56,849	56,997
3. Current liabilities	59,772	49,685	74,900	31,151
3.1. to related parties	5,430	3,338	1,460	910
3.2. to other entities	53,018	44,953	72,388	29,064
3.3. Special funds	1,324	1,394	1,052	1,177
4. Accruals	30,718	29,695	38,655	22,322
4.1 Other accruals	30,718	29,695	38,665	22,322
a) current	30,718	29,695	38,665	22,322
TOTAL EQUITY AND LIABILITIES	**348,008**	**318,867**	**328,188**	**254,909**

All amounts are expressed in thousands of PLN unless otherwise indicated

Book value	227,577	221,066	157,774	144,439
Number of shares	7,518,770	7,518,770	6,955,095	6,955,095
Book value per single share (PLN)	30.27	29.40	22.68	20.77
Diluted number of shares	7,898,212	7,855,760	6,955,095	6,955,095
Diluted book value per single share (PLN)	28.81	28.14	22.68	20.77

II. Income Statement

For the periods 01.01 – 30.09.2006 and 01.01-30.09.2005 (PLN thousands)	Q3 2006	9 months ended 30 September 2006	Q3 2005	9 months ended 30 September 2005
I. Net revenues from the sale of products, goods and materials, including:	**115,121**	**290,145**	**70,009**	**235,334**
- revenues from related parties	7,327	17,194	2,816	6,625
1. Net revenues from sales of products	65,842	193,628	55,755	148,994
2. Net revenues from sales of goods and materials	49,279	96,517	14,254	86,340
II. Costs of products, goods and materials sold, including:	**89,181**	**209,447**	**45,560**	**177,089**
- to related parties	4,566	11,701	2,987	8,614
1. Manufacturing cost of products sold	46,029	122,568	33,827	97,882
2. Value of products, goods and materials sold	43,152	86,879	12,733	79,207
III. Gross profit (loss) on sales	**25,940**	**80,698**	**23,449**	**58,245**
IV. Costs of sales	8,406	26,402	6,654	21,291
V. Administrative expenses	7,243	20,168	5,293	15,926
VI. Profit/loss on sales	**10,291**	**34,128**	**11,502**	**21,028**
VII. Other operating revenues	14	280	461	804
1. Gain on disposal of non-financial non-current assets	-6	7	203	203
2. Other operating revenues	20	273	258	601
VIII. Other operating costs	2,763	6,517	388	2,775
1. Loss on disposal of non-financial non-current assets	-	-	-14	-
2. Revaluation of non-financial assets	-	-	-15	196
5. Other operating costs	2,763	6,517	417	2,579
IX. Profit (loss) on operating activities	**7,542**	**27,891**	**11,575**	**19,057**
X. Financial revenues	-114	7,335	-145	1,228
1. Interest, including:	159	693	124	403
- from related parties	74	212	52	156
2. Gain on disposal of investments	-	6,284	-	31
3. Revaluation of investments	-130	305	-	9
4. Other	-143	53	-269	785
XI. Finance costs	483	2,259	1,963	4,532
1. Interest	249	1,733	1,443	3,607
2. Revaluation of investments	-	-	-	-
3. Other	234	526	520	925
XII. Profit (loss) on business activities	**6,945**	**32,967**	**9,467**	**15,753**
XV. Gross profit (loss)	**6,945**	**32,967**	**9,467**	**15,753**
XVI. Income tax	444	1,641	-	-
XIX. Net profit (loss)	**6,501**	**31,326**	**9,467**	**15,753**

Net profit (loss) (annualised)		44,661		19,316
Weighted average number of shares 1.10.2005 - 30.09.2006		7,254,891		6,884,466
Earnings (losses) per single share (PLN)		6.16		2.81
Diluted weighted average number of shares 1.10.2005 - 30.09.2006		7,634,333		6,884,466
Diluted earnings (losses) per single share (PLN)		5.85		2.81

All amounts are expressed in thousands of PLN unless otherwise indicated

III. Changes in Equity

(PLN thousands)	Q3 2006	9 months ended 30 September 2006	2005	9 months ended 30 September 2005
I. Opening balance of equity	221,066	157,774	128,642	128,642
a) changes to adopted accounting principles (policies)	-	-	-	-
I. a. Opening balance of equity after adjustments	221,066	157,774	128,642	128,642
1. Opening balance of share capital	7,519	6,955	6,852	6,852
1.1. Changes in share capital	-	6,955	103	103
a) increases (due to)	-	564	103	103
- share issue	-	564	103	103
- the conversion of convertible bonds	-	-	-	-
1.2. Closing balance of share capital	**7,519**	**7,519**	**6,955**	**6,955**
2.2. Due payments for share capital at the end of the period	-	-	-	-
3. Opening balance of supplementary capital	172,097	105,113	96,714	96,714
a) increases (due to)	-	66,984	8,399	8,399
- profit-sharing for the year 2006/2005	-	29,088	8,399	8,399
- surplus due to the conversion on convertible bonds	**-**	37,896	-	**-**
3.1. Closing balance of supplementary capital	**172,097**	**172,097**	**105,113**	**105,113**
4. Opening balance of revaluation reserve	19,	12	71	71
4.1. Changes in revaluation reserve	-	17	-59	-59
a) increases (due to)	10	22	-	-
- valuation of shares at the balance sheet date	10	10	-	
- correction of valuation due to the conversion of bonds	-	12	-	-
b) decreases (due to)	-	5	59	59
- valuation of shares at the balance sheet date	-	5	59	59
4.2. Closing balance of revaluation reserve	**29**	**29**	**12**	**12**
5. Opening balance of capital from merger	-7,334	-7,334	-7,334	-7,334
5.1. Closing balance of capital from merger	**-7,334**	**-7,334**	**-7,334**	**-7,334**
6. Opening balance of other reserve capitals	21,948	21,948	21,948	21,948
6.1. Closing balance of other reserve capitals	**21,948**	**21,948**	**21,948**	**21,948**
7.1. Opening balance of previous years' profit	1,992	31,080	10,391	10,391
a) changes to adopted accounting principles (policies)	-	-	-	-
7.2. Opening balance of previous years' profit after adjustments	-	31,080	10,391	10,391
a) increases (due to)	-	29,088	8,399	8,399
- transferring the result from the previous year to supplementary capital	-	29,088	8,399	8,399
7.3. Closing balance of previous years' profit	**1,992**	**1,992**	**1,992**	**1,992**
8.1 Net result	**31,326**	**31,326**	**29,088**	**15,753**
a) Net result for the half-year of 2006/2005	24,825	-	-	6,286
b) net result for the year 2006/2005	-	31,326	29,088	-
b) net result for the third quarter	6,501	-	-	9,467
II. Closing balance of equity	**227,577**	**227,577**	**157,774**	**144,439**
III. Equity including proposed profit-sharing (loss coverage)	227,577	227,557	157,774	144,439

All amounts are expressed in thousands of PLN unless otherwise indicated

IV. Cash Flow Statement

For the period 01.01– 30.09.2006 and 01.01-30.09.2005 (PLN thousands)	Q3 2006	9 months ended 30 September 2006	Q3 2005	9 months ended 30 September 2005
A. Cash flows from operating activities				
I. Net profit (loss)	6,501	31,326	9,467	15,753
II. Total adjustments	8,155	-45,140	2,108	-10,789
1. Depreciation	2,924	8,450	2,831	7,786
2. Exchange gains (losses)	308	84	176	-234
3. Interest and profit sharing (dividends)	313	1,310	-	1,313
4. (Profit) loss on investing activities	131	-6,653	87	52
5. Change in provisions	-	1,197	-	-100
6. Change in inventories	1,853	6,312	-1,670	-1,082
7. Change in receivables	-14,747	-17,909	43,079	15,597
8. Change in current liabilities, excluding credits and loans	9,388	-18,304	-42,891	-21,048
9. Change in prepayments and accruals	7,989	-19,627	496	-13,073
10. Other adjustments	-4	-	-	-
III. Net cash used in operating activities (I+/-II) – indirect method	**14,656**	**-13,814**	**11,575**	**4,964**
B. Cash flows from investing activities				
I. Inflows	110	13,015	127	2,976
1. Disposal of property, plant and equipment and intangible assets	68	173	127	355
2. From financial assets, including:	42	12,842	-	2,621
a) in related parties	-	9,800	-	91
- repayment of granted non-current loans	-	-	-	91
- sale of Interia shares	-	9,800	-	-
b) in other entities	42	3,042	-	2,530
- sales of financial assets	42	3,042	-	2,530
II. Outflows	-15,621	-30,728	-7,662	-32,523
1. Purchase of property, plant and equipment and intangible assets	-15,580	-26,097	-6,203	-26,189
2. For financial assets, including:	-41	-4,631	-1,459	-6,334
a) in related parties	-	-1,631	-451	-4,826
- purchase of shares in subsidiaries	-	-1,000	-224	-4,480
- non-current loans granted	-	-631	-227	-346
b) in other entities	-41	-3,000	-1,008	-1,508
- purchase of financial assets		-3,000	-1,008	-1,508
III. Net cash used in investing activities (I-II)	**-15,511**	**-17,713**	**-7,535**	**-29,547**
C. Cash flows from financing activities				
I. Inflows	12,226	14,285	180	13,029
1. Inflows from share issue	-	-	103	103
2. Loans and credits	12,226	14,285	76	12,925
3. Other inflows from financing activities	-	-	1	1
II. Outflows	-941	-6,144	-693	-2,466
1. Repayment of loans and credits	-627	-1,903	-693	-1,152
2. Redemption of bonds	-	-2,930	-	-
3. Bond interest	-	-453	-	-1,314
4. Interest on credit	-314	-858	-	-
III. Net cash (used in)/generated from financing activities (I-II)	**11,285**	**8,141**	**-513**	**10,563**
D. TOTAL net cash flow (A.III+/-B.III+/-C.III)	**-10,430**	**-23,386**	**3,527**	**-14,020**
E. Balance sheet change in cash and cash equivalents, including:	10,123	-23,469	3,294	-14,008
- change in cash and cash equivalents due to exchange differences	-307	-84	-257	-12
F. Cash and cash equivalents opening balance	7,548	41,140	4,200	21,502
H. Closing balance of cash and cash equivalents (F+/- E), including:	17,671	17,671	7,494	7,494
- limited disposal	-	-	-	-

All amounts are expressed in thousands of PLN unless otherwise indicated

V. Additional Information and Commentary

1. Adopted Accounting Policies

This financial statement was prepared according to the Act passed on 29 September 1994 on Accounting (unified text - Journal of Laws, 2002, No. 76 pos. 694 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 1 January 2005 until 31 December 2005. If this financial statement for the 9 months ended 30 September 2006 was prepared according to IFRS, the financial results would amount to 24.43 million PLN.

2. Selected Valuation Principles

Non-current financial assets
As at the balance sheet date, financial assets are classified as non-current in the financial statement if the period of their further owning exceeds 12 months from the balance sheet date.
Shares are recognised at the acquisition or originate date according to acquisition price, and at the balance sheet date according to acquisition price less write-offs due to permanent loss in value. When permanent loss in value appear, the revaluation of write-offs is carried out no later than at the balance sheet date.
Loans are valuated according to nominal value plus accrued interest.

Current financial assets
Assets recognised in the financial statement comprise monetary assets and loans to subsidiaries.
Monetary assets comprise cash in hand and at banks as well as accrued interest on financial assets. Cash in domestic currency was valuated at nominal value, while cash in foreign currencies was valuated at NBP average exchange rates at the balance sheet date.
Loans are valuated according to nominal value plus accrued interest.

3. 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 Asset Items

ComArch S.A. reversed a write-off worth 0.044 million PLN that revaluated inventories and was performed in 2005 as finished goods, which were included in a previous revaluation at an initial cost of 0.021 million PLN, were sold and inventories worth 0.023 PLN were used in activities. The reversed amount was classified in the other operating revenues item.

In the third quarter of 2006, ComArch S.A. did not carry out any write-offs revaluating goods and materials.

No hedges were made on inventories owned by the company. In the third quarter of 2006, provisions for liabilities were not established.
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 on the basis of the annual settlement of income tax, after the end of the fiscal year. As at 30 September 2006, the company used value of deferred income tax asset in the amount of 1.2 million PLN that was recognised at 31 December 2005. The effect of reversing this asset on the third quarter on the result was negative 1.2 million PLN.

4. Selected Notes to the Summary Financial Statement

4.1. NON-CURRENT FINANCIAL ASSETS	**30 September 2006**	**30 June 2006**	**31 December 2005**	**30 September 2005**
a) in subsidiaries and correlated parties	25,982	26,138	23,031	23,375
- interest or shares	18,174	18,296	16,864	16,985
- loans granted	7,014	7,107	5,586	5,745
- other non-current financial assets	794	735	581	645
b) in associates	11,758	11,758	15,259	15,259
- interest or shares	11,758	11,758	15,259	15,259
c) in other entities	23	57	138	182
- loans granted	23	57	138	182
Non-current financial assets, TOTAL	**37,763**	**37,953**	**38,428**	**38,816**

All amounts are expressed in thousands of PLN unless otherwise indicated

4.2. CHANGES IN NON-CURRENT FINANCIAL ASSETS (TYPES)	**Q3 2006**	**9 months ended 30 September 2006**	**Q3 2005**	**9 months ended 30 September 2005**
a) Opening balance	37,953	38,428	38,945	34,350
- interests or shares	30,054	32,123	32,476	28,117
- loans	7,899	6,305	6,469	6,233
b) increases (due to)	64	3,153	348	5,160
- purchases of shares in subsidiaries	-	1,000	78	224
- purchases of shares in associates	-	-	-	4,250
- reclassification to non-current loans to subsidiaries	-	888	-	-
- loans granted to other entities	-	-	4	58
- reclassification to non-current interest on loans	-	-	-	-
- loans granted to subsidiaries	-	632	346	346
- interest due to non-current loans	64	208	-24	80
- balance sheet valuation of non-current loans	-	-6	-56	202
- revaluation of shares in foreign currencies	-	431	-	-
c) decreases (due to)	254	3,818	477	694
- decrease in shares due to merger	-	-	-	-
- disposing of shares of associates	-	3,500	-	-
- balance sheet valuation of non-current loans	99	99	-	-
- revaluation of shares in foreign currencies	121	121	310	347
- repayment of subsidiary loans	-	-	-	-
- repayment of other entities loans	-	-	-	-
- reclassification to current loans	34	98	167	347
d) Closing balance	**37,763**	**37,763**	**38,816**	**38,816**

4.3. CURRENT FINANCIAL ASSETS	**30 September 2006**	**30 June 2006**	**31 December 2005**	**30 September 2005**
a) in subsidiaries and correlated parties	250	250	1,133	303
- loans granted	250	250	1,133	303
c) in other entities	156	225	476	1,527
- other securities (types)	-	41	-	-
- shares in funds	-	41	-	1,157
- treasury bills	-	-	-	-
- loans granted	156	184	252	370
- other current financial assets (types)	-	-	224	-
- assets due to the valuation of forward contracts	-	-	224	-
g) cash and cash equivalents	17,685	7,559	41,155	7,503
- cash in hand and at banks	17,671	7,548	41,140	7,494
- other cash	-	-	-	-
- other monetary assets	14	11	15	9
TOTAL current financial assets	**18,091**	**8,034**	**42,764**	**9,333**