ARCUS S.A. CAPITAL GROUP

www.arcus.pl

CONSOLIDATED
FINANCIAL STATEMENT
FOR THE FOURTH QUARTER OF 2009

PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS

Warsaw, 1 March 2010

Only the Polish-language version of this document shall be legally binding, however every effort has been made to ensure the accuracy of this translation.

I. SELECTED FINANCIAL DATA

Selected Financial Data	Fourth Quarter of 2009	Fourth Quarter of 2008	Fourth Quarter of 2009	Fourth Quarter of 2008
	PLN THOUSAND		EUR THOUSAND	
I. Revenues from sales of products, goods and materials	119 567	131 835	27 546	37 325
II. Operating Profit (Loss)	856	5 914	197	1 674
III. Profit (Loss) Before Tax	1 455	6 687	335	1 893
IV. Net Profit (Loss)	790	5 230	182	1 481
Net Profit (Loss) attributable to Dominant Company's shareholders	822	4 640	189	1 314
V. Net Operating Cash Flow	-5 770	-9 335	-1 329	-2 643
VI. Net Investment Cash Flow	-1 366	27 143	-314	7 685
VII. Net Financial Cash Flow	1 499	840	345	238
VIII. Change in Cash	-5 637	18 648	-1 299	5 280
IX. Total Assets	101 102	101 751	24 610	24 387
X. Long-Term Liabilities	1 131	1 054	275	253
XI. Short-Term Liabilities	33 431	34 892	8 138	8 363
XII. Equity	66 247	65 486	16 126	15 695
Equity attributable to Dominant Company's shareholders	65 258	64 429	15 885	15 442
XIII. Share Capital	740	730	180	175
XIV. Shares Number (weighted average)	7 395 157	7 296 681	7 395 157	7 296 681

XV. Net Profit (Loss) per Share attributable to Dominant Company's shareholders (in PLN/EUR)	0,11	0,64	0,03	0,18
XVI. Diluted Profit (Loss) per share attributable to Parent Company shareholders (in PLN/EUR)	0,11	0,63	0,03	0,18

The following exchange rates have been applied to calculate selected financial data in EUR:

- For balance sheet items – 4.1082 - National Bank's of Poland exchange rate applicable on 31 December 2009, 4.1724 - National Bank's of Poland exchange rate applicable on 31 December 2008;
- For profit and loss account items and cash flow statement items for the period of 12 months of 2009 and 2008 an average exchange rate – calculated as an arithmetic mean of exchange rates applicable on the last day of every month in particular period, determined by the National Bank of Poland for that day:
  - Average exchange rate between 1 January and 31 December 2009: EUR 1 = PLN 4.3406
  - Average exchange rate between 1 January and 31 December 2008: EUR 1 = PLN 3.5321

II. CONSOLIDATED FINANCIAL STATEMENT OF ARCUS S.A. CAPITAL GROUP FOR THE FOURTH QUARTER OF 2009

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Statement of comprehensive income	01.01-31.12.2009	01.01-31.12.2008	01.10-31.12.2009	01.10-31.12.2008
	PLN THOUSAND			
Continued business activity				
Sales revenue	119 567	131 835	60 807	59 541
Own sales cost	98 445	109 500	50 061	50 343

Gross sales profit (loss)	**21 122**	**22 335**	**10 746**	**9 198**
Other operating revenue	70 2	686	-34	2 540
Sales costs	13 919	12 580	5 704	3 617
General and administrative costs	6 248	6 140	-541	2 274
Other operating costs	169	387	-186	223
Restructuring costs	**0**	**0**	**0**	**0**
Operating profit (loss)	**856**	**5 914**	**5 735**	**5 624**
Financial revenue	1 642	2 256	349	118
Financial costs	1 043	1 483	-479	1 269
Profit (loss) before tax	**1 455**	**6 687**	**6 563**	**4 473**
Income tax	665	1 457	800	878
Net profit (loss) from Continued business activity	**790**	**5 230**	**5 763**	**3 595**
Discontinued business activity	0	0	0	0
Discontinued business activity net profit (loss)	**0**	**0**	**0**	**0**
Net profit (loss)	**790**	**5 230**	**5 763**	**3 595**
Attributable to:				
Shareholders of a dominant company	**822**	**4 640**	**5 671**	**2 988**
Minority shareholders	**-32**	**590**	**92**	**607**
Net Profit (loss) annualized	**790**	**5 230**	**790**	**5 230**
Profit (loss) per share attributable to shareholders of the dominant company				
Continued business activity:				
Ordinary	0,11	0,64	0,77	0,4

Diluted	0,11	0,63	0,77	0,40
Discontinued business activity:				
Ordinary	0,11	0,64	0,77	0,41
Diluted	0,11	0,63	0,77	0,40

Statement of comprehensive income	01.01-31.12.2009	01.01-31.12.2008	01.10-31.12.2009	01.10-31.12.2008
	PLN THOUSAND			
Net Profit (loss) for the period	822	4 640	5 671	2 988
Other comprehensive income				
Financial Assets available for sale				
Cash Flow collateral				
Actuarial Profit (loss) due to retirement pension programs				
Income Tax regarding other comprehensive income				
Other net comprehensive income				
Comprehensive income for the period	**822**	**4 640**	**5 671**	**2 988**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	As at 31 December 2009	As at 31 December 2008
	PLN THOUSAND	
FIXED ASSETS		
Intangible Assets	1 664	1 558
Consolidation goodwill	3 029	3 029
Tangible fixed assets	1 713	1 803
Financial assets available for sale	2 523	2 523

Long term receivables	852	243
Deferred income tax assets	186	429
	9 967	**9 585**
CURRENT ASSETS		
Inventory	19 416	18 272
Short term investments	0	0
Trade and other receivables	51 617	48 181
Income Tax Receivables	26	0
Cash and its equivalents	20 076	25 713
	91 135	**92 166**
TOTAL ASSETS	**101 102**	**101 751**

Liabilities	As at 31 December 2009	As at 31 December 2008
	PLN THOUSAND	
Equity (attributable to the shareholders of the dominant company)		
Share capital	740	730
Reserve Capital from sale of shares at premium	37 631	37 631
Reserve Revaluation capital	0	1
Other capital reserves	143	142
Reserve Capital	14 261	14 261
Retained earnings	12 483	11 664
	65 258	**64 429**
Non-controlling entities' share	989	1 057
Total Equity	**66 247**	**65 486**
Long-term liabilities		

Provision for deferred income tax	539	421
Provisions for liabilities	340	381
Other long-term liabilities	252	252
	1 131	**1 054**
Short-term liabilities		
Short term bank loans and credits	172	461
Trade and other liabilities	32 281	33 265
Income tax liabilities	269	703
Provisions for liabilities	709	463
Other financial liabilities	0	0
	33 431	**34 892**
Other liabilities	293	319
TOTAL LIABILITIES	**101 102**	**101 751**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

For the period of 1 January 2009 – 31 December 2009

	Core Capital	Capital reserve from sale of shares at premium	Retained Earnings	Revaluation Capital	Other Reserve Capital	Total	Minority Interest	TOTAL EQUITY
PLN THOUSAND								
Status as at 1 January 2009	**730**	**37 773**	**11 664**	**1**	**14 261**	**64 429**	**1 057**	**65 486**
Changes in accounting principles						0		0
Current Period Correction			-39		0	**-39**	**-36**	**-75**
Increases	10	1	858		0	**869**	**0**	**869**

Share issue	10	0	0			**10**	**0**	**10**
Purchase of the company	0	0	0			**0**	**0**	**0**
Previous/Current period result	0	0	858			**858**	**0**	**858**
Decreases			0	1		**1**	**32**	**33**
Dividend payment	0	0	0			**0**		**0**
Previous year's profit allocation			0					
Current year's loss			0			**0**	**32**	**32**
Status as at 31 December 2009	**740**	**37 774**	**12 483**	**0**	**14 261**	**65 258**	**989**	**66 247**

For the period of 1 January 2008 – 31 December 2008

	Core Capital	Capital reserve from sale of shares at premium	Retained Earnings	Revaluation Capital	Other Reserve Capital	Total	Minority Interest	TOTAL EQUITY
PLN THOUSAND								
Status as at 1 January 2008	**730**	**37 773**	**6 407**	**1**	**14 261**	**59 172**	**0**	**59 172**
Changes in accounting principles			27			**27**		**27**
Increases			5 230			**5 230**	**1 057**	**6 287**
Share issue	0	0	0			**0**	**0**	**0**
Purchase of the company	0	0	0			**0**	**1 057**	**1 057**
Current period result	0	0	5 230			**5 230**	**0**	**5 230**
Decreases								
Dividend payment	0	0	0			**0**		**0**

Status as at 31 December 2008	**730**	**37 773**	**11 664**	**1**	**14 261**	**64 429**	**1 057**	**65 486**

CONSOLIDATED CASH FLOW STATEMENT

Cash Flow Statement	For the period of 1 January 2009 – 31 December 2009	For the period of 1 January 2008 – 31 December 2008
	PLN THOUSAND	
Operating Activities		
Profit (Loss) before Tax	1 455	6 687
Items' Adjustments	-7 225	-16 022
Depreciation	1 368	1 038
Currency Translation Differences	0	0
Interest Received	-1 590	-2 145
Interest Paid	0	0
Dividend received	0	0
Profit (Loss) on Investment Activities	-4	111
Change in Inventories	-1 143	-11 795
Change in receivables	-724	-6 368
Change in Liabilities and Reserves	-1 842	3 307
Change in other Assets	-3 074	115
Income Tax Paid	-26	-507
Other	-190	222
	-5 770	**-9 335**
Investment Activities		
Inflows	4	96 383
Inflows proceeding from disposal of intangible assets and tangible fixed assets	4	10

Inflows from Financial Assets	0	96 373
In Other Entities	0	96 373
Outflows	-1 370	-69 240
Outflows for acquisition of tangible fixed assets	-1 370	-658
Outflows for acquisition of financial assets	0	-68 499
Other outflows	0	-83
Incomes from sale of fixed tangible assets		
Incomes from sale of financial assets		
Interest received		
Dividend received		
	-1 366	**27 143**
Financial Activities		
Inflows	1 849	840
Inflows from share issue	10	0
Other financial inflows	0	0
Inflows from contracted credit and loans	0	450
Interest	1 839	390
Redemption of commercial bills	0	0
Outflows	-350	0
Repayment of credit and loans	-300	0
Payment of liabilities arising from financial leases		
Dividend Paid		
Interest Paid	-50	0
From other Financial Liabilities	0	0
Currency Translation Differences		
	1 499	**840**

Change in Cash	**-5 637**	**18 648**
Balance Sheet Change in Cash	-5 637	18 648
Change in Cash preceding from Currency Translation Differences		
Cash at the beginning period	25 713	7 065
Cash at the end period	**20 076**	**25 713**

III. GENERAL INFORMATION

Dominant Company

Company:	ARCUS S.A.
Registered office and address:	2 Miła Street, 00-180 Warsaw
Telephone:	+48 22 536 09 00
Fax number:	+48 22 831 70 43
e-mail:	biuro@arcus.pl
www:	www.arcus.pl

ARCUS S.A. dominant company (hereinafter: 'the Company', 'the Issuer') performs its business activities as a joint stock company. Pursuant to the company's Articles of Association, ARCUS S.A. shall be an unlimited duration company. The entity was transformed from ARCUS S.A. Limited Liability Company into Joint Stock Company on 6 November 2006.

The company's registered office is based in Warsaw, at 2 Miła Street. The company is recorded by the District Court for the Capital City of Warsaw (XII Commercial Department of the National Court Register) in the register of entrepreneurs under the number KRS 0000271167.

Shares of ARCUS S.A. Dominant Company are listed on the Warsaw Stock Exchange since 19 June 2008. All shares of ARCUS S.A. Company are admitted to exchange trading on the Warsaw Stock Exchange Main Market.

ARCUS S.A. Company performs its business activity in line with the provisions of Commercial Companies Code as well as in accordance with the provisions of an Act on Trading in Financial Instruments (of 29 July 2005) and an Act on Public Offering, Conditions Governing the introduction of financial instruments to exchange trading and public Companies (of 29 July 2005).

The main scope of business activities of ARCUS S.A. shall include providing comprehensive solutions for:

- document management systems ('office solutions' - sale of devices, software and services),
- correspondence management systems ('mailstream solutions' for postal and dispatching centers) .

As at balance sheet day, that is as at 31 December 2009 and as at the day of the financial statement hereof preparation, the composition of the Management Board was as follows:

- Wojciech Kruszyński – President of the Management Board
- Konrad Kowalczuk - Vice-President of the Management Board
- Wiktor Różański - Vice-President of the Management Board

As at 31 December 2009, the composition of the Supervisory Board was as follows:

- Marek Czeredys – Chairman of the Supervisory Board
- Elżbieta Niebisz - Member of the Supervisory Board
- Tadeusz Janusiewicz - Member of the Supervisory Board
- Michał Słoniewski - Member of the Supervisory Board
- Sławomir Jakszuk – Member of the Supervisory Board

On 25 February 2009 Mr. Marek Czeredys tendered his resignation as a Supervisory Board Member to the President of ARCUS S.A. Company's Management Board. Mr. Marek Czeredys did not specify the reasons for his resignation. The Company has published mentioned information in a current report No 4/2010.

As at the day of the financial statement hereof preparation, the composition of the Supervisory Board was as follows:

- Elżbieta Niebisz - Member of the Supervisory Board
- Tadeusz Janusiewicz - Member of the Supervisory Board
- Michał Słoniewski - Member of the Supervisory Board
- Sławomir Jakszuk – Member of the Supervisory Board

Capital Group

ARCUS Capital Group (hereinafter: 'Group', 'Capital Group') consists of:

- ARCUS S.A. – as the Dominant Company,
- T-Matic Systems Ltd. (hereinafter: 'T-Matic') – the subsidiary.

ARCUS S.A. Capital Group was established on 29 July 2009 as a result of acquisition of 55% of shares of T-matic Systems Sp. z o.o. (with its registered office in Warsaw) entitling to 55% votes at the mentioned company's General Meeting of Partners. ARCUS S.A. had acquired 550 stakes for the amount of PLN 3,540,643. ARCUS S.A. had also incurred other costs directly related to the acquisition of shares at the amount of PLN 57,684.36. The total cost of T-matic Systems Sp. z o.o. shares acquisition amounted to PLN 3,598,327.36. The acquisition of T-matic Systems Sp. z o.o. is settled with the use of 'purchase price' method.

Company:	**T-matic Systems Sp. z o.o.**
Registered office and address:	Wiśniowy Business Park, 26 Iłżecka Street, 00-135 Warsaw
Telephone:	+48 22 57 57 333
Fax number:	+48 22 57 57 001
e-mail:	cee@t-matic.com
www:	www.t-matic.com.pl
The percentage share in the share capital:	55%
The percentage share in the total number of votes:	55%

T-matic Systems Ltd. was established as a limited liability company incorporated by the notarized deed of 27 September 2006 (A Repertory No1776/2006). The company is recorded by the District Court for the Capital City of Warsaw (XIII Commercial Department of the National Court Register) in the register of entrepreneurs under the number KRS 00002654060.

Main scope of business activities of T-matic Systems Ltd. includes:

- Reproduction of recorded media,
- Repair and maintenance of electronic and optical equipment
- Installation of industrial machinery and equipment
- Manufacture of computers and peripheral equipment,

- Manufacture of instruments and appliances for measuring, testing and navigation.

T-matic provides telematic solutions, including:

- systems for vehicles management and monitoring,
- measurement systems for electricity, gas, water and heat.

A brief description of Capital Group's significant achievements and failures affecting achieved financial result

The consolidated sales revenues for three quarters of 2009 decreased by 18.7% as compared to the same period of 2008. Taking into consideration unconsolidated financial result, sales revenues decreased by 23.3%. The consolidated revenues achieved in the third quarter fell by 41.8% as compared to the third quarter of previous year (unconsolidated revenues decreased by 31.6%). The fall in revenue arising from economic slowdown had resulted in the reduction of clients' investment budgets, postponing of investment realization and decreased activity of business partners due to summer holiday season.

The consolidated sales revenue for three quarters of 2009 includes inflows from the following business segments:

- IT segment – PLN 47 471 000 of revenue (decrease by 26.4%)
- Services segment – PLN 7 624 000 of revenue (increase by 2.1%)
- Telematics devices segment – PLN 3 665 000 (increase by 655.7%)

Incrementally for four quarters of 2009, the consolidated and unconsolidated own sales cost decreased respectively by PLN 11 055 000 that is by 10.1% and by PLN 13 338 000. In the fourth quarter only, the own sales costs decreased by PLN 282 000 that is by 0.56% (consolidated) and by PLN 554 000 that is by 1.1% (unconsolidated). The consolidated gross profit which after four quarters of 2009 amounted to PLN 21 122 000 decreased by 5.43% (PLN 1 213 000) as compared to the same period last year. In the fourth quarter of 2009, the consolidated gross profit on sales increased by 18.83% that is by PLN 1 548 000 as compared to the same period last year while ARCUS S.A. Company's gross result on sales increased by 44% that is by PLN 3 146 000.

In the fourth quarter of 2009, the Capital Group's operating profit increased by 1.1% as compared to the same period of 2008 and amounted to PLN 5 450 000. ARCUS S.A. Company increased its operating profit up to PLN 5 735 000 as compared to PLN 5 624 000 in the fourth quarter of 2008. Incrementally for four quarters of 2009, the Capital Group has generated an operating profit amounting to PLN 856 000 (PLN 5 914 000 – a year earlier). The result achieved in the fourth quarter shows that undertaken steps aimed at improving the results of subsequent quarters such as recruitment of advanced solutions' sale specialists, strengthening the sales departments which are characterized by the highest margin, entry into the new business areas, started to bring expected effects.

The financial revenues at the amount of PLN 349 000 (mainly arising from the interests on bank deposits), reduction of negative currency translation differences as well as income tax had a significant impact on the net result achieved in the fourth quarter.

The table below presents the dynamics of consolidated results for four quarters of 2009 in comparison to the same period last year.

	1 January 2009 – 31 December 2009	1 January 2008 – 31 December 2008	Change (%)
Sales revenues	119 567	131 835	-9%
Own sales costs	98 445	109 500	-10%
Gross profit (loss) on sales	**21 122**	**22 335**	**-5%**
Other operating revenues	70	2 686	-97%
Sales costs	13 919	12 580	11%
General and administrative costs	6 248	6 140	2%

Other operating costs	169	387	-56%
Restructuring costs	0	0	0%
Profit (loss) on operating activities	**856**	**5 914**	**-86%**
Financial revenues	1 642	2 256	-27%
Financial costs	1 043	1 483	-30%
Net profit (loss)	**790**	**5 230**	**-85%**
Attributable to:			
Dominant Company's shareholders	822	4 640	-82%
Minority shareholders	-32	590	-105%

Other information which according to the issuer is significant for the assessment and changes of its financial and staffing situation as well as financial result of the issuer, including information significant for the assessment of issuer's possibilities to implement its commitments

In the fourth quarter of 2009 the working capital, which accounted for 90% of balance sheet total, constituted the main source of Capital Group's business activities financing. The increase of receivables arises from the increased sales to clients. At the same time, the increased sales resulted in the need to increase the goods inventory which amounted to PLN 19 416 000 as compared to PLN 18 272 000 last year. As at the end of the fourth quarter of 2009, the Capital Group had at its disposal cash at the amount equal to PLN 20 076 000 (PLN 25 713 000 – previous year). The decrease in cash arises from the operating cycle as well as from allocation of cash for financing the increased level of receivables and inventories. Taking into consideration the liabilities, the equity which share amounts to 65% shall be recognized as the most significant item. The goodwill associated with acquisition of T-matic Systems Ltd. constitutes the largest amount of fixed assets.

Capital Group's funds ensure the current liquidity and enable the implementation of projects requiring the considerable involvement of capital resources.

In the fourth quarter of 2009 ARCUS S.A., the Company from ARCUS Capital Group, concluded two agreements of value exceeding 10% of its equity. Pursuant to the above, in a current report No 45/2009 of 30 October 2009, the Company informed that on 30 October 2009 the Management Board of the Company concluded the agreement with Fibra Hallo Ltd. The sale and installation of Pitney Bowes enveloping systems and printing devices for mass correspondence and printouts management constituted the subject of above mentioned agreement. The total net value of the agreement amounted to PLN 10 162 355.4. The ordering party shall pay the contractual penalty at the amount equal to 30% of order's value, in the event of withdrawal from the agreement due to the exclusive fault of an ordering party. On 18 December 2009, parties to the agreement signed an Annex No 1 on the basis of which the scope of contractual penalties had been extended. In case of supplier's delay in the delivery, the supplier is obliged to pay a contractual penalty at the amount equal to 0.1% of the value of ordered equipment for each day of mentioned default. In case of exceeding the agreement's deadline, the supplier is obliged to pay a contractual penalty at the amount equal to 1.0% of the value of the system for each day of default.

In a current report No 48/2009 of 27 November 2009 the Management Board of ARCUS S.A. Company informed that the agreement with Social Insurance Institution with its registered office in Warsaw had been concluded. After-warranty service for 998 Kyocera FS 9100 D laser printers located at offices of users throughout the country constituted the subject of above mentioned agreement. The value of agreement amounted to PLN 6 439 344 (net amount). In the case of repair delays, the Contractor shall pay the contractual penalty at the amount equal to PLN 120 for each day of delay with regard to each unrepaired printer. The Ordering Party shall deduct the contractual penalties from the performance bond or from the remuneration payable to the Contractor (VAT invoice) without the need to obtain the Contractor's permission. In case of significant change of circumstances resulting in the fact that the performance of the agreement is not in the public interest (what could not have been foreseen at the moment of agreement concluding), the Contractor may withdraw from the agreement within 30 days as from the date of receiving information regarding such circumstances.

At the same time, as a result of execution of already concluded agreements, their value increased and shall be deemed as value of significant agreements. In a current report No 46/2009 the Management Board of ARCUS S.A. informed that on 5 November 2009 received an information that within business cooperation with PRAXIS S.A. (with its registered office in Warsaw, Równoległa 9A Street) based on the framework agreement (regarding the sale of office equipment and exploitation materials) concluded in 2001 for an indefinite period of time, the sales value arising from aforementioned agreement amounted to PLN 6 389 236.00 (net amount) in the period between 16 July 2009 and 5 November 2009. The invoice of 20 October 2009 for PLN 694 000.00 was the most significant invoice in above mentioned period. The sale was based on a separate agreement of 5 January 2009 regarding the supply of software, licenses and consultancy services. In case of payment delays in relation to invoice payment dates, the commercial partner (PRAXIS S.A.) shall pay the statutory interests. Other conditions of agreement shall comply with standards expected for the execution of such agreements.

Furthermore, on 13 November 2009 in a current report No 47/2009 the Management Board of ARCUS S.A. Company informed that under the terms of business cooperation with BIUROMAX Ltd. with its registered office in Baniocha and in accordance with a framework agreement of April 30, 2005 concluded for an indefinite period of time, the turnover value in a period between April 9, 2009 and November 13, 2009 amounted to PLN 6 208 320.00 (net amount). The most significant invoice in above mentioned period was invoice of 12 October 2009 for

PLN 605 749.50 (net amount) for exploitation materials intended for KYOCERA printers. Contractual penalties: In the case of payment delays in relation to invoice payment dates, BIUROMAX Ltd. shall pay the statutory interests. Other conditions of agreement shall comply with standards expected for the execution of such agreements.

The extended description of factors which influenced Group's net result is presented in Chapter III of the report hereof.

Employment

The table below presents the changes in ARCUS S.A. Company's employment structure.

Employment status	Service staff	Warehouse staff	Sales staff	Management	Accounting Department Staff	Administration staff	TOTAL
31 December 2008	34	3	25	2	3	12	**79**
31 December 2009	31	4	41	3	4	15	**98**
Change	-3	1	16	1	1	3	**19**
Change (%)	-9%	33%	64%	50%	33%	25%	**24%**

In the fourth quarter of 2009, the employment in ARCUS S.A. Company increased as compared to the same period last year. Total employment increased by 19 employees up to 98 employees as compared to 79 employees as at the end of the fourth quarter of 2008. The largest increase has been recognized in Sales Departments (by 16 employees) which is associated with the process of Company's sales structures strengthening.

The table below presents the structure of employment of a subsidiary (T-matic) – as at the end of the fourth quarter of 2009:

Employment status	Technical Support Staff	IT Department	Sales staff	Administration staff	Management	TOTAL
31 December 2008	3	1	1	0	4	**9**
31 December 2009	6	3	2	1,25	4	**16,25**
Change	3	2	1	1,25	0	**7,25**
Change (%)	100%	200%	100%	-	0%	**81%**

In the fourth quarter of 2009 T-matic Ltd. increased the employment in all operational departments as compared to the fourth quarter of 2008. The increase of employment in IT Department by 2 employees and by 3 employees in Technical Support Department was of considerable importance.

Management of financial funds acquired through company's shares public issue

Financial assets acquired through shares public issue at the amount not used for issue objectives, have been deposited in PeKaO S.A. Bank.

Other events

Chapter III of this report comprises other information which according to the company is significant for the evaluation of its human resources, property, financial situation, and information significant for assessment of issuer's possibilities to implement its commitments.

Significant events after balance sheet date

The following significant events occurred after balance sheet date:

- In a current report No. 2/2010 the Company informed that on 19 January 2010 at Social Insurance Institution's registered office, two agreements exceeding the value of a significant agreement have been concluded between ARCUS S.A. Company and Social Insurance Institution with its seat in Warsaw at 3 Szamocka Street. Sale and delivery (to all branches of Social Insurance Institution in Poland) of 2 400 laser printers (1 000 autonomous and 1 400 network laser printers) with maintenance materials, guarantee and maintenance service for 36 months constitute the subject of above mentioned agreements. Total value of agreements amounts to PLN 9 076 800.00 (net amount). The agreement of the highest value was the agreement of 19 January 2010 for net amount – PLN 7 156 800.00 for sale and delivery (to all branches of Social Insurance Institution in Poland) of 1 400 KYOCERA network laser printers with maintenance materials, guarantee and maintenance service for 36 months. Agreement completion date (delivery date): within 60 days after agreement conclusion. Other conditions of agreement shall comply with standards expected for the execution of such agreements. In case of delivery delays, the Contractor shall pay the contractual penalty at the amount equal to 0.2% of agreement value (with VAT tax) for each day of delay. In case of delivery delays over 14 days, the Ordering Party reserves the right to withdraw from the agreement and the Contractor pays the contractual penalty at the amount equal to 20% of agreement value (with VAT tax) irrespective of contractual penalties arising from delays. The Ordering Party shall deduct the contractual penalties from the performance bond or the remuneration payable to the Contractor. The agreement mentioned above meets the criteria of a significant agreement due to the fact that the total value of the agreement exceeds 10% of Issuer's equity.

- In a current report No. 3/2010 the Company informed about transactions in ARCUS S.A. Company's securities. The Management Board of ARCUS S.A. Company informed that on 16 February 2010 received a notification from Mr. Marek Czeredys. Pursuant to the content of the mentioned notification Mr. Marek Czeredys, as a majority shareholder and the Chairman of the Company's Supervisory Board, disposed 1 835 115 shares of ARCUS S.A. Company constituting for 24% of share capital and 24% of the total number of votes at ARCUS S.A. General Meeting. Shares have been valued at PLN 10 995 380, which means that each share of ARCUS S.A. has been valued at PLN 5.99. The transaction described above, had been concluded outside the regulated market on the basis of contribution in kind agreement. 1 835 115 shares had been transferred to MMR Incest S.a.r.l. (with its registered in Luxembourg) in order to cover 583 shares in increased capital of above mentioned company. Due to the take-up of MMR Incest S.a.r.l. shares, as of 11 February 2010 this company shall be recognized as a subsidiary of Mr. Marek Czeredys that is as a legal person closely related to Mr. Marek Czeredys within the meaning of article 160(4) of the Act on Trading in Financial Instruments.
- In a current report No 4/2010 the Company informed that on 25 February 2010 Mr. Marek Czeredys tendered his resignation as a Supervisory Board Member to the President of ARCUS S.A. Company Management Board. Mr. Marek Czeredys did not specify the reasons for his resignation.

Description of factors which according to the issuer shall affect its financial result with particular consideration of at least the next quarter

In the opinion of the Management Board the following factors may affect the Company's business activities and financial results in the prospect of at least next quarter:

- Realization of investment projects for some key clients who postponed the implementation of these projects to next quarters,
- Timely realization of won tenders and competition proceedings,
- Final settlement of announced tenders which value may significantly influence revenues and results achieved in next quarter,
- Restoring the number of orders for high-margin goods and services,
- Extension of key clients' decision-making processes associated with conducting and settlement of public tenders for computerization or automation of document and correspondence management systems. The development of B2B direct and indirect sales channels is planned in this sector. In the short period it may increase the costs of operating activities, whereas in long term should reduce the role of public sector in revenues and at the same time increase the revenues from business sector.
- Implementation of new development strategy which envisages extending Company's operations in the field of Information and Communication Technology with particular consideration of products of high added value, e.g. telematic services provided by T-matic Company (solutions for transport management and remote media measurement). Acquisition of companies whose offer includes teletransmission, telemetric or IT services characterized by high added value (e.g. IT security).
- Development of current scope of business activities, with particular consideration of development of distribution channels for main products included in company's offer – copiers, printers and devices for mass correspondence management. Increasing the share in revenues from sale of Kyocera Mita and Pitney Bowes devices in B2B sector. Pursuant to the above, the agreement with Kyocera Mita Europe B.V. seems to be of particular importance. In accordance with mentioned agreement ARCUS S.A. shall act as a Distributor of all models of copiers and multi-functional products ('MFP') offered by Kyocera. The agreement regards the full range of document management systems solutions and thus expands the scope of current, long-term cooperation with Kyocera Corporation.

- Economic recovery in Poland associated with global financial crisis may negatively influence the demand for products offered by the Group and bring about the suspension or delay in investing in IT solutions. In turn, such situation may negatively influence the revenues and profits. If the economic downturn worsens, the relevant steps shall be undertaken in order to minimize the negative impact on Group’s business activity and its results.
- Fluctuations of exchange rates relationships (EUR/PLN and USD/PLN). The Group as a large importer of the EUR and USD area, incurs (higher than planned) costs of goods purchase (in case PLN is weakening) or achieve lower revenues denominated in foreign currencies (in case PLN is strengthening). Particularly in case of contracts performed in public sector, prices expressed in PLN are not subject to renegotiation. Also on the commercial orders market, the Group did not have the possibility to renegotiate contracts concluded in domestic currency due to strong competition on market.
- Possible increase of interest rates may negatively influence the cost of outstanding lease commitments.

Description of factors and events, in particular non-recurring ones, which have a significant impact on the performance

Extraordinary factors and events other than described in the statement hereof, did not occur.

IV. ACCOUNTING PRINCIPLES

Basis for financial information preparation

The presented consolidated financial statement has been prepared as on 31 December 2009. The comparable data for four quarters of 2008 is the consolidated data. ARCUS S.A. Capital Group was established on 29 July 2008. The Group's financial year is a calendar year.

The consolidated financial statement was prepared based on assumption that the Company would continue its business activities into the foreseeable future. As at the day of financial statement preparation there were no circumstances that could indicate existence of any serious threats to the Company's continuation of its businesses activity.

Financial data included in the financial statement have been expressed in PLN, unless in specific situations, have been expressed with higher accuracy. Polish Zloty (PLN) is Group's functional and reporting currency.

Statement of conformity

The presented financial statement for the period of 1 January 2009 – 31 December 2009 as well as comparable data for the period from 1 January to 30 September 2008 has been prepared in accordance with International Financial Reporting Standards (IFRS) and in line with International Accounting Standard No. 34 (IAS 34).

The accounting principles applied for the preparation of the interim consolidated financial statement do not differ significantly from those applied for the preparation of annual consolidated statement of Arcus Capital Group for the year ended 31 December 2008 with the exception of the following standards and new interpretations applicable to annual periods beginning on or after 1 January 2009:

- IAS 23 (amendment) 'Borrowing Costs' – the amended standard requires that the borrowing costs associated with acquisition, construction or manufacturing of an adjusted component of assets shall be recognized as an element of purchase price or manufacturing cost. The implementation of this interpretation did not have an impact on Group's financial position and result on business activities.

- IAS 1 (amendment) 'Presentation of financial statements' - all owner changes in equity shall be presented separately from non-owner changes in equity. Pursuant to the above the statement of changes in equity includes only the details of transactions with owners while all other changes in equity are presented separately. Additionally, the standard introduces the statement of comprehensive income which covers all items of revenues and costs recognized in profit or loss account as well as all other items of recognizable revenues and costs while the presentation of all items together in one statement or the presentation of two associated statements is possible. The Group has presented the profit and loss account and statement of comprehensive income.
- IFRS 8 'Operating segments' – this standard had replaced IAS 14 – Segment Reporting. According to this standard, for the identification and measurement of the results of operating segments that are under reporting disclosures, the approach consistent with the approach of the Group's executives shall be applied.
- IFRS 2 'Share-based Payment: Vesting Conditions and Cancellations' – this amendment clarifies the meaning of vesting conditions and applies to the recognition of cancelation of award rights. The implementation of this interpretation did not have an impact on Group's financial position and result on business activities as any events of such nature did not occur.
- IAS 32 (amendment) 'Financial Instruments: Presentation' and IAS 1 (amendment) 'Presentation of financial statements' – puttable financial instruments and obligations arising on liquidation. Those amendments introduce a limited, as regards the scope, exclusion concerning the puttable financial instruments which may be classified as components of equity providing that certain conditions are satisfied. The implementation of this amendment did not have an impact on Group's financial position and result on business activities as the Group did not issue such instruments.

- IFRS 1 (amendment) 'First-time Adoption of International Financial Reporting Standards' and IAS 27 (amendment) 'Consolidated and Separate Financial Statements' – the cost of investment in a subsidiary entity, co-controlled entity and associated entity, in line with IFRS 1 amendments, may be recognized in the unconsolidated financial statement of an entity applying the IFRS for the first time as the 'cost' of investment in subsidiary entities, co-controlled entities and associated entities pursuant to IAS 27 or on the basis of deemed cost. IAS 27 amendment requires all dividends received from a subsidiary entity, co-controlled entity or associated entity to be recognized in a dominant entity's unconsolidated financial statement in the profit and loss account. The amendment to IAS 27 shall be applied prospectively. New requirements shall only apply to unconsolidated financial statements of a dominant entity and shall not have an impact on the interim condensed financial statements. The implementation of this amendment did not have an impact on consolidated financial statement as it applies only to unconsolidated financial statements.
- IFRIC Interpretation 13 'Customer Loyalty Programmes' – the interpretation requires the 'award credits' granted within sales transaction to be recognized as a part of such transaction. The implementation of this amendment did not have an impact on Group's financial position and result on business activities as the Group does not run and maintain any loyalty programmes.
- IFRIC Interpretation 12 'Service Concession Agreements' – the interpretation applies to franchisees and clarifies how the obligations and rights arising from such agreements shall be recognized. The interpretation does not have an impact on Group's consolidated financial statement as any company included in the Group is not a franchisee.
- IFRS 7 (amendment) 'Financial Instruments: Disclosure' – the amended standard requires to disclose additional information as regards fair value measurement and liquidity risk. The amended IFRS 7 requires fair value

measurements, as regards each class of financial instruments, to be disclosed by the source of inputs.

- IFRIC Interpretation 15 'Agreements for the Construction of Real Estate'
- IFRIC Interpretation 16 'Hedges of a Net Investment in a Foreign Operation'

Principles of consolidation

The consolidated financial statement comprises the financial statement of a dominant company and a subsidiary controlled by a dominant company, prepared as at 31 December 2009. The consolidated financial statement of the Capital Group has been prepared in line with full consolidation method.

Both a parent company and a subsidiary prepared their financial statements for 2008 in accordance with the provisions of Polish Accounting Act. Mentioned statements were amended in order to adjust their content to the requirements of the International Financial Reporting Standards. Both ARCUS S.A. and T-matic prepare their financial statements in line with IFRS as from 2009.

All transactions, balances, revenues and costs between related entities under consolidation are subject to consolidation exclusions.

Changes in Accounting Principles

During the period covered by this statement, ARCUS S.A. Company and Capital Group have not changed the applied accounting principles.
The accounting principles applicable as at today have been presented in ARCUS S.A. Capital Group's annual statement for the year 2008 published on 30 April 2009.

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Wojciech Kruszyński – President of the Management Board

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Wiktor Różański – Vice-President of the Management Board

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Konrad Kowalczuk – Vice-President of the Management Board

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Prepared by: Grażyna Syryczyńska – Chief Accountant

Warsaw, 1 March 2010.

VI. CONDENSED UNCONSOLIDATED FINANCIAL STATEMENT OF ARCUS S.A. COMPANY FOR THE FOURTH QUARTER OF 2009

The condensed unconsolidated financial statement of ARCUS S.A. for the fourth quarter of 2009 has been prepared in accordance with International Financial Reporting Standards.

Selected financial data of ARCUS S.A. Company

Selected Financial Data	Fourth Quarter of 2009	Fourth Quarter of 2008	Fourth Quarter of 2009	Fourth Quarter of 2008
	PLN THOUSAND		EUR THOUSAND	
I. Revenues from sales of products, goods and materials	113 935	128 056	26 249	36 255
II. Operating Profit (Loss)	747	4 246	172	1 202
III. Profit (Loss) Before Tax	1 615	5 091	372	1 442
IV. Net Profit (Loss)	823	3 996	190	1 131
V. Net Operating Cash Flow	-4 705	-8 743	-1 084	-2 475
VI. Net Investment Cash Flow	-2 925	26 882	-674	7 611
VII. Net Financial Cash Flow	1 833	390	422	110
VIII. Change in Cash	-5 797	18 529	-1 336	5 246
IX. Total Assets	97 599	95 203	23 757	22 817
X. Long-Term Liabilities	598	542	146	130
XI. Short-Term Liabilities	32 122	30 557	7 819	7 324
XII. Equity	64 619	63 785	15 729	15 287

XIII. Share Capital	740	730	180	175
XIV. Shares Number (weighted average)	7 395 157	7 296 681	7 395 157	7 296 681
XV. Net Profit (Loss) per Share	0,11	0,55	0,17	0,09

Statement of ARCUS S.A. comprehensive income

Statement of comprehensive income	01.01-31.12.2009	01.01-31.12.2008	01.10-31.12.2009	01.10-31.12.2008
	PLN THOUSAND			
Continued business activity				
Sales revenue	113 935	128 056	58 839	56 247
Own sales cost	94 748	108 086	48 639	49 193
Gross sales profit (loss)	**19 187**	**19 970**	**10 200**	**7 054**
Other operating revenue	46 2	690	-45	2 544
Sales costs	13 691	12 438	5 851	3 649
General and administrative costs	4 687	5 596	-901	1 824
Other operating costs	108	380	-245	216
Restructuring costs	0	0	0	0
Operating profit (loss)	**747**	**4 246**	**5 450**	**3 909**
Financial revenue	1 823	2 268	428	129
Financial costs	955	1 423	-496	1 217
Profit (loss) before tax	**1 615**	**5 091**	**6 374**	**2 821**
Income tax	792	1 095	815	498

Continued business activity profit (loss)	**823**	**3 996**	**5 559**	**2 323**
Discontinued business activity	0	0	0	0
Discontinued business activity net profit (loss)	**0**	**0**	**0**	**0**
Net profit (loss)	**823**	**3 996**	**5 559**	**2 323**
Net profit (loss) annualized	**823**	**3 996**	**5 559**	**2 323**
Profit (loss) per share				
Continued business activity:				
Ordinary	0,11	0,55	0,75	0,32
Diluted	0,11	0,54	0,75	0,31
Profit (loss) for the period	823	3 996	5 559	2 323
Other comprehensive income				
Financial assets available for sale				
Cash flow hedge				
Actuarial profits (losses) due to retirement benefits				
Income tax regarding other comprehensive income				
Other net comprehensive income				
Total income for the period	**823**	**3 996**	**5 559**	**2 323**

Statement of ARCUS S.A. financial position

Statement of financial position	As at 31 December 2009	As at 31 December 2008
	PLN THOUSAND	
FIXED ASSETS		
Intangible Assets	532	443
Tangible fixed assets	1 191	1 167
Shares in subsidiaries	3 598	3 598
Financial assets available for sale	2 523	2 523
Long term receivables	852	243
Deferred income tax assets	75	348
	8 771	**8 322**
CURRENT ASSETS		
Inventory	17 399	15 918
Short term investments	2 803	512
Trade and other receivables	48 833	44 861
Income tax receivables (refunds)	-	-
Cash and its equivalents	19 793	25 590
	88 828	**86 881**
TOTAL ASSETS	**97 599**	**95 203**

Statement of financial position	As at 31 December 2009	As at 31 December 2008
Equity		
Share capital	740	730
Capital reserve from sale of shares at premium	37 631	37 631

Reserve Revaluation capital	0	1
Other capital reserves	393	142
Reserve Capital	25 032	21 285
Hedging Transactions Revaluation Capital	0	0
Retained earnings	823	3 996
	64 619	**63 785**
Long-term liabilities		
Provisions for deferred income tax	411	161
Provisions for liabilities	187	381
Other long-term liabilities	0	0
	598	**542**
Short-term liabilities		
Trade and other liabilities	30 967	29 638
Income tax liabilities	270	377
Provisions for liabilities	885	542
Other financial liabilities	0	0
	32 122	**30 557**
	0	0
Other liabilities	260	319
TOTAL LIABILITIES	**97 599**	**95 203**

STATEMENT OF CHANGES IN EQUITY

For the period of 1 January 2009 – 31 December 2009

	Core Capital	Reserve Capital	Retained Earnings	Revaluation Capital	Other Reserve Capital	Total	TOTAL EQUITY
	PLN THOUSAND						
Status as at 1 January 2009	**730**	**37 773**	**3 996**	**1**	**21 285**	**63 785**	**63 785**
Changes in accounting principles			0				**0**
Increases	10	251	823		3 747	**4 831**	**4 831**
Share issue	10	0	0			**10**	**10**
Purchase of the company	0	0	0			**0**	**0**
Current period result	0	0	823			**823**	**823**
Decreases			3 996	1		3 997	3 997
Current period result			0			**0**	**0**
Profit allocation			3 996			**3 996**	**3 996**
Dividend payment	0	0	0			**0**	**0**
Status as at 30 September 2009	**740**	**38 024**	**823**	**0**	**25 032**	**64 619**	**64 619**

For the period of 1 January 2008 – 31 December 2008

	Core Capital	Reserve Capital	Retained Earnings	Revaluation Capital	Other Reserve Capital	Total	TOTAL EQUITY
	PLN THOUSAND						
Status as at 1 January 2008	**730**	**37 773**	**8 594**	**1**	**11 645**	**58 743**	**58 743**
First-time Adoption of the International Financial Reporting			-2 747		3 176	**429**	**429**
Sale of shares to employees			-2 615		2 615	**0**	**0**
Redemption Amendment for previous years			86		685	**771**	**771**
Deferred income tax reserve			24		-124	**-100**	**-100**
Calculation of liabilities – PeKaO exchange rate			-214			**-214**	**-214**
Amendment of inventory revaluation write-offs			-2			**-2**	**-2**
Sale of tangible assets			-26			**-26**	**-26**
Status as at 1 January 2008 – after IAS/IFRS amendments	730	37 773	5 847	1	14 821	**59 172**	**59 172**
Increases	0	0	3 996		6 464	**10 460**	**10 460**
Warrants issue	0	0	0		596	**596**	**596**
Current period result	0	0	3 996		0	**3 996**	**3 996**
Previous year's Profit allocation to reserve capital					5 847	**5 847**	**5 847**
Reversal of IAS/IFRS amendments					21	**21**	**21**
Decreases			5 847			**5 847**	**5 847**
Previous year's Profit allocation to reserve capital			5 847			**5 847**	**5 847**
Reversal of IAS/IFRS amendments	0	0	0			**0**	**0**
Status as at 31 December 2008	**730**	**37 773**	**3 996**	**1**	**21 285**	**63 785**	**63 785**

Cash Flow Statement

	1 January 2009 – 31 December 2009	1 January 2008 – 31 December 2008
	PLN THOUSAND	
Operating Activities		
Profit (Loss) before Tax	1 615	5 091
Items Adjustments	-6 320	-13 834
Depreciation	714	760
Currency Translation Differences	0	0
Interest Received	-1 823	-2 173
Interest Paid	0	
Dividend received	0	0
Profit (Loss) on Investment Activities	-4	111
Change in Inventories	-1 481	-9 563
Change in accounts receivable	-1 515	-3 363
Change in Liabilities and Reserves	771	497
Change in other Assets	-2 792	186
Income Tax Paid	0	-492
Other	-190	203
	-4 705	**-8 743**
Investment Activities		
Inflows		96 383
Inflows proceeding from disposal of intangible assets and tangible fixed assets	4	10

Inflows from Financial Assets In Other Entities		96 373
Outflows	-2 929	-69 501
Outflows regarding acquisition of tangible fixed assets	-829	-418
Outflows regarding acquisition of financial assets	0	-64 901
Outflows regarding acquisition of financial assets in related entities	-2 100	-3 598
Other outflows	0	-584
	-2 925	**26 882**
Financial Activities		
Inflows	1 833	390
Inflows from share issue	10	
Other financial inflows	1 823	390
Inflows from contracted credit and loans	0	0
Outflows	0	0
Repayment of credit and loans	0	0
Payment of liabilities arising from financial leases		
Interest Paid		
Currency Translation Differences		
	1 833	**390**
Change in Cash	**-5 797**	**18 529**
Balance Sheet Change in Cash	7 212	18 530
Change in Cash preceding from Currency Translation Differences		
Cash at the period beginning	25 590	7 061
Cash at the period end	**19 793**	**25 590**

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Wojciech Kruszyński – President of the Management Board

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Wiktor Różański – Vice-President of the Management Board

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Konrad Kowalczuk – Vice-President of the Management Board

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Prepared by: Grażyna Syryczyńska – Chief Accountant

Warsaw, 1 March 2010.