



ARCUS S.A. CAPITAL GROUP

www.arcus.pl

**CONSOLIDATED
FINANCIAL STATEMENT
FOR THE FOURTH QUARTER OF 2012
ended 31 December 2012**

**PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS**

Warsaw, 1 March 2013

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.

SELECTED FINANCIAL DATA

Data regarding the interim condensed consolidated financial statement

Selected Financial Data	Year 2012 (unaudited)	Year 2011	Year 2010	Year 2012 (unaudited)	Year 2011	Year 2010
	PLN THOUSAND			EUR THOUSAND		
I. Revenues from sales of products	184 675	160 382	198 498	44 248	38 739	49 570
II. Operating Profit (Loss)	-1 932	-7 632	-479	-463	-1 843	-120
III. Profit (Loss) Before Tax	-367	-8 055	427	-88	-1 946	107
IV. Net profit (loss) on consolidation	-406	-7 295	268	-97	-1 762	67
V. Net Profit (Loss) attributable to Dominant Company's shareholders	1 675	-6 206	1 162	401	-1 499	290
VI. EBITDA	229	-5 480	1 054	55	-1 324	263
VII. Comprehensive income	-575	-7 861	44	-138	-1 899	11
VIII. Comprehensive income attributable to Dominant Company's shareholders	1 506	-6 772	938	361	-1 636	234
IX. Net Operating Cash Flow	14 047	-36 370	23 229	3 366	-8 785	5 801
X. Net Investment Cash Flow	-3 339	-4 761	-1 930	-800	-1 150	-482
XI. Net Financial Cash Flow	-6 937	10 488	972	-1 662	2 533	243
XII. Change in Cash	3 771	-30 643	22 271	904	-7 402	5 562
As at	31 December 2012	31 December 2011	31 December 2010	31 December 2012	31 December 2011	31 December 2010
	PLN THOUSAND			EUR THOUSAND		
XIII. Total Assets	97 757	135 739	124 650	23 912	30 732	31 475
XIV. Long-Term Liabilities	6 842	8 817	5 050	1 674	1 996	1 275
XV. Short-Term Liabilities	32 072	67 577	53 017	7 845	15 300	13 387
XVI. Equity	58 678	59 345	66 583	14 353	13 436	16 813

XVII. Equity attributable to Dominant Company's shareholders	61 357	59 943	66 491	15 008	13 572	16 789
XVIII. Share Capital	740	740	740	181	168	187
XIX. Shares Number (weighted average)	7 395 157	7 395 157	7 395 157	7 395 157	7 395 157	7 395 157
XX. Profit (loss) per share attributable to the shareholders of a dominant entity (PLN/EUR)	0.23	-0.84	0.16	0.05	-0.20	0.04
XXI. Diluted profit (loss) per share attributable to the shareholders of a dominant entity (PLN/EUR)	0.23	-0.84	0.16	0.05	-0.20	0.04
XXII. Book value and diluted book value per Share attributable to Dominant Company's shareholders (PLN/EUR)	8.30	8.11	8.99	2.03	1.84	2.27

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

- For balance sheet items – 4.0882 - National Bank of Poland exchange rate applicable on 31 December 2012; 4.4168 - National Bank of Poland exchange rate applicable on 31 December 2011; 3.9603 - National Bank of Poland exchange rate applicable on 31 December 2010,
- For the profit and loss account and cash flow statement items for the period of 12 months of 2012, 2011 and 2010 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 2012:
EUR 1 = PLN 4.1736;
 - Average exchange rate between 1 January and 31 December 2011:
EUR 1 = PLN 4.1401;

- o Average exchange rate between 1 January and 31 December 2010:
EUR 1 = PLN 4.004.

II. CONSOLIDATED FINANCIAL STATEMENT OF ARCUS S.A. CAPITAL GROUP FOR THE FOURTH QUARTER OF 2012

Consolidated statement of comprehensive income

Profit and loss account	Year 2012 (unaudited)	Year 2011	Year 2010	01.10- 31.12.2012	01.10- 31.12.2011	01.10- 31.12.2010
PLN THOUSAND						
Continued activities						
Sales revenue	184 675	160 382	198 498	74 840	79 438	81 166
Own sales cost	-154 961	-133 243	-171 036	-65 096	-63 964	-72 179
Gross sales profit (loss)	29 714	27 139	27 462	9 744	15 474	8 987
Other operating revenue	946	583	96	322	724	9
Sales costs	-23 907	-23 993	-20 988	-9 667	-8 560	-5 088
General and administrative costs	-7 280	-7 339	-6 762	-1 739	-2 319	-1 720
Other operating costs	-1 405	-4 022	-287	-58	-1 946	-141
Operating profit (loss)	-1 932	-7 632	-479	-1 282	3 373	2 047
Financial revenue	2 213	715	1 118	194	152	336
Financial costs	-648	-1 138	-212	-196	-1 071	-122
Profit (loss) before tax	-367	-8 055	427	-1 284	2 454	2 261
Income tax	-39	760	-159	372	-1 998	-457
- Current tax	-389	70	-930	-358	0	-1 136
- Deferred tax	350	690	771	730	-1 998	679
Net profit (loss) on continued activities	-406	-7 295	268	-912	456	1 804
Net profit (loss)	-406	-7 295	268	-912	456	1 804
Attributable to:						
Shareholders of a dominant company	1 675	-6 206	1 162	-45	564	2 021

Minority shareholders	-2 081	-1 089	-894	-867	-108	-217
EBITDA	229	-5 480	1 054	-741	4 035	2 491
Profit (loss) per share attributable to shareholders of the dominant company						
on continued activities						
Ordinary	0.23	-0.84	0.16	-0.01	0.08	0.27
Diluted	0.23	-0.84	0.16	-0.01	0.08	0.27

Statement of comprehensive income	Year 2012 (unaudited)	Year 2011	Year 2010	01.10-31.12.2012	01.10-31.12.2011	01.10-31.12.2010
	PLN THOUSAND					
Net Profit (loss)	-406	-7 295	268	-912	456	1 804
Components of other comprehensive income:						
Financial Assets available for sale	-209	-699	-276	-52	-189	160
Settlement of hedging instruments	0	0	0	0	0	-40
Deferred Tax regarding other comprehensive income	40	133	52	10	36	-31
Other comprehensive income	-169	-566	-224	-42	-153	89
Comprehensive income for the period	-575	-7 861	44	-954	303	1 893
Comprehensive income for the period attributable to:						
Shareholders of a dominant company	1 506	-6 772	938	-87	411	2 110
Minority shareholders	-2 081	-1 089	-894	-867	-108	-217

Consolidated statement of financial position

Assets	As at 31 December 2012	As at 31 December 2011	As at 31 December 2010
	PLN THOUSAND		
FIXED ASSETS			
Intangible assets	4 400	4 561	2 091
Goodwill on consolidation	4 381	4 381	3 029
Tangible fixed assets	2 755	3 133	1 619
Financial assets available for sale	1 647	1 855	2 278
Long term receivables	8 366	10 275	4 984
Deferred income tax assets	4 382	3 443	1 986
TOTAL	25 931	27 648	15 987
CURRENT ASSETS			
Inventory	16 585	35 523	29 210
Trade and other receivables	39 974	61 072	37 320
Income Tax Receivables	0	0	0
Cash	15 267	11 496	42 133
TOTAL	71 826	108 091	108 663
TOTAL ASSETS	97 757	135 739	124 650

Liabilities	As at 31 December 2012	As at 31 December 2011	As at 31 December 2010
	PLN THOUSAND		
Equity (attributable to the shareholders of the dominant company)			
Share capital	740	740	740
Reserve Capital from sale of shares at premium	37 631	37 631	37 631
Revaluation capital	-735	-566	-224
Other capital reserves	143	143	143
Own shares	-92	0	0
Retained earnings	23 670	21 995	28 201
TOTAL	61 357	59 943	66 491
Non-controlling entities' share	-2 679	-598	92
Total Equity	58 678	59 345	66 583

Long-term liabilities			
Provision for deferred income tax	2 249	1 719	1 059
Provisions for liabilities	231	538	1 353
Other long-term liabilities	4 362	6 560	2 638
TOTAL	6 842	8 817	5 050
Short-term liabilities			
Short-term credits and loans	4 000	9 707	0
Trade and other liabilities	25 725	55 004	51 375
Income tax liabilities	233	70	266
Provisions for liabilities	2 114	2 796	1 376
TOTAL	32 072	67 577	53 017
Other liabilities	165	0	0
TOTAL LIABILITIES	97 757	135 739	124 650

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

For the period of 1 January 2012 – 31 December 2012

PLN THOUSAND	Equity attributable to dominant entity's shareholders					Minority Interest	TOTAL EQUITY
	Share Capital and capital from sale of shares at premium	Retained Earnings	Revaluation Capital	Own shares	Total		
Status as at 1 January 2012	38 514	21 995	-566		59 943	-598	59 345
Net profit	0	1 675	0		1 675	-2 081	-406
Financial assets available for sale adjusted for deferred tax	0	0	-169		-169	0	-169
Purchase of own shares with a purpose of their redemption				-92	-92		-92
Status as at 31 December 2012 (not audited)	38 514	23 670	-735	-92	61357	-2 679	58 678

For the period of 1 January 2011 – 31 December 2011

PLN THOUSAND	Equity attributable to dominant entity's shareholders				Minority Interest	TOTAL EQUITY
	Share Capital and capital from sale of shares at premium	Retained Earnings	Revaluation Capital	Total		
Status as at 1 January 2011	38 514	28 201	-224	66 491	92	66 583
Purchase of shares					99	99
Share capital increase					300	300
Net profit	0	-6 206	0	-6 206	-1 089	-7 295
Financial assets available for sale less deferred tax	0	0	-342	-342	0	-342
Status as at 31 December 2011	38 514	21 995	-566	59 943	-598	59 345

For the period of 1 January 2010 – 31 December 2010

PLN THOUSAND	Equity attributable to dominant entity's shareholders				Minority Interest	TOTAL EQUITY
	Share Capital and capital from sale of shares at premium	Retained Earnings	Revaluation Capital	Total		
Status as at 1 January 2010	38 514	27 039	0	65 553	986	66 539
Net profit	0	1 162	0	1 162	-894	268
Financial assets available for sale less deferred tax	0	0	-224	-224	0	-224
Status as at 31 December 2010	38 514	28 201	-224	66 491	92	66 583

Consolidated cash flow statement

Cash Flow Statement	1 January – 31 December 2012	1 January – 31 December 2011	1 January – 31 December 2010
Operating Activities			
Profit (Loss) before Tax	-367	-8 054	427
Items' Adjustments	14 414	-28 316	22 802
Depreciation	2 161	2 152	1 533
Interest received	-272	-381	-1 307
Interest paid	0	0	0
Dividends received	-107	-52	0
Profit (Loss) on Investment Activities	-62	-33	14
Change in Inventories	18 938	-6 315	-9 572
Change in receivables	9 543	-41 726	18 554
Change in Liabilities and Reserves	-14 424	18 874	14 524
Change in other Assets	-1 236	-495	0
Income Tax Paid	-226	-266	-944
Other	99	-74	0
Net cash on operating activities	14 047	-36 370	23 229
Investment Activities			
Inflows	180	184	10
Inflows proceeding from disposal of intangible assets and tangible fixed assets	73	132	10
Dividends received	107	52	0
Outflows	-3 519	-4 945	-1 940
Outflows for acquisition of tangible fixed assets	-3 519	-4 945	-1 909
Other	0	0	-31
Net cash on investment activities	-3 339	-4 761	-1 930
Financial Activities			
Inflows	4 478	10 650	1 590
Shares issue	0	300	0
Other financial inflows	0	0	0
Inflows from contracted credit and loans	4 000	9 707	2
Interest	478	643	1 588

Payment of liabilities arising from financial leases	0	0	0
Outflows	-11 415	-162	-618
Purchase of shares	0	-10	0
Repayment of credit and loans	-11 207	-2	-150
Payment of liabilities arising from financial leases	-11	-99	-167
Dividend paid	0	0	0
Interest Paid	-105	-51	-301
Purchase of own shares	-92	0	0
Net cash used for/received from financial activities	-6 937	10 488	972
Change in Cash	3 771	-30 643	22 271
Cash at the beginning period	11 496	42 139	19 862
Cash at the end period	15 267	11 496	42 133

III. BASIC INFORMATION

Dominant Entity

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 Ltd. into joint stock company on 6 November 2006. ARCUS Ltd. had been established in 1987.

The company's registered office is based in Warsaw, at 2 Miła Street. The Company has its branches in Gdańsk, Bydgoszcz, Łódź, Poznań, Wrocław and Katowice. The company is recorded by the District Court for the Capital City of Warsaw (12th 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 as from 19 June 2008. All shares of ARCUS S.A. are admitted to exchange trading on the Warsaw Stock Exchange Main Market.

ARCUS S.A. performs its business activity in line with the provisions of the 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 be focused on the following business areas:

- document and correspondence management systems,
- solutions and services related to Telematics (fleet monitoring),
- smart grid - implementation of intelligent energy networks and measurement systems,
- ICT solutions integration (Information and Communication Technologies).

As at balance sheet day, that is as at 31 December 2012, and as at the day of the financial statement hereof preparation, the composition of the Management Board was as follows:

- Michał Czeredys – President of the Management Board;
- Marek Multan – Vice President of the Management Board.

As at 31 December 2012 the composition of the Supervisory Board was as follows:

- Marek Czeredys - Chairman of the Supervisory Board;
- Jolanta Grus – Member of the Supervisory Board;
- Krzysztof Rajczewski - 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,
- Docusoft Ltd. (hereinafter: 'Docusoft') – the subsidiary.

ARCUS S.A. Capital Group was established on 29 July 2008 as a result of acquisition of 55% 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.

In September 2011, shareholders of T-matic adopted a resolution regarding the increase of share capital by the amount of PLN 667 000 up to the amount of PLN 717 000 through the issue of 13 340 new shares of nominal value equal to PLN 50 paid up in cash. ARCUS S.A. acquired 7 337 shares for the total amount of PLN 366 850. The purchase of T-matic shares was settled based on the acquisition price method.

At the beginning of 2013, T-matic was transformed into a joint-stock company. The share capital of T-matic consists of 717 000 A-series shares of nominal value of PLN 1.00. ARCUS S.A. holds 55% of these shares, that is 394 350.

Company:	T-matic Systems Limited Liability Company
Registered office and address:	2 Miła Street, 00-180 Warsaw
Telephone:	+48 22 886 00 50
Fax number:	+48 22 886 63 24
e-mail:	biuro@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 was entered by the District Court for the Capital City of Warsaw (12th Commercial Department of the National Court Register) into the register of entrepreneurs under the number KRS 00002654060. After the transformation into a joint-stock company – T-matic is recorded

by the District Court for the Capital City of Warsaw (12th Commercial Department of the National Court Register) into the register of entrepreneurs under the number KRS 0000444112.

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

- Manufacture of instruments and appliances for measuring, testing and navigation,
- Installation of industrial machinery and equipment,
- Repair and maintenance of electronic and optical equipment,
- Reproduction of recorded media,
- Manufacture of computers and peripheral equipment.

T-matic provides:

- systems for vehicles management and monitoring,
- measurement systems (electricity, gas, water, heat) enabling the construction of intelligent networks – so called Smart Grid.

In the first half of 2011, ARCUS Capital Group was enlarged on 23 May 2011 as a result of acquiring by the Issuer of 86.96% of shares of DocuSoft Ltd.

Company:	DocuSoft Ltd.
Registered office and address:	153 Warszawska Street, 43-300 Bielsko-Biała
Telephone:	+48 33 810 57 75; + 48 33 810 57 77
Fax number:	+48 33 812 25 18; + 48 33 819 52 25
e-mail:	biuro@docusoft.pl
www:	www.docusoft.pl
The percentage share in the share capital:	86.96%
The percentage share in the total number of votes:	90.1%

Main scope of business activities of DocuSoft Ltd. in accordance with its Articles of Association shall include:

- manufacture of software for document and information management,
- analysis of customer requirements in terms of information flow systems,
- implementation of authorial software,
- implementation of processes realized at the customer on the basis of the software developed,
- trainings in terms of service and administration of implemented software.

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

In the fourth quarter of 2012, the consolidated sales revenues amounted to PLN 74 840 000 and were by 6% lower comparing to the same period of 2011. Incrementally for four quarters, consolidated revenues amounted to PLN 184 675 000 and were by 15% higher as compared to the corresponding period of 2011. After fourth quarter of 2012, the unconsolidated revenues equalled to PLN 72 316 000 which is by 4% lower comparing to the fourth quarter of 2011. Cumulatively, the unconsolidated revenues amounted to PLN 180 408 000 which constitutes a 18% increase. Since 2011, the Group attaches more importance to the obtained margins and long-term cooperation with customers, thus we managed to considerably increase revenues in 2012. The generated trade margin was slightly lower and amounted to 16.1% while in 2011 it was 16.9% and in 2010 – 13.8%. The consolidated sales in the fourth quarter of 2012, consisted of the following inflows of operating segments:

- IT segment – revenues: PLN 142 850 000 (increase by 9%),
- Services segment – revenues: PLN 13 370 000 (increase by 20%),
- Telematics segment – revenues: PLN 4 350 000 (decrease by 23%),
- Telemetry segment – revenues: PLN 24 105 000 (increase by 86%).

In the fourth quarter of 2012, the Group generated the amount of PLN 9 744 000 of profit on sales, which represents a decrease compared to the record fourth quarter of 2011 by 37%, but compared to the same period in 2010 the growth (over 8%) is still maintained. A noticeable is a temporary decrease in sales profitability, but it shall be associated with variable structure of contracts' profitability.

Cumulatively, after four quarters profit on sales amounted to PLN 22 714 000 which was nearly by 10% higher as compared to 2011. In the fourth quarter of 2012, the unconsolidated profit on sales amounted to PLN 10 827 000 (decrease by 25%) and cumulatively to PLN 29 898 000 (increase by 15%) which indicates a further improvement of sales profitability in the period of a full financial year. In the fourth quarter of 2012, the consolidated operating costs amounted to PLN 11 348 000 (decrease by 2%).

In the reporting period, the Capital Group reported PLN 1 282 000 of operating loss as compared to PLN 3 373 000 of operating loss a year earlier. Cumulatively, it was respectively PLN 1 932 000 and PLN 7 632 000. In the fourth quarter of 2012, ARCUS S.A reported an operating profit at the amount of PLN 929 000 comparing with PLN 3 170 000 of profit a year earlier. Cumulatively, an unconsolidated profit amounted to PLN 3 253 000 (PLN 5 422 000 of loss a year earlier).

The results and effectiveness of the parent company - ARCUS S.A. show a growth, just as in case of a subsidiary - DocuSoft. Unfortunately, the second subsidiary - T-matic Systems, due to the construction market failure, has lost some clients and had to create provisions for trade receivables in connection with these clients' bankruptcies. In addition, in 2012 two canceled tenders for the delivery of 500 000 counters resulted in postponing the entire process of execution for almost a year, which had an impact on not reaching the expected revenues in the third and fourth quarter of 2012.

The results achieved in the fourth quarter of 2012 by Capital Group's particular segments shall be as follows:

- IT segment – PLN 12 635 000 (increase by 77%),
- Telematics segment – PLN 916 000 of loss,
- Telemetry segment – PLN 581 000 of profit,
- Other services segment – PLN 1 204 000 of loss.

The core business segment within IT area, reported an increase in results as compared with the same period of 2011. In the same period services segment recorded the negative result, which was considerably lower than in 2011. It is largely due to

investments in this area and continuation of operating restructuring - an increase in employment of more than 20% caused an increase in personnel costs, costs of equipment for repairers (among others: cars, computers, telephones, service equipment) and their specialized trainings. Service activities, including maintenance service, are an essential element of ARCUS S.A. development strategy, so now the investments are being realized in order to bring tangible benefits in the near future. ARCUS invests intensively in human resources, recognizing that in a modern business model, it is one of the best ways to ensure long-term growth. To this end, in the third quarter of 2011 the company launched a biennial training program under the name: 'Improving the competences of ARCUS S.A. employees through trainings and consulting' of total budget of PLN 1.15 million, of which PLN 818 000 will be co-financed by the European Union. At the same time the Company makes the efforts in order to launch further trainings financed with EU funds, which will be addressed to ARCUS S.A. partners and will be aimed at increasing their technical and service competences.

Telematics segment recorded a negative result - such situation is primarily due to investments in the development of IT systems and personnel, and during the current year, additionally, some significant changes on the market occurred. The main target group are of transport and construction companies, which this year are experiencing the deepest crisis for many years now. Some of them went bankrupt (among others - Poldim S.A., one of the most significant clients of ARCUS Group), which resulted in the necessity to establish the provisions for receivables in the amount of several hundred thousand of Polish zlotys. Other companies, who are still maintaining operational capability, are now intensively reducing the operating costs by limiting third parties services. In such situation there is a surplus of supply over demand of services, resulting in a "price war" among providers of telematics services and erosion of margins. This situation will change with the return of economic growth.

Separated this year telemetry segment recorded a positive result, but it is below the Management Board's expectations. This is due to the cancellation or postponement until the next year of a number of tenders and contracts in the energy sector, which prevented the implementation of this year's plans. In order to perform the contracts the Group has to maintain and develop a team of professionals, which results in a relatively

high level of fixed costs. Investments in R & D made by T-Matic - a subsidiary - not capitalized and therefore directly charged to operating and financial results of the Group.

The Management Board of ARCUS S.A. believes that these investments, despite high costs, are necessary to ensure long-term growth in the area of services for the production and media transmission (electricity, gas, water) sector and in the near future will bring tangible benefits to the shareholders. In the second quarter of 2012 ARCUS S.A. completed the project: 'Supporting the implementation of B2B electronic business' which received funding from the EU at the amount of PLN 748 000.

After consideration of the impact of the provisions on receivables, inventory, remunerations and deferred tax, in the fourth quarter of 2012 the Capital Group recorded the amount of PLN 45 000 of loss attributable to the shareholders of a dominant entity comparing to PLN 564 000 of profit a year earlier. Cumulatively it was respectively - PLN 1 675 000 of profit for the period of 1-4 Q 2011 and PLN 6 206 000 of loss in the corresponding period of 2010. In the fourth quarter of 2012, ARCUS S.A. achieved PLN 951 000 of unconsolidated net profit (PLN 317 000 of profit a year earlier), and cumulatively realized PLN 4 002 000 of profit comparing to PLN 5 067 000 of loss for four quarters of 2011. The table below presents the dynamics of consolidated results for the fourth quarter of 2012 compared with the corresponding period last year.

	1 January – 31 December 2012 (PLN THOUSAND)	1 January – 31 December 2011 (PLN THOUSAND)	CHANGE	1 October – 31 December 2012 (PLN THOUSAND)	1 October – 31 December 2012 (PLN THOUSAND)	CHANGE
Sales revenues	184 675	160 382	15,2%	74 840	79 438	-6%
Own sales costs	-154 961	-133 243	16,3%	-65 096	-63 964	2%
Gross profit (loss) on sales	29 714	27 139	9,5%	9 744	15 474	-37%
Other operating revenues	946	583	62,3%	322	724	-55%
Sales costs	-23 907	-23 993	-0,4%	-9 667	-8 560	13%
General and administrative costs	-7 280	-7 339	-0,8%	-1 739	-2 319	-25%
Other operating costs	-1 405	-4 022	-65,1%	58	-1 946	

Profit (loss) on operating activities	-1 932	-7 632		-1 282	3 373	
Financial revenues	2 213	715	310%	194	152	28%
Financial costs	-648	-1 138	-43%	-196	-1 071	-82%
Net profit (loss)	-406	-7 295		-912	456	
Attributable to:						
Dominant Company's shareholders	1 675	-6 206		-45	564	
Minority shareholders	-2 081	-1 089		-867	-108	
EBITDA	229	-5 480		-741	4 035	

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 the feasibility of commitments

In the fourth quarter of 2012, the current assets which accounted for 73.5% of the balance sheet total (79.5% a year earlier) were the major component of the Capital Group's equity. The working capital maintained at a stable level of PLN 40 000 000. The value of current assets amounted to PLN 71 800 000 comparing with PLN 108 000 000 a year earlier. The receivables at the amount of PLN 39 900 000 (decrease by 34% year-to-year), then inventory at the amount of PLN 16 600 000 (decrease by 53% year-to-year) and cash – PLN 15 300 000 (increase by 33% year-to year) were the most significant items.

ARCUS intends to significantly reduce the level of inventory and increase the turnover of goods. In the fourth quarter of 2012, the Capital Group used its own equity to finance the operating activities. The equity accounted for 60% of the balance sheet total (44% as at the end of 2011).

Employment

The table below presents the changes in the structure of persons employed by ARCUS S.A. as at the end of the fourth quarter of 2012:

Employment status	Service staff	Warehouse staff	Sales staff	Management Board	Accounting Department Staff	Administration staff	TOTAL
31 December 2011	45	4	54	1	4	19	127
31 December 2012	51	4	67	2	5	18	147
Change	6	-	13	1	1	-1	20
Change %	13%	-	24%	50%	25%	-5%	16%

In the fourth quarter of 2012, comparing to the corresponding period last year, the total employment in ARCUS S.A. increased from 127 to 147 persons (increase by 16%). The most significant increase was recorded in Trade Department (increase by 13 persons, that is by 24%) and in Service Department (increase by 6 persons, that is by 13%) which was associated with the implementation of the strategy consisting in the change of a model of a sales company into sales and service company, for which a long-term contracts service and after-sales services are essential. The drop was recorded in the administration area, which is the result of implemented policy aimed at reducing the costs of management.

The employment of a subsidiary (T-matic) as at the end of the fourth quarter of 2012, has been presented in the table below:

Employment as at	Technical support employees (Telematics)	Service employees (Energetics)	IT employees	Commercial employees	Management Board	Administrative employees	TOTAL
31 December 2011	8	2	5	1	1	3	20
31 December 2012	9	1	6	2,5	2	4	24,5
Change	1	-1	1	1,5	1	1	4,5
Change %							

In T-matic, in the fourth quarter of 2012, compared to the same period last year, the employment in operational and technical departments increased.

The employment of a subsidiary (DocuSoft) as at the end of the fourth quarter of 2012, has been presented in the table below:

Employment as at	Technical support employees	Service employees	IT employees	Commercial employees	Management Board	Administrative employees	TOTAL
31 December 2011			3		2	1	6
31 December 2012			3		2	3	8
Change			-		-	2	2
Change %			-		-	33%	33%

In DocuSoft, in the fourth quarter of 2012 comparing to the same period a year earlier, the employment in Administration Department increased slightly.

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 feasibility of commitments.

Significant events after balance sheet date

In the period between the balance sheet day and the date of publication of the interim financial statement hereof, there were no significant events which could affect the financial result.

Description of factors which according to the issuer shall affect the achieved financial result with particular consideration of at least subsequent 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:

- Fluctuations of exchange rates (EUR/PLN). The Group as a large importer of the EUR 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 that are being performed in a public sector, prices expressed in PLN are not subject to renegotiation.
- changes in the Poland's economic situation connected with the situation on world markets, which may affect the demand (associated with the economic growth) for the products offered by the Group,
- timely execution of won tenders and competitive processes,
- final settlement of announced tenders and conclusion of the relevant agreements which value may significantly influence the revenues and results that are to be achieved during next quarter,
- broadening the scope of the Company's activities in the field of ICT solutions and high-added value services, e.g. Telematics services provided by T-matic (solutions for transportation management and remote measurement of utilities) as well as lease services with regard to the equipment intended for printing and correspondence management,
- on 20 April 2012 the Company instituted legal proceedings at the Regional Court in Warsaw against Zakład Ubezpieczeń Społecznych (hereinafter 'the Social Insurance Institution') for the payment and compensation of damage. The amount of the claim equals to PLN 9,483,125.27. The Issuer's claim for the payment and compensation of damage resulting from non-performance of obligations arising from the agreement No TZ/370/16/09 of 27 November 2009 by the Social Insurance Institution, shall be the subject matter of the proceedings. In a current report No 4/2011 of 1 April 2011, the Management Board of ARCUS S.A. informed that had received from the Social Insurance Institution an accounting note stating the burden arising from the delays in carrying out the maintenance inspection in accordance with terms of the agreement. The Social Insurance Institution stated

that aforementioned agreement had been breached and requested ARCUS S.A. to pay the contractual penalty at the amount of PLN 5,515,440.00 by 14 April 2011. The Social Insurance Institution cited, groundless in the opinion of the Issuer, breach of agreement pursuant to which ARCUS S.A. was obliged to carry out the maintenance inspection of mentioned printers at least every 8 months starting from the agreement signing date that is from 27 July 2010. In the opinion of the Issuer, the Social Insurance Institution's request to pay a contractual penalty constitutes an unfounded claim. The delay in carrying out the maintenance inspection was the exclusive fault of the Social Insurance Institution and due to that fact it cannot be stated that ARCUS S.A. breached the agreement. Taking the above into consideration, in the opinion of the Management Board, the Social Insurance Institution had no right to request the payment of contractual penalty. Until the date of this statement, the client has not paid or received from ARCUS S.A. the total amount of PLN 3 580 000. According to ARCUS S.A. Management Board and cooperating legal advisers, claim for liquidated damages is unfounded, and the funds not paid to the Company by the Social Insurance Institution should be reimbursed. For this reason, this amount is recorded as a receivable from a client; the provision for this amount was not established. Since the day of receiving the accounting note, ARCUS S.A. has conducted a dialog with the Social Insurance Institution in order to settle a dispute which occurred as a result of different interpretation of the agreement's provisions and breaching the specification of the Order's Key Terms in the tender process. In the financial statement for the fourth quarter of 2011 of 29 February 2012, the Company informed about filling a statement of claim with a court against the Social Insurance Institution. Despite many attempts, in accordance with inability to reach an agreement satisfactory for both parties and lack of the possibility to apply for arbitration to the economic self-government organization (agreements with public sector entities do not provide for such procedures), the Issuer's Management Board decided to obtain an independent assessment of the situation within the competences of a common court of law, finally pay and file a relevant suit against the Social Insurance Institution for the full cost of claim of ARCUS S.A. Therefore, on 20 April 2012 the statement of claim was filed together with a full court fee and the legal proceedings were instituted. On 10 May 2012 the Regional Court in Warsaw decided to bring the case for mediation for a period of

one month, setting a mediator from the Polish Mediation Centre. On 14 June 2012 the Social Insurance Institution applied for the dismissal of the main statement of claim and moved for the costs of legal representation to be awarded to it. In the statement of defence, it was indicated that the ARCUS S.A. should bear responsibility, regardless of whether the delay in the first check-up was the Company's fault or was caused by circumstances or reasons that are not attributable to the Company (sic!). On 15 June 2012 the Social Insurance Institution filed in a pleading for an extension of mediation period until 20 July 2012. The Company filed in the analogous pleading for an extension of mediation period until 20 July 2012, which was taken into consideration by the Court in its decision of 4 July as regards extending the period of mediation by one month mediation. Bearing in mind, that there was no amicable resolution of this dispute within the mediation proceedings and due to the expiration of the extended period of mediation, the Company had no intention of extending the mediation by subsequent period. The Company strives to determine the matter in the substantive court proceedings. Therefore, the mediation process has been completed, thus the matter will be determined by the District Court in Warsaw.

- significant increase in fuel prices, which translates into an increase in transport costs, operating costs (operation of the vehicle fleet used by the Service Departments of the Group) and the decline in demand for fleet monitoring services (transport companies, in the face of rising fuel prices may seek to reduce operating costs in the area of purchased services),
- possible increase of interest rates may negatively influence the cost of outstanding lease commitments and bank credits.

Description of factors and events with particular consideration of those of unusual nature which may significantly affect the achieved financial results

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 at 31 December 2012. The comparable data cover the period of 1 January 2011 – 31 December 2011 and 1 January 2010 – 31 December 2010. 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 the assumption that the Group would continue its business activities into the foreseeable future. As at the day of the financial statement preparation there were no circumstances that could indicate existence of any serious threats to the continuation of the Group's businesses activity.

Financial data included in the financial statement shall be expressed in PLN, unless otherwise indicated. Polish Zloty (PLN) shall be the Group's functional and reporting currency.

Statement of conformity

The presented condensed consolidated financial statement has been prepared in accordance the International Accounting Standard 34 'Interim Financial Reporting' (IAS 34) approved by the European Union and in line with the relevant accounting standards applicable to the interim financial reporting as approved by the European Union, published and being in force during the preparation of the Interim Consolidated Financial Statement.

New accounting standards and interpretations of the International Financial Reporting Interpretations Committee

The following new standards, amendments and interpretations to existing standards are effective as from 1 January 2012:

- amendments to IFRS 7 - "Disclosures - Transfer of Financial Assets". The changes are aimed at supporting the assessment of the risks associated with the transfer of financial assets and their impact on the financial position of an entity and will promote transparency in the reporting of transfer transactions, particularly those that contain the securitization of financial assets. Entities are required to apply the amendments for annual periods beginning on or after 1 July 2011 or later.

Adoption of other standards and interpretations did not result in any significant changes in accounting policies applied by the Company or in the presentation of information in financial statements.

IFRS standards and interpretations not yet effective:

The Company intends to adopt published but not yet effective amendments to IFRS, as of the date of their entry into force. During the reporting period, the Company has not made a decision on an early application of amendments to standards and interpretations.

- amendments to IFRS 7 - "Disclosures — Offsetting Financial Assets and Financial Liabilities" applicable to annual periods beginning on or after 1 January 2013. These amendments has not yet been approved by the European Union;

- IFRS 9 – "Financial Instruments" applicable to annual periods beginning on or after 1 January 2013. IFRS 9 shall successively replace IAS 39 - introduces improved and simplified approach to the classification and measurement/valuation of financial assets compared to the requirements of IAS 39. This standard has not yet been approved by the European Union;

- IFRS 10 "Consolidated Financial Statements" which replaces IAS 27 and SIC 12 and is applicable to annual periods beginning on or after 1 January 2013. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This standard has not been approved by the European Union,

- IFRS 11 "Joint ventures" applicable to annual periods beginning on or after 1 January 2013. IFRS 11 establishes principles of financial reporting for participants in joint ventures, replaces IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities - Non-Monetary Contributions by Venturers". This standard has not been approved by the European Union,

- IFRS 12 "Disclosure of Interests in Other Entities" applicable to annual periods beginning on or after 1 January 2013. IFRS 12 applies to entities having interest in a subsidiary, joint venture, an associate or an unconsolidated structured entity. This standard has not yet been approved by the EU,

- IFRS 13 "Fair Value Measurement" applicable to periods beginning on or after 1 January 2013. IFRS 13 defines fair value, establishes general rules for its measurement and determines the disclosure requirements regarding valuation. IFRS 13 applies to IFRSs that require or permit fair value measurement, except for certain exceptions. This standard has not yet been approved by the EU,

- amendments to IAS 19 "Employee Benefits" applicable to annual periods beginning on or after 1 January 2013. Changes complete a draft standard "Defined Benefit Plans" published in April 2010 and the proposals specified in the draft standard 37.

"Provisions, Contingent Liabilities and Contingent Assets", published in June 2005. These changes will make it easier for users of financial statements to understand how defined benefit plans affect the financial position and cash flows of an entity. The amendments have not yet been approved by the EU,

- amendments to IAS 27 published as IAS 27 "Separate Financial Statements", applicable to annual periods beginning on or after 1 January 2013. Provisions regarding consolidation being a part of IAS 27 (2008) have been revised and are included in IFRS 10. These amendments have not yet been approved by the EU,

- amendments to IAS 28 published as IAS 28 "Investments in Associates and Joint Ventures" applicable to annual periods beginning on or after 1 January 2013. These changes are a consequence of the introduction of IFRS 10, IFRS 11 and IFRS 12. These amendments have not yet been approved by the EU,

- amendments to IAS 1 "Presentation of Financial Statements", applicable to annual periods beginning on or after 1 January 2012. These amendments require entities to classify items presented in other comprehensive income into two groups based on whether or not in the future they can be recognized in the profit and loss account,
- amendments to IAS 12 "Income Taxes: Deferred Tax: Recovery of Underlying Assets", applicable to annual periods beginning on or after 1 January 2012.

The Management Board is currently assessing the impact of these standards and interpretations on the Company's reporting.

Principles of consolidation

The condensed consolidated financial statement contains the financial statement of a dominant entity and the financial statements of entities controlled by the dominant entity prepared as at 31 December 2012 (comparable data as at 31 December 2011). This statement has been prepared in accordance with the International Accounting Standard 34 'Interim Financial Reporting' (IAS 34) approved by the European Union and in line with the relevant accounting standards applicable to the interim financial reporting as approved by the European Union, published and being in force during the preparation of the Interim Consolidated Financial Statement.

As at the day of the statement hereof preparation, ARCUS S.A. had two subsidiaries:

- T-matic Systems S.A. (acquired 29 July 2008), and
- DocuSoft Limited Liability Company (acquired on 23 May 2011).

The financial results of an entity acquired or sold during the financial year are recognized in the consolidated financial statement as from their acquisition or sale.

The consolidated financial statement of the Capital Group has been prepared in line with full consolidation method.

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

Changes in Accounting Principles

The accounting principles and measurement methods applied for the preparation of the consolidated financial statement shall be consistent with those described in the approved consolidated financial statement of ARCUS S.A. Capital Group prepared in accordance with IFRS for the financial year ended 31 December 2011. The condensed consolidated financial statement prepared as at 31 December 2012 shall be read together with the consolidated financial statement of ARCUS S.A. Capital Group prepared in accordance with IFRS for the financial year ended 31 December 2012.

Polish zloty (PLN) shall be the functional and presentation currency of the condensed consolidated interim financial statement hereof.

V. Additional explanatory notes

Sales revenues

The tables below show the geographical structure and structure by type of the Group's sales revenues:

	01.01-31.12.2012	01.01-31.12.2011	01.01-31.12.2010
Revenues from sales of products	0	0	4 599
Revenues from sales of services	20 414	22 366	10 274
Revenues from sales of goods	164 261	138 016	183 625
Revenues from sales of materials			
Sales revenues TOTAL, including:	184 675	160 382	198 498
for related entities	5	600	765

	01.01-31.12.2012	01.01-31.12.2011	01.01-31.12.2010
Domestic sales	145 624	160 087	198 027
Sales to foreign customers	39 051	295	471
Sales revenues total	184 675	160 382	198 498

Operating costs

	01.01-31.12.2012	01.01-31.12.2011	01.01-31.12.2010
Consumption of materials and energy	7 469	7 486	5 585
Third party services	16 067	15 961	14 283
Taxes and fees	904	958	591
Remuneration	15 650	15 666	12 812
Employee benefits	3 453	2 152	2 320
Amortisation	2 161	2 152	1 533
Other costs by type	1 639	1 175	2 355
Value of sold goods	138 578	118 381	159 860
Operating costs - total	185 921	164 414	199 339
Change in inventory, products and prepayments and accruals	-227	-161	-553
Costs of manufacturing products for the entity's own needs			
Sales costs	23 907	23 993	20 988
General and administrative costs	7 280	7 339	6 762
Own sales cost	154 961	133 243	171 036

Other operating costs

	01.01-31.12.2012	01.01-31.12.2011	01.01-31.12.2010
Loss on sale of fixed assets	30	10	0
Costs of repairs of insured property	0	24	12
Liquidation of fixed assets	28	0	24
Donations	26	66	61
Revaluation of non-financial assets	465	3 641	74
Loss on property	0	21	41
Costs of agreement's termination	419	0	0
Other	434	193	32
TOTAL	1 405	4 022	287

Seasonality or cyclicity of business operations

The business activities of ARCUS S.A. are not subject to seasonality or cyclicity. The revenues of the Company are generated on the basis of permanent and incidental contracts. The significant share of incidental contracts in the Company's sales (as well as their variable occurrence during the year) leads to the variable level of sales in comparable periods of different years. At the same time, this factor does not have a considerable impact on the comparability of the Company's annual results. ARCUS S.A. successively aims at concluding long-term contracts which will reduce the impact on the results of incidental contracts. The Company attains mentioned objective through leasing of equipment to customers and development of maintenance, integration and telematics services. It is expected that these areas will continue to increase their share in the Company's revenues and EBITDA.

The business activities of a subsidiary company – T-MATIC SYSTEMS Ltd. are characterized by seasonal variations in the level of sales. The vast majority of sale is realized in the second half of the year. Taking into consideration the current, inconsiderable share of this company in the Group's revenues, mentioned variations do not have a significant impact on the Group's financial result. Business operations developed in the telemetry segment and contracts already concluded should contribute to a significant change in the revenue structure.

The business activities of a subsidiary company – DocuSoft Ltd. are characterized by seasonal variations in the level of sales. The vast majority of sale is realized in the second half of the year. Taking into consideration the current, inconsiderable share of this company in the Group's revenues, mentioned variations do not have a significant impact on the Group's financial result.

Business segment's sales results and revenues

Business activity of ARCUS Capital Group has been divided into the following business segments:

- **IT segment** – document lifecycle management systems (office solutions), including solutions, devices, software, services and correspondence management systems (mailstream solutions) dedicated to dispatching centres;
- **Telematics segment** - vehicles monitoring;
- **Telemetry segment (smart grid segment)** – management systems and measurement systems for electricity, gas, water and heating,
- **Other services segment** – servicing (maintenance services), ICT solutions integration services.

During the first half of 2011 and in 2010 the telemetry segment was not significant for the assessment of the Group's operations and due to that fact was not presented in this period.

Business segments' data for the period of 1 January 2012 – 31 December 2012:

	IT segment	Telematics segment	Telemetry segment	Other services segment	TOTAL
Revenues	142 850	4 350	24 105	13 370	184 675
Sales to external clients	142 850	4 350	24 105	13 370	184 675
Sales between segments					
Segment's revenues - total	142 850	4 350	24 105	13 370	184 675
Segment's result	12 635	-916	581	-1 204	11 096
Costs not allocated	-	0		0	-13 028
Profit on operating activities				-	-1 932
Net financial revenues				-	1 565
Profit before tax				-	-367
Income tax				-	-39
Net profit for the financial year				-	-406
Assets and liabilities					
Segment's assets	55 502	1 442	9 370	5 766	72 080
Assets not allocated				0	25 677
Total assets	55 502	1 442	9 370	5 766	97 757
Segment's liabilities	25 100	652	4 238	2 607	32 597

Liabilities not allocated				-	65 160
Total liabilities	25 100	652	4 238	2 607	97 757

Business segments' data for the period of 1 January 2011 – 31 December 2011:

	IT segment	Telematics segment	Telemetry segment	Other services segment	TOTAL
Revenues	130 591	5 673	12 975	11 143	160 382
Sales to external clients	130 591	5 673	12 975	11 143	160 382
Sales between segments					
Segment's revenues - total	130 591	5 673	12 975	11 143	160 382
Segment's result	7 150	332	-1 656	-2 787	3 039
Costs not allocated				0	-10 671
Profit on operating activities				-	-7 632
Net financial revenues				-	-423
Profit before tax				-	-8 055
Income tax				-	760
Net profit for the financial year				-	-7 295
Assets and liabilities					
Segment's assets	88 978	3 216	7 504	7 318	107 016
Assets not allocated				0	28 723
Total assets	88 978	3 216	7 504	7 318	135 739
Segment's liabilities	53 621	1 938	4 522	4 377	64 458
Liabilities not allocated				-	71 281
Total liabilities	18 264		1 745	499	135 739

Business segments' data for the period of 1 January 2011 – 31 December 2011:

	IT segment	Telematics and Telemetry segment	Other services segment	TOTAL
Revenues	181 625	5 063	11 810	198 498
Sales to external clients	181 625	5 063	11 810	198 498
Sales between segments	-	-	-	0
Segment's revenues - total	181 625	5 063	11 810	198 498

Segment's result	6 383	-2 035	557	4 905
Costs not allocated			0	5 384
Profit on continued activities before tax and financial revenues			-	-479
Net financial revenues			-	906
Profit before tax			-	427
Income tax			-	-159
Net profit for the financial year			-	268
Assets and liabilities				
Segment's assets	62 846	4 011	12 584	79 441
Assets not allocated			0	45 209
Total assets	62 846	4 011	12 584	124 650
Segment's liabilities	29 566	19 625	2 412	51 603
Liabilities not allocated			-	73 047
Total liabilities	29 566	19 625	2 412	124 650

Profit per share

	01.01 - 31.12.2012	01.01 - 31.12.2011	01.01 - 31.12.2010
Weighted average number of shares	7 395 157	7 395 157	7 395 157
Weighted average diluted number of shares			
Net profit (loss) attributable to the shareholders of a dominant entity (PLN THOUSAND)	1 675	-6 206	1 162
Net profit (loss) per share attributable to the shareholders of a dominant entity	0.23	-0.84	0.16
Diluted profit (loss) per share attributable to the shareholders of a dominant entity			

Type and amounts of items influencing the assets, liabilities, equity, net financial result or cash flow, which are unusual due to their type, amount and kind of influence

In the fourth quarter of 2012, the items influencing the assets, liabilities, equity, net financial result or cash flow, which are unusual due to their type, amount and kind of influence, were not recognized.

Type and amounts of changes in accounting estimates reported in current financial year's prior periods, or changes in accounting estimates reported in prior financial years, if they have a significant impact on the current interim period

Deferred income tax assets:

	01.01 - 31.12.2012	01.01 - 31.12.2011	01.01 - 31.12.2010
Opening balance	3 443	1 986	491
Release	-3 443	-1 986	-491
Creation	4 382	3 443	1 986
Closing balance	4 382	3 443	1 986

Provision for deferred income tax:

	31.12.2012	31.12.2011	31.12.2010
Opening balance	1 719	1 059	387
Release	-1 719	-1 059	-387
Creation	2 249	1 719	1 059
Closing balance	2 249	1 719	1 059

In the period of four quarters of 2012 non-financial assets revaluation write-offs at the amount of PLN 465 000 were determined.

	2012	2011	2010
Loss on sale of fixed assets	30	10	0
Costs of repairs of insured property	0	24	0
Liquidation of fixed assets	28	0	24
Donations	26	66	61
Revaluation of non-financial assets	465	3 641	74
Loss on property	0	21	41
Revaluation of financial assets	3	67	43
Costs of agreements' termination	419	0	0
Other	434	193	32
TOTAL	1 405	4 022	287

The table below presents the changes in provisions for liabilities:

	31.12.2012	31.12.2011	31.12.2010
Opening balance	3 334	2 729	1 163
Creation of the provision	2 450	783	2 123
Provision for warranty repairs	1 926	508	2 064
Provision for retirement benefits	348	275	59
Other	176	0	0
Use of provisions	2 125	160	448
Provision for warranty repairs	2 100	160	448
Provision for retirement benefits	25	0	0
Release of provisions	1 314	18	109
Provision for warranty repairs	1 084	18	0
Provision for retirement benefits	230	0	109
Closing balance	2 345	3 334	2 729

The balance of provisions as at 31 December 2012 is presented in the table below:

	31.12.2012	31.12.2011	31.12.2010
Provision for warranty repairs	1 693	2 568	2 314
Provision for retirement benefits	652	766	415
Provision for balance sheet audit	0	0	0
TOTAL	2 345	3 334	2 729
including:			
Long-term part	231	538	1 353
Provision for retirement benefits	28	5	1 095
Provision for retirement benefits	203	533	258
Short-term part	2 114	2 796	1 376
Provision for retirement benefits	1 665	2 563	1 219
Provision for retirement benefits	449	239	157
Provision for balance sheet audit	0	0	0

Dividends paid out or declared

During the period covered by the financial statement hereof, ARCUS S.A. neither declared nor paid the dividend.

Fixed assets

	31.12.2012	31.12.2011	31.12.2010
Fixed assets	2 755	3 133	1 619
Lands	0	0	0
Buildings and structures	0	0	0
Machinery and devices	767	895	276
Means of transport	741	826	473
Other	1 247	1 412	870
Fixed assets under construction	0	0	0
Fixed tangible assets	2 755	3 133	1 619

Change in fixed assets

Changes in fixed assets in the period of 1 January 2012 – 31 December 2012:

	Buildings and structures	Machines and devices	Means of transport	Other	TOTAL
Opening balance		895	826	1 412	3 133
Gross value					
As at 1 January 2012	0	2 234	1 143	3 466	6 843
Increases- Acquisition		897	158	2 020	3 075
Decreases – sales and liquidation	0	788	52	2 039	2 879
As at 31 December 2012	0	2 343	1 249	3 447	7 039
Redemption					
As at 1 January 2012	0	1 339	317	2 054	3 710
Increases - Amortization	0	650	195	730	1 575
Decreases - sales and liquidation	0	413	4	584	1 001
As at 31 December 2012	0	1 576	508	2 200	4 284
NET as at 31 December 2012	0	767	741	1 247	2 755

Changes in fixed assets in the period of 1 January 2011 – 31 December 2011:

	Buildings and structures	Machines and devices	Means of transport	Other	TOTAL
Opening balance		276	473	870	1 619
Gross value					
As at 1 January 2011	0	1 397	1 078	2 400	4 875
Increases- Acquisition		1 005	653	1 212	2 870
Decreases – sales and liquidation	0	168	588	146	902
As at 31 December 2011	0	2 234	1 143	3 466	6 843
Redemption					
As at 1 January 2011	0	1 121	605	1 530	3 256
Increases - Amortization	0	385	133	657	1 175
Decreases - sales and liquidation	0	167	421	133	721
As at 31 December 2011	0	1 339	317	2 054	3 710
NET as at 31 December 2011	0	895	826	1 412	3 133

Changes in fixed assets in the period of 1 January 2010 – 31 December 2010:

	Buildings and structures	Machines and devices	Means of transport	Other	TOTAL
Opening balance		312	586	2 986	3 884
Gross value					
As at 1 January 2010	0	1 370	1 023	4 188	6 581
Increases- Acquisition		128	105	389	622
Decreases – sales and liquidation	0	101	50	2 177	2 328
As at 31 December 2010	0	1 397	1 078	2 400	4 875
Redemption					
As at 1 January 2010	0	1 058	437	1 202	2 697
Increases - Amortization	0	161	178	334	673
Decreases - sales and liquidation	0	98	10	6	114
As at 31 December 2010	0	1 121	605	1 530	3 256
NET as at 31 December 2010	0	276	473	870	1 619

Off-balance-sheet fixed assets

	31.12.2012	31.12.2011	31.12.2010
On the basis of lease agreement	3 655	2 610	2 508
On the basis of tenancy agreement	0	0	9
TOTAL	3 655	2 610	2 517

Inventory

	31.12.2012	31.12.2011	31.12.2010
Warehouse stocking	16 584	22 586	27 900
Advances for deliveries	1	12 937	1 310
Total	16 585	35 523	29 210

	31.12.2012	31.12.2011	31.12.2010
Gross inventory	16 910	39 181	29 303
Inventory write-off	325	3 658	93
Net inventory - total	16 585	35 523	29 210

Receivables

	31.12.2012	31.12.2011	31.12.2010
Trade and other receivables	40 442	61 275	37 492
Receivables write-off	468	203	172
TOTAL	39 974	61 072	37 320

Cash

As at the end of the fourth quarter of 2012, ARCUS Capital Group had PLN 15 267 000 of cash allowing to ensure the financial liquidity.

	31.12.2012	31.12.2011	31.12.2010
Cash in hand	12	39	49
Cash at bank	333	807	1 184
Short-term deposits	14 922	10 650	40 900
TOTAL	15 267	11 496	42 133

Available for sale Financial assets

	31.12.2012	31.12.2011	31.12.2010
Shares of listed entities	1 647	1 855	2 278
Shares of not listed entities	0	0	0

In 2006, ARCUS S.A. Company acquired 70.000 shares of Południowy Koncern Energetyczny (The Southern-Poland Energy Company). The purchase price amounted to PLN 2 523 000. On 31 March 2010 shares of The Southern-Poland Energy Company were exchanged for 3.120.730 shares of TAURON POLSKA ENERGIA. The nominal value per share amounted to PLN 1. Since the end of June 2010, the shares of TAURON POLSKA ENERGIA are listed on the Warsaw Stock Exchange. On 30 June 2010 the TAURON PE share price amounted to PLN 5.05, with the assumption of 9:1 shares split ratio.

The Group holds 346 748 shares of TAURON Polska Energia (TAURON). As at 31 December 2012 share price amounted to PLN 4.75.

Share capital

The share capital of ARCUS S.A. currently amounts to PLN 739,515.70 and is divided into 7,395,157 bearer ordinary shares (A-series, B-series and C-series shares) of nominal value PLN 0.10 each and entitling to 7,395,157 votes. All shares are admitted to public trading on the Warsaw Stock Exchange. To the best of the Management Board's knowledge, the structure of ARCUS S.A. Dominant Company's shareholders holding at least 5% of votes at the Company's General Meeting is as follows:

Shareholder	Number of shares	Nominal value of shares held (PLN)	Share in capital = share in the total number of votes
MMR Invest SA (1)	4 800 000	480 000,00	64,91%
AIG TFI	600 000	60 000,00	8,11%
Others	1 995 157	199 515,70	26,98%
TOTAL	7 395 157	739 515,70	100,00%

1) Mr Marek Czeredys and Michał Czeredys through MMR Invest SA Company hold 4 800 000 shares of ARCUS S.A. which accounts for 64.91% of share capital and total number of votes at ARCUS S.A. General Meeting

In the period between the date of submitting the previous interim financial statement and the date of the financial statement hereof publication, there were no changes in the shareholding structure.

On 14 June 2012 the Ordinary General Meeting of the Company's Shareholders adopted the Resolution No 26 on the acquisition by the Company of own shares for the purpose of their redemption in the amount not exceeding 10% of the share capital and at a price not exceeding PLN 6. The buy-back commenced in September 2012. As at 31 December 2012 the Company held 31 716 own shares purchased at an average price amounting to PLN 2.90. These shares account for 0.43% of the share capital and 0.43% of the total numbers of votes at the General Meeting.

Shares held by managing and supervising persons

Shares held by the managing and supervising persons as at the day of the financial statement for the fourth quarter of 2012 publication:

	As at 31 December 2012 and as at the day of the financial statement for the fourth quarter of 2012 publication	
Shareholder	Number of shares = number of votes / Nominal value (PLN)	% share in the share capital (= % share in the total number of votes)
Grażyna Syrczyńska	2 901 / 290,1	0,04%

According to the Company's knowledge, in the period between the date of submitting the previous interim financial statement and the date of the financial statement hereof publication, there were no changes with regard to the number of shares held by the managing and supervising persons.

According to the Company's knowledge, Members of the Supervisory and Management Boards did not hold the shares of ARCUS S.A. as per 31 December 2012 and as per the date of the financial statement hereof preparation.

Credits and loans

In the fourth quarter of 2012, the Group was not granted any loan or credit guarantees nor guarantees except for those described in the report hereof. At the same time, as at 31 December 2012 the Company had an agreement of 10 July 1998 regarding a short-term working capital loan signed with PeKaO Bank S.A. and extended with annexes for subsequent periods. The credit at the amount of PLN 4 000 000 shall be repaid until 30 November 2013. An interest rate on a credit shall be variable and shall be determined on the basis of WIBOR rate increased by the Bank's margin. The debt as at 30 September 2011 amounted to PLN 2 495 000. At the same time, ARCUS S.A. as at 31 December 2012 is granted the credit lines by Kredyt Bank BZ WBK and BRE Bank at the amount of PLN 20 000 000 and PLN 25 000 000.

In the fourth quarter of 2012 any of the Group's companies' loan and credit agreements were not terminated.

Short-term bank credits and loans

	31.12.2012	31.12.2011	31.12.2010
Loans granted by related entities	0	0	0
Short-term credits	4 000	9 707	0
TOTAL	4 000	9 707	0

List of changes in continent liabilities or contingent assets which occurred since the financial year's end

	31.12.2012	31.12.2011	31.12.2010
For the benefit of other entities:	66 802	66 972	42 726
1) Bill of exchange liabilities, including issued for:	39 155	38 452	23 206
a) Bank as credit collateral	4 000	4 000	4 000
b) Insurance companies due to performance bond granted	6 511	5 653	2 409
c) Insurance companies due to deposits guarantees	1 000	1 000	957
d) Bills of exchange payable in respect of import letters of credit	18 512	17 667	15 840
e) Liabilities due to lessor	10 132	10 132	0

2) Repossession of warehouses	7 000	16 000	7 000
3) Assignment Of Accounts Receivable	10 000	10 000	10 000
4) The pledge on TAURON shares in respect of import letters of credit	1 647	2 520	2 520

'Contingent liabilities' include mainly guarantees of letters of credit as well as performance bonds and deposit guarantees granted to ARCUS S.A. The value of contingent liabilities in respect of insurance guarantees amounted to PLN 7 511 000 as at 31 December 2012. According to the Company's anticipations it would not be necessary to use aforementioned guarantees.

Lease agreements

ARCUS S.A. has 33 lease agreements for the total amount of PLN 8 4600 000 concluded with four lease companies. Mentioned agreements regard the equipment which is leased to ARCUS S.A. clients on the basis of long-term agreements. Inserters and office devices shall be the subject of these agreements, which on a standard basis are secured with assignment of lease agreements, sola bills together with a bill of exchange declaration and sporadically with a deposit.

Transactions with related entities

In the fourth quarter of 2012, T-matic System Ltd. and DocuSoft Ltd. were the entities directly related to ARCUS S.A. (through the shares held).

Moreover, the following entities were ARCUS S.A. Company's related entities in 2012:

- **ZAKŁAD DOŚWIADCZALNY INSTYTUTU ZOOTECHNIKI MEŁNO Ltd.** (Experimental Department of the Animal Technology Institute) – major shareholder of ARCUS S.A. is the major shareholder of ZD IZ MEŁNO Sp. z o.o.,
- **Wierzbowski i Wspólnicy (legal office)** – a partner in this legal office serves as a Member of ARCUS S.A. Management Board,
- **KOMA GPS** – Maciej Komorowski – Business of Maciej Komorowski, the Member of T-matic Systems Ltd. Management Board,

- **JK System Jacek Kaźmierczak** – Business of Jacek Kaźmierczak, the Member of T-matic Systems Ltd. Management Board,
- **E’SALDO** Biuro Rachunkowe Janina Maria Zalewska (Accounting Office) – Business of the first degree relative of one of T-matic Systems Ltd. Management Board’s Members,
- **ADD Polska Ltd., Limited Partnership** – founders of T-matic Ltd. are the partners in the limited partnership,
- **ADD Polska Ltd.** - founders of T-matic Ltd. are the shareholders of this company while one of the members of the Management Board of T-matic Systems Ltd. is a President of the Management Board of this company,
- **Bluetech Civil Law Partnership G.Szyszka, A. Zalewski, G. Ziętek** – business of two shareholders of T-matic Systems.

In the period of fourth quarters of 2012, ARCUS S.A. Capital Group’s companies did not conclude any transactions with related entities under other than market conditions.

Period / Entity	Sales	Purchase	Receivables	Liabilities
2012				
Kancelaria Wierzbowski i Wspólnicy	3	3	0	0
JK System	0	93	0	14
ZDIZ Mełno	0	43	0	0
eSaldo J.M. Zalewska	0	57	0	0
BLUTECH S.C. G. Szyszka, A. Zalewski, G. Ziętek	0	134	0	10
ADD Polska Ltd., Limited Partnership	3	23 131	5	168
TOTAL	6	23 461	5	196
2011				
ADD Polska Ltd., Limited Partnership	585	6 671	720	2 872
OBP Incentive		182		
Zakład Doświadczalny Instytutu Zootechniki MEŁNO		41		
Prof. Marek Wierzbowski i Partnerzy	15	47	1	
TOTAL	600	6 941	721	2 876

2010				
DocuSoft Ltd.	0	235	0	0
Inforsys S.A.	896	29	986	
OBP Incentive		224		
Zakład Doświadczalny Instytutu Zootechniki MEŁNO		31		4
KOMA GPS M. Komorowski		22		
eSaldo J.M. Zalewska		83		9
Bluetech Civil Law Partnership		35		16
ADD Polska Ltd.			1	
ADD Polska Ltd., Limited Partnership		1 182	1	
TOTAL	896	1 841	988	29

Changes in the structure of a Group and dominant entity

In the fourth quarter of 2012, there were no changes in the structure of the Capital Group.

Previously published forecasts

The Management Board of ARCUS S.A. did not publish forecasts regarding the financial results of ARCUS Capital Group and ARCUS S.A. Dominant Company for the year 2012.

Issue, redemption and repayment of debt and equity securities

During the period covered by the financial statement hereof, the operations associated with issue, redemption and repayment of debt and equity securities were not carried out. In the third quarter the Company has been performing the Resolution No 26 of the OGM as regards the shares buy-back. All transactions, including with Dom Maklerski AmerBrokers S.A. (Brokerage House) were described in details in current reports. As at 31 December 2012, the Company held 31 716 own shares.

Significant proceedings pending before a court, before a relevant body for conducting arbitration proceedings or before government bodies

In the fourth quarter of 2012, any court proceedings of individual or aggregate value of the subject of court dispute exceeding 10% of the Company's equity were not pending against the Company or its subsidiaries, despite a dispute with Social Insurance Institution described on page 20.

Granted sureties, credits, loans and guarantees

In the fourth quarter of 2012, the Group's companies did not grant any sureties, credits, loans or guarantees which total value for a single entity would exceed 10% of the issuer's equity, despite sureties granted to ARCUS S.A. by subsidiaries Docusoft and T-matic in favour of Pekao S.A. Bank as a security of an import letter of credit of value amounting to EUR 4 500 000 and an overdraft at the amount of PLN 4 000 000. In the fourth quarter of 2012 any of the Group's companies' loan and credit agreements were not terminated.

The interim condensed consolidated financial statement hereof was approved for publication and signed by the Management Board of a dominant entity on 1 March 2013. Together with the interim condensed consolidated financial statement hereof also the interim condensed unconsolidated (separate) financial statement is published (also approved for publication and signed by the Management Board of a dominant entity on 1 March 2013).

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Michał Czeredys – President of the Management Board

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Marek Mulań – Vice-President of the Management Board

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Prepared by: Grażyna Syrczyńska – Chief Accountant

Warsaw, 1 March 2013.

VI. UNCONSOLIDATED FINANCIAL STATEMENT OF ARCUS S.A. FOR THE FOURTH QUARTER OF 2012

Condensed unconsolidated financial statement of ARCUS S.A. for the fourth quarter of 2012 prepared in accordance with the International Financial Reporting Standards.

Selected financial data of ARCUS S.A.

Selected Financial Data	Year 2012 (unaudited)	Year 2011	Year 2010	Year 2012 (unaudited)	Year 2011	Year 2010
	PLN THOUSAND			EUR THOUSAND		
I. Revenues from sales of products	180 408	153 235	193 442	43 226	37 012	48 307
II. Operating Profit (Loss)	3 253	-5 422	1 612	779	-1 310	403
III. Profit (Loss) Before Tax	5 286	-5 338	2 856	1 267	-1 289	713
IV. Net profit (loss)	4 002	-5 067	2 255	959	-1 224	563
EBITDA	5 262	-3 807	2 957	1 261	-919	738
V. Comprehensive income	3 833	-5 633	2 031	918	-1 361	507
VI. Net Operating Cash Flow	-37 337	-35 742	23 440	-8 946	-8 633	5 854
VII. Net Investment Cash Flow	-4 500	-4 500	-2 918	-1 078	-1 087	-729
VIII. Net Financial Cash Flow	10 622	7 930	1 374	2 545	1 915	343
IX. Change in Cash	-31 215	-32 312	21 896	-7 479	-7 805	5 468
X. Profit (loss) per share	0,54	-0,69	0,30	0,13	-0,17	0,08
As at	31 December 2012	31 December 2011	31 December 2010	31 December 2012	31 December 2011	31 December 2010
	PLN THOUSAND			EUR THOUSAND		
XI. Total Assets	100 245	132 196	122 671	24 521	22 696	30 975
XII. Long-Term Liabilities	4 883	5 814	4 871	1 194	1 106	1 230
XIII. Short-Term Liabilities	30 082	64 843	50 852	7 358	6 811	12 840
XIV. Equity	65 280	61 539	66 948	15 968	14 780	16 905
XV. Share Capital	740	740	740	181	168	187
XVI. Shares Number (weighted average)	7 395 157	7 395 157	7 395 157	7 395 157	7 395 157	7 395 157
XVII. Book value per Share	8,83	8,32	9,05	2,16	2,00	2,29

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

- For balance sheet items – 4.0882 - National Bank of Poland exchange rate applicable on 31 December 2012; 4.4168 - National Bank of Poland exchange rate applicable on 31 December 2011; 3.9603 - National Bank of Poland exchange rate applicable on 31 December 2010,
- For the profit and loss account and cash flow statement items for the period of 12 months of 2012, 2011 and 2010 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 2012:
EUR 1 = PLN 4.1736;
 - Average exchange rate between 1 January and 31 December 2011:
EUR 1 = PLN 4.1401;
 - Average exchange rate between 1 January and 31 December 2010:
EUR 1 = PLN 4.004.

ARCUS S.A. statement of comprehensive income

Profit and loss account	Year 2012 (unaudited)	Year 2011	Year 2010	01.10- 31.12.2012	01.10- 31.12.2011	01.10- 31.12.2010
PLN THOUSAND						
Continued activities						
Sales revenue	180 408	153 235	193 177	72 316	75 504	78 498
Own sales cost	-150 510	-127 233	-166 981	-61 489	-61 043	-70 023
Gross sales profit (loss)	29 898	26 002	26 196	10 827	14 461	8 475
Other operating revenue	755	215	40	245	560	0
Sales costs	-21 344	-22 329	-19 333	-9 048	-8 437	-4 531

General and administrative costs	-5 638	-5 435	-5 384	-1 251	-1 608	-1 422
Other operating costs	-418	-3 875	-172	156	-1 806	-44
Operating profit (loss)	3 253	-5 422	1 347	929	3 170	2 478
Financial revenue	2 202	1 047	1 646	192	-132	408
Financial costs	-169	-963	-137	27	-639	-106
Profit (loss) before tax	5 286	-5 338	2 856	1 148	2 399	2 780
Income tax	-1 284	271	-601	-197	-2 082	-544
- Current tax	-389	-70	-930	-358	-70	-738
- Deferred tax	-895	341	329	161	-2 012	194
Net profit (loss) on continued activities	4 002	-5 067	2 255	951	317	2 236
Net profit (loss)	4 002	-5 067	2 255	951	317	2 236
Profit (loss) per share on continued activities						
Ordinary and diluted	0,54	-0,69	0,30	0,13	0,04	0,30

Statement of comprehensive income	Year 2012 (unaudited)	Year 2011	Year 2010	01.10-31.12.2012	01.10-31.12.2011	01.10-31.12.2010
	PLN THOUSAND					
Net Profit (loss)	4 002	-5 067	2 255	951	317	2 236
Components of other comprehensive income:						
Financial Assets available for sale	-209	-699	-276	-52	-189	160
Deferred Tax regarding other comprehensive income	40	133	52	10	36	-30
Other net comprehensive income	-169	-566	-224	-42	-153	130
Comprehensive income for the period	3 833	-5 633	2 031	909	164	2 366
Comprehensive income per share (ordinary and diluted)	0,52	-0,76	0,27	0,12	0,02	0,32

ARCUS S.A. statement of financial position

Assets	As at 31 December 2012	As at 31 December 2011	As at 31 December 2010
PLN THOUSAND			
FIXED ASSETS			
Fixed tangible assets	2 642	2 951	1 242
Intangible assets	2 132	1 949	498
Shares in subsidiaries	5 975	5 975	3 598
Financial assets available for sale	1 647	1 855	2 278
Long term receivables	8 366	10 268	4 984
Deferred income tax assets	1 602	2 391	1 471
TOTAL	22 364	25 389	14 071
CURRENT ASSETS			
Inventory	14 898	34 241	28 186
Short-term investments	1 695	5 702	5 248
Trade and other receivables	46 922	57 701	33 691
Cash	14 366	9 163	41 475
TOTAL	77 881	106 807	108 600
TOTAL ASSETS	100 245	132 196	122 671

Liabilities	As at 31 December 2012	As at 31 December 2011	As at 31 December 2010
PLN THOUSAND			
Equity			
Share capital	740	740	740
Reserve Capital from sale of shares at premium	38 024	38 024	38 024
Revaluation capital	-735	-566	-224
Own shares	-92	0	0
Retained earnings	27 343	23 341	28 408
TOTAL	65 280	61 539	66 948
Long-term liabilities			
Provision for deferred income tax	1 473	1 427	939
Provisions for liabilities	228	412	1 294
Other long-term liabilities	3 182	3 975	2 638

TOTAL	4 883	5 814	4 871
Short-term liabilities			
Trade and other liabilities	23 932	52 306	49 212
Income tax liabilities	389	70	266
Provisions for liabilities	1 761	2 760	1 374
Other financial liabilities – credits	4 000	9 707	0
Accruals	0	0	0
TOTAL	30 082	64 843	50 852
Other liabilities	736	0	0
TOTAL LIABILITIES	100 245	132 196	122 671

STATEMENT OF CHANGES IN EQUITY

For the period of 1 January 2012 – 31 December 2012

(not audited)

	Core Capital	Capital from sale of shares at premium	Retained Earnings	Revaluation Capital	Own shares	Total
Status as at 1 January 2012	740	38 024	23 341	-566	0	61 539
Net profit	0	0	4 002	0		4 002
Income tax adjusted financial assets available for sale				-169		-169
Purchase of own shares					-92	-92
Status as at 31 December 2012	740	38 024	27 343	-735	-92	65 280

For the period of 1 January 2011 – 31 December 2011

	Core Capital	Capital from sale of shares at premium	Retained Earnings	Revaluation Capital	Total
Status as at 1 January 2011	740	38 024	28 408	-224	66 948
Net profit	0	0	-5 067	0	-5 067
Income tax adjusted financial assets available for sale	0	0	0	-342	-342
Status as at 31 December 2011	740	38 024	23 341	-566	61 539

For the period of 1 January 2010 – 31 December 2010

	Core Capital	Capital from sale of shares at premium	Retained Earnings	Revaluation Capital	Total
Status as at 1 January 2010	740	38 024	26 153	0	64 917
Net profit	0	0	2 255	0	2 255
Income tax adjusted financial assets available for sale				-224	-224
Status as at 31 December 2010	740	38 024	28 408	-224	66 948

Cash Flow Statement

	01.01-31.12.2012	01.01-31.12.2011	01.01 - 31.12.2010
Operating Activities			
Profit (Loss) before Tax	5 286	-5 338	2 856
Items Adjustments	4 472	-30 404	20 584
Depreciation	1 589	1 260	702
Interest Received	-405	-964	-1 641

Dividends received	-107	-52	0
Profit (Loss) on Investment Activities	-73	3	-10
Change in Inventories	19 343	-6 055	-10 589
Change in accounts receivable	14 452	-21 377	15 172
Change in Liabilities and Reserves	-30 196	-2 981	18 296
Change in other Assets	0	0	0
Income Tax Paid	-226	-266	-949
Other	95	28	-397
	9 758	-35 742	23 440
Investment Activities			
Inflows	5 048	58	652
Inflows proceeding from disposal of intangible assets and tangible fixed assets	73	-3	10
Repayment of loans by related entities	4 868	9	642
Dividends received	107	52	
Outflows	-4 850	-4 558	-3 570
Outflows regarding acquisition of tangible fixed assets	-3 350	-4 458	-720
Loans granted to related entities	-1 500	-100	-2 819
Other outflows	0	0	-31
	198	-4 500	-2 918
Financial Activities			
Inflows	5 085	10 350	1 588
Interests received	1 085	643	1 588
Inflows from credits and loans	4 000	9 707	0
Outflows	-9 838	-2 420	-214
Acquisition of shares	0	-2 010	0
Share capital increase in related entity	0	-367	0
Repayment of loans and credits	-9 707	0	0
Interest Paid	-39	-43	-214
Own shares purchase	-92	0	0
	-4 753	7 930	1 374

Change in Cash	5 203	-32 312	21 896
Balance sheet change in cash, including:			
Cash at the period beginning	9 163	41 475	19 579
Cash at the period end	14 366	9 163	41 475

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Michał Czeredys – President of the Management Board

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Marek Mulan – Vice-President of the Management Board

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Prepared by: Grażyna Syrczyńska – Chief Accountant

Warsaw, 1 March 2013.